

NPFC-2025-FAC07-IP01

Information paper submitted by the Secretariat

NPFC Auditor's Report for 2023/2024 Financial Year

NPFC undertakes an annual audit of its finances as directed under Financial Regulations 36 to 38. The NPFC financial year is April 1 to March 31.

Attached is the Auditors Report for 2023/2024. This was previously circulated to you in NPFC Circular #012/2025.

The external auditor concluded that the audit evidence they reviewed was sufficient and appropriate to provide the basis for the audit opinion. No instances came to the auditor's attention to indicate noncompliance with the Commission's financial regulations.

The audit was significantly delayed from its intended release and reflects a more complex financial reality with significant expenditures occurring in voluntary contributions. The financial system has now been updated to use commercial accounting software. One benefit will be to allow for more timely audits.

NPFC-2025-FAC07-WP01 has also been updated as WP01 Rev.1 as the overall commission surplus was reduced due to updates made for expenditures. The overall Commission surplus that had been reported as a preliminary number in FAC07-WP01 was slightly reduced from ¥11,217,193 to ¥10,591,803. This surplus has been transferred to the Working Capital Fund.

**NORTH PACIFIC
FISHERIES COMMISSION
(NPFC)**

**Annual Financial Statement
and
Auditor' s Report**

31 March 2024

Annual Report

For the Year Ended 31 March 2024

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MEMBERS OF COMMISSION

Canada
China
Japan
Korea
Russia
Chinese Taipei
USA
Vanuatu
EU

COOPERATING NON-CONTRACTING PARTY

Panama

EXECUTIVE SECRETARY

Robert William Day

COMPLIANCE MANAGER

Judith Irene Dwyer

SCIENCE MANAGER

Aleksandr Zavolokin

EXECUTIVE ASSISTANT

Yuko Yoshimura-Takamiya

DATA COORDINATOR

Sungkuk Kang

BANKER

MUFG Bank, Ltd.

NATURE OF BUSINESS

Inter-Governmental organisation which is committed to ensuring the long-term conservation and sustainable use of high seas fisheries resources in the North Pacific Ocean and protection of marine ecosystems.

FINANCIAL AUDITOR

Katsumi Kuwazawa
Certified Public Accountant

**Statement of Income and Expenditure
For the Year Ended 31 March 2024**

(JPY)

【General Fund (GF)】

Actual
2023
¥

Income

Member Contributions

160,804,996

Miscellaneous

0

Total Income

160,804,996

Less Expenses

Personnel Costs

92,703,546

Other service Costs

61,472,280

Total Expenses

154,175,826

GENERAL FUND SURPLUS

6,629,170

【OSAKA COM08 APRIL 2024 PROJECT】

(General Fund with income from Working Capital Fund)

Actual
2023
¥

Income

Osaka funds available (transfer to GF from WCF July 2024)

20,000,000

Total Income

20,000,000

Less Expenses

Expense Osaka in 2023 year

1,955,777

Account Payable Osaka paid in 2024 year

15,481,590

Total Expenses

17,437,367

OSAKA FUND SURPLUS

2,562,633

Transfer from Special Project Fund

1,400,000

GENERAL FUND PLUS OSAKA FUND SURPLUS

10,591,803

Statement of Financial Position
As of 31 March 2024

(JPY)

Actual
2023
¥

Current Assets

| | |
|---|-------------|
| Cash & Cash Equivalents | 278,366,238 |
| Accounts Receivable (Outstanding Contribution – Russia 2 years) | 12,358,421 |
| Accounts Receivable (Outstanding VCF Canada Contribution) | 4,124,117 |

| | |
|-----------------------------|--------------------|
| Total Current Assets | 294,848,776 |
|-----------------------------|--------------------|

Current Liabilities

| | |
|---|------------|
| Accounts Payable | 16,366,499 |
| Accounts Payable Canada VCF | 243,960 |
| Deposit Received (Tax for Tax Accountant's Fee) | 88,880 |

| | |
|----------------------------------|-------------------|
| Total Current Liabilities | 16,699,339 |
|----------------------------------|-------------------|

EQUITY

| | |
|---------------------|--------------------|
| Net Assets | 278,149,437 |
| Total Equity | 278,149,437 |

**Notes to the Special Purpose Financial Statements
For the Year Ended 31 March 2024**

1. STATEMENT OF ACCOUNTING POLICIES

Accrual Basis

The financial statements are prepared on an accruals basis. Accrual Basis applies to accounting for assets, liabilities, income (including member contributions) and expenditures except that vacation pay shall be expensed in the period it is paid.

