

COUNCIL
110th session
Agenda item 15(b)

C 110/15(b)
29 May 2013
Original: ENGLISH

WORLD MARITIME UNIVERSITY

(b) Budget

Note by the Secretary-General

SUMMARY

Executive summary: This document provides information on the income, expenditure and student fellowship funding of the World Maritime University for the calendar year 2013

Strategic direction: 3

High-level action: 3.1.3

Planned output: 3.1.3.1

Action to be taken: Paragraph 8

Related document: C 110/15(a)

1 Article 39 of the Charter of the World Maritime University stipulates that the budget of the University for any calendar year should be submitted to the Council, together with an annual report for the preceding year.

2 At its thirtieth session, on 8 May 2012, the WMU Board of Governors approved the draft budget estimates for 2013 and empowered the Executive Board to review the approved budget and to make such adjustments as it deemed necessary to ensure the efficient functioning of the University (Article 22(e) of the Charter). The adjustments were reported to this year's session of the Board of Governors, on 6 May 2013, and the revised operating budget for 2013 was endorsed.

3 Annex 1 lists the University's projected revenue for 2013, whilst annex 2 shows the anticipated expenditure for the same period. Annex 3 outlines the sources, number and funding of WMU student fellowships for 2013 and annex 4, the balance of the Reserve and Other Funds. For comparison purposes, annexes 1 and 2 also show the budgeted income and expenditure figures for 2013, as approved by the University's Board of Governors.

4 The 2013 budget of the University projects total revenues of €9,381,000 and total expenditure of €9,216,000, compared to €9,209,000 and €9,016,000, respectively, in the 2012 budget.

- 5 The increases in both revenue and expenditure are largely due to the following:
- (a) the increase in revenue is mainly due to:
 - (i) an increase in revenue from donor contributions due to a higher valuation of monies received in currencies other than the Euro and the sponsorship of the Nippon Foundation to finance a high-level conference on Corporate Social Responsibility;
 - (ii) projected higher hostel rental revenues resulting from a higher occupancy rate; improved income generated from Professional and Academic Development Courses and consultancy; and lower interest income and other revenue as no extra sources of income have as yet been identified, with the exception of the sale of public relations articles and proceeds from the cafeteria service;
 - (b) the net increase in expenditure is largely due to:
 - (i) an increase in personnel costs representing: salary, insurance, installation travel and shipment costs for academic staff members who are being recruited to fill vacant posts; and provision of a 1 per cent increase in the cost of living adjustment to all staff;
 - (ii) a decrease in administrative expenses is primarily associated with the postponed move into the new University building and the ongoing Enterprise Resource Planning (ERP) system implementation. Unspent provisions from the budget were re-allocated to 2014 to cover costs relating to the transfer to the new building and ongoing implementation of the ERP system; and
 - (iii) a decrease in other related expenditures based on the variable component of the projected number of tuition fee-paying students who do not have the same allowances or benefits provided by the University under the Fellowship scheme.

6 Annex 3 shows the amount and sources of fellowship funding in 2013. The Ocean Policy Research Foundation (OPRF) of Japan will contribute 26 per cent or €844,000, the IMO Technical Co-operation and Global fund will provide 7 per cent or €244,000 and the prospect of increasing other user funding; sponsorships from existing governments and other organizations will make up the remainder of student Fellowships and Fees.

7 The Secretary-General wishes to express its deep gratitude to all donors who provide invaluable financial support to WMU and, especially, to the Government of Sweden and the City of Malmö, the Nippon Foundation and the Ocean Policy Research Foundation (OPRF) of Japan, the International Maritime Organization – Technical Cooperation Fund; the International Transport Workers' Federation (ITF), the Governments of Canada, the Republic of Korea and the United Kingdom, and Inmarsat Limited. Their continued support is indispensable for the University's existence and continued provision of its widely recognized and valuable services to the global maritime community.

Action requested of the Council

8 The Council is invited to take note of the information contained in this document and to comment, as it may deem necessary.

ANNEX 1**BUDGET INCOME: 2012 AND 2013**

(Euros '000)

	Actual 2012 Budget Basis (A)	Budget 2013 (B)	Final Budget 2013 (C)	Variance (C - B)
A. BUDGET CONTRIBUTION				
Government of Sweden	2,812	2,778	2,857	79
IMO Technical Co-operation Fund	311	213	300	87
Nippon Foundation, Japan:				
i. Professorial Chairs and Research Associate	481	505	486	-19
ii. Conference – Corporate Social Responsibility	0	0	200	200
Government of Canada	117	110	115	5
INMARSAT	86	75	85	10
TK Foundation	233	0	0	0
Extraordinary Revenue (ERP, New Premises)	0	527	145	-382
Other Government contributions	17	8	10	2
TOTAL BUDGET CONTRIBUTION	4,057	4,216	4,198	-18
B. STUDENT REVENUE				
i. Fellowship and Fees	3,039	3,369	3,287	-82
ii. English Study Skills Program	226	180	172	-8
iii. Outreach Programme	487	450	510	60
C. INTEREST	26	50 50	25	-25
D. HENRIK SMITH HOSTEL RENT REVENUES	434	300	470	170
E. PDC's and CONSULTANCY	307	250	511	261
G. OTHER REVENUE (Cafeteria, PR Article and miscellaneous revenue)	434	340	208	-132
GRAND TOTAL REVENUE	9,010	9,155	9,381	226

