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Consideration of administrative and budgetary matters of the International Tribunal for the Law of the Sea: report of the external auditor for the financial period 2024

Report of the external auditor for the financial period 2024, with financial statements of the International Tribunal for the Law of the Sea as at 31 December 2024

(Presented by the Tribunal)

1. BDO AG Wirtschaftsprüfungsgesellschaft (hereinafter “the Auditor”) audited the financial statements of the International Tribunal for the Law of the Sea for the financial period from 1 January to 31 December 2024 in October 2024 and in February 2025 and submitted its report on 28 February 2025 (see annex). An audit of certain aspects of the Tribunal’s operational procedures was also undertaken by the Auditor, as indicated in the letter of engagement of 21 December 2020, signed by the Registrar of the Tribunal.
2. It is noted from the report that the Auditor was of the view that, on the basis of the knowledge obtained in the audit, the accompanying financial statements gave a true and fair view of the Tribunal’s assets, liabilities and financial position as at 31 December 2024 and of its financial performance for the period from 1 January to 31 December 2024 in accordance with the International Public Sector Accounting Standards.
3. In accordance with Financial regulation 12.8, the Tribunal examined the financial statements and the audit report for the financial period 2024 during its fifty-ninth session in April 2025.

* SPLOS/35/L.1.



Annex

Report of the external auditor for the financial period 2024, with financial statements of the International Tribunal for the Law of the Sea as at 31 December 2024

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I. Audit engagement and declaration of independence

A. Audit engagement

[See SPLOS/34/4, p. 3]

B. Declaration of independence

[See SPLOS/34/4, p. 3]

II. Report of the independent Auditor

We have included the accompanying financial statements of the International Tribunal for the Law of the Sea, Hamburg, for the period from 1 January to 31 December 2024 in this report as appendix I. They comprise the statement of financial performance (statement B), the statement of financial position (statement A), the statement of changes in net assets/equity (statement C), the statement of cash flows (statement D), the statement of comparison of budget and actual amounts (statement E) and the notes to the financial statements, in the version for which the unqualified audit opinion was signed and issued in Lübeck on 28 February 2025.

Audit opinion

We have audited the accompanying financial statements of the International Tribunal for the Law of the Sea, Hamburg, for the period from 1 January to 31 December 2024. They comprise the statement of financial performance, the statement of financial position, the statement of changes in net assets/equity, the statement of cash flows, the statement of comparison of budget and actual amounts and the notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying financial statements give a true and fair view of the Tribunal's assets, liabilities and financial position as at 31 December 2024 and of its financial performance for the period from 1 January to 31 December 2024 in accordance with IPSAS.

In accordance with the first sentence of paragraph 322 (3) of the German Commercial Code, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements.

Basis for the audit opinion

[See SPLOS/34/4, p. 4]

Registrar's responsibilities with regard to the financial statements

[See SPLOS/34/4, p. 4]

Auditor's responsibilities with regard to the audit of the financial statements

[See SPLOS/34/4, pp. 4-5]

III. Findings related to the accounting**A. Accounting and other documents audited**

[See SPLOS/34/4, p. 5]

B. Financial statements

The financial statements for the financial period from 1 January to 31 December 2024 audited by us are attached to the present report (see appendix I). In our opinion, based on the findings of our audit, they comply, in all material respects, with the legal requirements, including IPSAS.

The statement of financial performance, the statement of financial position, the statement of changes in net assets/equity, the statement of cash flows, and the statement of comparison of budget and actual amounts were properly derived from the bookkeeping and the other underlying documents audited. The opening balance sheet figures were properly carried over from the prior period's financial statements.

The recognition, disclosure and measurement regulations applicable were, in all material respects, adhered to. The notes to the financial statements include the required disclosures for the individual items of the balance sheet or the statement of profit and loss, and accurately and completely reflect other mandatory disclosures.

Our audit has led to the conclusion that the financial statements as a whole give a true and fair view of the Tribunal's assets, liabilities, financial position and financial performance, in accordance with IPSAS.

IV. Subject of the audit

[See SPLOS/34/4, p. 6]

V. Nature and scope of the audit

[See SPLOS/34/4, pp. 6-8]

We performed the audit in October 2024 (interim audit) and February 2025, closing on 28 February 2025.

At the conclusion of the audit, the Registrar provided us with a letter of representation, dated 28 February 2025, in which the Registrar confirmed the completeness of all explanations and evidence made available to us, as well as of the

accounting and the financial statements. The Registrar provided us with all explanations and evidence requested.

VI. Explanations related to the accounting

A. Accounting standards

The financial statements for the financial period from 1 January to 31 December 2024 audited by us are attached to the present report (see appendix I). In our opinion based on the findings of our audit, they comply with IPSAS.