Plant and Equipment

Capital assets are to be recorded as expenditures in the year of acquisition, without capitalization and amortization in the accounts.

Measurement Base

The measurement base adopted is historical cost.

Presentation Currency

All amounts are presented in Japanese Yen.

Foreign Currencies

Foreign Currency transactions are converted to Japanese Yen at the exchange rate ruling at the date of transaction. Foreign exchange gain or loss is indicated in Statement of Income and Expenditure. Amounts payable and received at balance date are converted to Japanese Yen at exchange rate ruling that daily rate at the bank.

2.NATURE OF BUSINESS

North Pacific Fisheries Commission is an inter-governmental organization that is committed to the long-term conservation and sustainable use of high seas fisheries resources in the North Pacific Ocean and protection of marine ecosystems in which these resources occur.

3. AUDIT

These financial statements are subject to audit.

**Notes to the Special Purpose Financial Statements
For the Year Ended 31 March 2024**

4. FUNDS

Actual
2023
¥

Special Projects Fund

Schedule of Income and Expenditures and Changes in Fund Balance
For 31 March 2024

Income and other additions

| | |
|---|-------------------|
| Beginning of the fiscal year | 36,473,311 |
| Total income and other additions | 36,473,311 |

Expenditures

| | |
|---|-------------------|
| Due to General Fund for science meetings in Vanuatu August 2023 | 1,400,000 |
| Bank fees | 550 |
| Total expenditures | 1,400,550 |
| Special Project Fund Balance at year end | 35,072,761 |

Repatriation Fund

Schedule of Income and Expenditures and Changes in Fund Balance
For 31 March 2024

Income and other additions

| | |
|---|-------------------|
| Beginning of the fiscal year | 10,988,549 |
| Due from General Fund per budget | 8,432,926 |
| Due from General Fund per budget | 3,000,000 |
| Total income and other additions | 22,421,475 |

Expenditures

| | |
|--|-------------------|
| Bank fees | 550 |
| Total expenditures | 550 |
| Repatriation Fund Balance at year end | 22,420,925 |

Voluntary Contribution Funds

Schedule of Income and Expenditures and Changes in Fund Balance
For 31 March 2024

Canada Voluntary Contribution Fund

Income and other additions

| | |
|--|------------------|
| Opening Balance (due to CAD gain on the exchange rate) | 0 |
| 2023 voluntary contribution 1 | 4,937,525 |
| 2023 voluntary contribution 2 (AR) | 4,124,117 |
| Total income and other additions | 9,061,642 |

Expenditures

| | |
|---|------------------|
| Costs including planned spending (data entry, analysis and app refinements) | 8,588,034 |
| Canada Account payable | 243,960 |
| Total expenditures | 8,831,994 |
| Balance at year end | 229,648 |

China Voluntary Contribution

Income and other additions

| | |
|---|-------------------|
| Opening Balance | 7,246,420 |
| 2023 Contribution | 2,976,090 |
| Total income and other additions | 10,222,510 |

Expenditures

| | |
|----------------------------|------------------|
| Audio system parts | 3,000,000 |
| Total expenditures | 3,000,000 |
| Balance at year end | 7,222,510 |

United States Voluntary Contribution

Income and other additions

| | |
|---|------------------|
| Opening balance | 0 |
| 2023 Contribution | 2,972,800 |
| Total income and other additions | 2,972,800 |

Expenditures

| | |
|---------------------------------|------------------|
| CMSA Niigata meeting attendance | 390,827 |
| Total expenditures | 390,827 |
| Balance at year end | 2,581,973 |

Panama – Previous Cooperating Non-Contracting Party

Income and other additions

| | |
|---|-------------------|
| Opening Balance | 10,309,900 |
| Voluntary Contribution in 2023 | 6,040,215 |
| Total income and other additions | 16,350,115 |

Expenditures

| | |
|----------------------------|-------------------|
| Bank fees | 550 |
| Total expenditures | 550 |
| Balance at year end | 16,349,565 |