ANNEX 2

BUDGET EXPENDITURE FOR 2012 AND 2013

(Euros '000)

EXPENDITURE CATEGORY	Actual 2012 Budget Basis (A)	Original Budget 2013 (B)	Final Budget 2013 (C)	Variance (C - B)
A. OPERATIONAL BUDGET				
Section I: PERSONNEL EXPENSES				
a) Resident academic staff	2,371	2,738	2,958	220
b) Resident administrative staff	790	913	982	69
c) General Service staff	718	758	857	99
d) Visiting professors	75	50	59	9
e) External consultants	49	60	55	-5
f) Official Travel	224	205	238	33
g) Short-term language lecturers	56	42	42	0
h) Provision for separation benefits	50	0	0	0
TOTAL PERSONNEL EXPENSES	4,333	4,766	5,191	425
Section II: ACADEMIC EXPENSES				
a) Library	132	110	135	25
b) Field Study Programme	297	330	337	7
c) Academic Dev. Expenses	384	332	471	139
TOTAL ACADEMIC EXPENSES	813	772	943	171
Section III: ADMINISTRATIVE EXPENSES				
a) Computer Equipment	317	242	199	-43
b) Other Equipment	34	150	145	-5
c) Extraordinary Expenses (move to new building and ERP system)	20	527	125	-402
d) Cafeteria	69	60	69	9
e) Communications	80	64	49	-15
f) Vehicle	2	18	2	-16
g) Published material	70	25	48	23
h) Hospitality	51	25	25	0
i) Governing Body meetings	15	25	25	0
j) External Auditors	41	39	39	0
k) Conferences	0	100	235	135
l) Other Expenses	253	81	81	0
TOTAL ADMINISTRATIVE EXPENSES	952	1,356	1,042	-314
TOTAL OPERATIONAL BUDGET	6,098	6,894	7,176	282
B. STUDENT EXPENSES BUDGET				
a) Student Allowances and Travel	676	844	713	-131
b) Student hostel: Rent & cleaning	1,053	1,050	1,090	40
c) Student hostel: Support staff	73	51	97	46
d) Catering	3	3	3	0
e) Student Study materials	5	22	7	-15
f) Graduation	62	75	75	0
g) Other student Expenses	206	195	55	-140
TOTAL STUDENT EXPENSES BUDGET	2,079	2,240	2,040	-200
GRAND TOTAL OPERATIONAL AND STUDENT EXPENSES BUDGET	8,177	9,134	9,216	82

ANNEX 3

STUDENT ENROLMENT AND FUNDING PROVENANCE IN 2012 AND 2013

A. MASTER OF SCIENCE (M.Sc.) PROGRAMME (Malmö)

Sources/Donors of Fellowships and Fees	Student Intake			Total Income (€uro '000)
	2011	2012	2013	
1. THIRD-PARTY DONORS				
Ocean Policy Research Foundation, Japan	25	23	25	844
International Transport Workers' Federation (ITF)	5	5	5	160
Republic of Korea	4	4	4	139
Other Donors	7	10	8	586
TOTAL THIRD-PARTY DONORS	41	42	42	1,729
2. USER FUNDING (Student's employer, government or self)	59	60	60	1,258
3. IMO Technical Co-operation and Global Funds	4	4	4	244
M.Sc. TOTAL	104	106	106	3,231
B. DOCTORAL (Ph.D.) PROGRAMME				
1. User funding	5	6	10	56
Ph.D. TOTAL	5	6	10	56
GRAND TOTAL (M.Sc. and Ph.D.)	109	112	116	3,287

ANNEX 4

RESERVE AND FUND BALANCES FOR THE YEARS 2011-2013

(Euros)

	Actual 2011	Actual 2012	Final Budget 2013
General Reserve Fund, beginning	949,230	2,169,417	3,206,162
Surplus/(Shortfall) of Income	1,220,187	1,036,745	165,000
Appropriation from the General Reserve Fund	0	0	-145,000
General Reserve Fund, ending	2,169,417	3,206,162	3,226,162
Working Capital Fund	699,000	699,000	699,000
Exchange Rate Adjustment Fund	245,430	245,430	245,430
Total Fund Balances and Reserves @ 31 December	3,113,847	4,150,592	4,170,592

Note: The General Reserve Fund balance as at 31 December 2012 of €3,206,162 includes the full provision for employee separation benefits of €400,000 (€150,000 in 2010 and €50,000 in 2011, €200,000 in 2012).