Note: Panama has a surplus contribution of 985,195 JPY over the requested payment.

| | |
|--|------------|
| Available for appropriation from Panama Fund | 985,195 |
| | 15,364,370 |

Panama has asked to retain these surplus funds with NPFC pending future decisions.

| | |
|---|--------------------|
| Voluntary Contribution Funds at year end | ¥26,383,696 |
|---|--------------------|

Notes to the Special Purpose Financial Statements
For the Year Ended 31 March 2024

5. CASH and CASH EQUIVALENTS

| | Actual 2023 ¥ |
|--|---------------------|
| MUFG Bank, Ltd. (General) | 57,091,908 |
| MUFG Bank, Ltd. (Others) | 221,274,330 |
| Total Cash and Cash Equivalents | ¥278,366,238 |

6. ACCOUNTS RECEIVABLE

| | Actual 2023 ¥ |
|------------------------------------|---------------------|
| RUSSIA | 12,358,421 * |
| TOTAL MEMBER CONTRIBUTION | ¥12,358,421 |
| Others Accounts Receivable | |
| Canada Voluntary Contribution Fund | 4,124,117 ** |
| TOTAL ACCOUNTS RECEIVABLE | ¥16,482,538 |

* Russia paid 2022 and 2023 Accounts Receivable in 2024

** Canada paid in 2024

7. ACCOUNTS PAYABLE

| | Actual 2023 ¥ |
|---|---------------------|
| Credit Card | 767,949 |
| Others (Bills reached in April and May) | 116,960 |
| Osaka COM08 Costs | 15,481,590 |
| Total Accounts Payable | ¥16,366,499 |

8. MEMBER CONTRIBUTIONS

| | Actual 2023 ¥ | Budget (unaudited) ¥ |
|-----------------------------------|---------------------|----------------------------|
| Canada | 7,593,071 | 7,593,071 |
| China | 56,520,881 | 56,520,881 |
| EU | 6,706,785 * | 6,706,785 |
| Japan | 44,000,000 | 44,000,000 |
| Korea | 7,758,013 | 7,758,013 |
| Russia | 6,238,421 ** | 6,238,421 |
| Chinese Taipei | 17,874,569 | 17,874,569 |
| USA | 8,396,381 | 8,396,381 |
| Vanuatu | 5,716,875 | 5,716,875 |
| Total Member Contributions | ¥160,804,996 | ¥160,804,996 |

*Note: NPFC covered the bank charge ¥4,853 and received ¥6,701,932.

**Note: Outstanding contribution for 2022 and 2023 but paid in 2024

9. VOLUNTARY CONTRIBUTIONS

| | Actual 2023 ¥ | Budget (unaudited) ¥ |
|---|---------------------|----------------------------|
| CANADA Total Incl Acct Receivable of ¥4,124,117 | 9,061,642 * | 0 |
| CHINA | 2,976,090 | 0 |
| USA | 2,972,800 | 0 |
| PANAMA | 6,040,215 ** | 0 |
| Total Voluntary Contributions | ¥21,050,747 | ¥0 |

*Note: Recived on 05 Apr 2023 and 02 Aug 2024

**Note: Received 43,500.00 PAB-USD • Exchanged to 6,040,215 JPY

**Notes to the Special Purpose Financial Statements
For the Year Ended 31 March 2024**

10. PERSONNEL COSTS

| | Actual 2023 ¥ | Budget (unaudited) ¥ |
|---|---------------------|----------------------------|
| 1.1 Executive Secretary | 18,151,704 | 18,151,704 |
| 1.2 Professional Category 1 | 13,004,548 | 13,204,548 |
| 1.3 Professional Category 2 | 14,702,700 | 14,702,700 |
| 1.4 General Services Category 1 | 7,789,956 | 7,789,956 |
| 1.5 General Services Category 2 | 7,720,875 | 7,314,000 |
| 1.7 Temp Services | 0 | 0 |
| 1.8 (a) Social Security & Insurance1.8 (b) Pension Cost | 16,004,157 | 15,519,088 |
| 1.9 Overtime | 469,901 | 500,000 |
| 1.10 (a) Staff Allowances – Home leave | 445,190 | 2,650,000 |
| 1.10 (c) Staff Allowances – Repatriation | 3,000,000 | 3,000,000 |
| 1.10 (d) Staff Allowances – Accommodation | 8,752,000 | 8,400,000 |
| 1.11 Professional Develop. / Training | 849,138 | 1,000,000 |
| 1.12 Education fee | 1,199,940 | 1,500,000 |
| 1.13 Separation Allowances | 0 | 0 |
| Total PERSONNEL COSTS | ¥92,703,546 | ¥94,504,996 |

11. OTHER SERVICE COSTS

| | Actual 2023 ¥ | Budget (unaudited) ¥ |
|-----------------------------------|---------------------|----------------------------|
| 2.1 Office Equipment + Furniture | 2,421,038 | 2,500,000 |
| 2.2 Office Supplies | 1,141,524 | 1,300,000 |
| 2.3 Rentals | 0 | 0 |
| 2.4 Communications | 1,364,778 | 1,300,000 |
| 2.5 Printing | 359,753 | 350,000 |
| 2.6 Duty Travel | 6,767,436 | 7,000,000 |
| 2.7 Auditing | 870,520 | 900,000 |
| 2.8 Contractual Services | 9,912,331 | 10,000,000 |
| 2.9 Database Management | 9,829,128 | 10,000,000 |
| 2.10 MCS Costs | 9,263,020 | 13,000,000 |
| 2.11 Meeting costs & Workshops | 5,163,881 | 6,000,000 |
| 2.12 Science Support | 13,806,465 | 13,400,000 |
| 2.13 Staff Recruitment + Hiring | 0 | 1,000,000 |
| 2.14 To/From Working Capital Fund | 0 | 0 |
| 2.14 To/From Special Project Fund | 0 | -1,400,000 |
| 2.15 Representation Expenses | 57,431 | 250,000 |
| 2.16 Miscellaneous | 514,975 | 700,000 |
| Total OTHER SERVICE COSTS | ¥61,472,280 | ¥66,300,000 |

12. TRANSFER OF APPROPRIATIONS

There are some transfers for the period ended 31 March 2024 as follows:

| | From | To | Amount | Purpose |
|---|----------------------|-----------------------------|-------------------|--|
| 1 | Working Capital Fund | General Fund | 30,000,000 | Establish operational funding |
| 2 | Working Capital Fund | General Fund | 20,000,000 | Osaka meetings of TCC, FAC, COM |
| | | | 50,000,000 | |
| 3 | General Fund | Working Capital Fund | 4,969,265 | Surplus from 2022 after covering retirement fund pension liability |
| 4 | General Fund | Repatriation Fund | 3,000,000 | Rebuild repatriation fund |
| 5 | General Fund | Repatriation Fund | 8,432,916 | Retirement fund |
| | | | 11,432,916 | pension liability offset |
| 6 | Special Project Fund | General Fund | 1,400,000 | SC meetings in Vanuatu |
| 7 | General Fund | Voluntary Contribution Fund | 8,448,278 | Excess of income over expenses for 2023 |
| 8 | Working Capital Fund | Voluntary Contribution Fund | 3,742,750 | Panama VCF was not recorded when Fund was set up |

**Independent auditor's report
To the Finance of North Pacific Fisheries Commission**

To the Members of the North Pacific Fisheries Commission

Report on the Financial Statements

We have audited the financial statements of North Pacific Fisheries Commission on pages 2 to 7.

The financial statements contain the statements of financial position as of 31 March 2024 and the income and Expenditure statements for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the financial regulations of North Pacific Fisheries Commission Administrative Documents, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (Japan). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organisation's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

As a result of our audit, the financial statements present fairly, in all material respects, and no instances came to our attention to indicate noncompliance with the Commission's financial regulation.

Basis of Accounting

These financial statements, which have not been, and were not intended to be, prepared in accordance with Japanese accounting standards for not-for-profit accounting standards, are solely for the information and use of the North Pacific Fisheries Commission. The financial statements are not intended to be and should not be used by anyone other than the Members of the North Pacific Fisheries Commission or for any other purpose.

Independent auditor's report
To the Finance of North Pacific Fisheries Commission

Tokyo, Japan
7 March 2025

Katsumi Kuwazawa

Certified Public Accountant