B. Material measurement bases

The accounting policies and the measurement methods are described in the notes to the financial statements (see appendix I).

Based on our examination, the accounting principles used by the Tribunal were applied on a basis consistent with that of the preceding financial period.

In the following bullet points, we have highlighted the recognition and measurement policies applied in detail that, in our opinion, are material:

- The Tribunal's assets amount to €42,850,733 in property, plant and equipment. Under the Agreement between the Tribunal and the Government of the Federal Republic of Germany on the Occupancy and Use of the Premises of the International Tribunal for the Law of the Sea in the Free and Hanseatic City of Hamburg, the Government of Germany agreed to transfer the premises to the Tribunal permanently, free of rent, with the right to occupy and use them, as of 6 November 2000. The building (including the main building, the villa, the security booth and the visitor parking area) and all its assets were capitalized as at 1 January 2021, following the adoption of IPSAS for the reporting period. The leasing of the building has been recorded as a donated right-to-use arrangement and has consequently been recognized as a finance lease in accordance with the United Nations corporate guidance for IPSAS. The opening balance of the building assets was calculated using the book values of the building in 2017, as transmitted to the Tribunal by the German Institute for Federal Real Estate.

- For defined benefit plans, the projected unit credit method is used to measure obligations and costs. Benefits are attributed to periods of service under the plan's benefit formula. The present value of a defined benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current period and prior periods. The present value of defined benefit obligations is calculated using unbiased and mutually compatible actuarial assumptions. Other long-term employee benefits comprise separation benefits, including repatriation grants and relocation allowances, and are measured using the projected unit credit method.

VII. Findings from the extended scope of the audit engagement

The examination of the operational procedures, including the administration of the Nippon Foundation grant, the trust fund for the law of the sea, the Republic of Korea trust fund and the Junior Professional Officer trust fund, did not lead to any reservations. We refer to our audit procedures and explanations in appendix IV.

VIII. Concluding statement and signature of the Auditors

We have issued the present report on the audit of the financial statements of the International Tribunal for the Law of the Sea, Hamburg, for the financial period from 1 January to 31 December 2024, in compliance with legal regulations and the German generally accepted standards for audit reports promulgated by the Institute of Public Auditors in Germany (auditing standard 450, revised in October 2021).

The Auditor's report issued by us is set out in section II of the present report.

Lübeck, 28 February 2025

BDO AG

Wirtschaftsprüfungsgesellschaft

(Signed) **(Lüthje)**

Wirtschaftsprüfer

(German Public Auditor)

(Signed) **(Wißmann)**

Wirtschaftsprüfer

(German Public Auditor)

Appendix I

Financial statements of the International Tribunal for the Law of the Sea

A. Statement of financial position as at 31 December 2024

(Euros)

	<i>Note</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
Assets			
Current assets			
Cash and cash equivalents	4	3 360 254	6 347 846
Investments	5	4 500 000	5 000 000
Assessed contributions receivable	6	1 877 243	1 133 715
Tax reimbursements due	7	248 873	324 116
Other receivables	8	171 127	192 810
Prepaid expenses	9	109 162	125 406
Total current assets		10 266 659	13 123 893
Non-current assets			
Property, plant and equipment	10	242 274	298 592
Property, plant and equipment – building	10	42 850 733	45 936 480
Total non-current assets		43 093 007	46 235 072
Total assets		53 359 666	59 358 965
Liabilities			
Current liabilities			
Accounts payable and accruals	11	(210 907)	(166 307)
Contributions received in advance	12	(2 763 185)	(4 816 734)
Employee benefit liabilities	13	(331 573)	(326 121)
Obligations, current period	14	–	–
Total current liabilities		(3 305 665)	(5 309 162)
Non-current liabilities			
Employee benefit liabilities	15	(24 060 728)	(23 098 378)
Surrender of savings from prior years	16	(2 074 298)	(21 562)
Other non-current liabilities	17	(42 929 051)	(46 029 466)
Total current liabilities		(69 064 077)	(69 149 406)
Total liabilities		(72 369 742)	(74 458 568)
Net assets/equity			
Working Capital Fund	18	(1 309 132)	(1 309 132)
(Surplus)/deficit for prior periods	19	17 194 759	16 730 823
(Surplus)/deficit for the period	19	3 124 449	(322 088)
IPSAS implementation deficit	19	–	–
Total net assets/equity		19 010 076	15 099 603

<i>Note</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
Total liabilities and net assets/equity	(53 359 666)	(59 358 965)

Abbreviation: IPSAS, International Public Sector Accounting Standards.

B. Statement of financial performance fo the period from 1 January to 31 December 2024

(Euros)

	<i>Note</i>	<i>2024</i>	<i>2023</i>
Revenue			
Assessed contributions (appendix II)	20	(11 720 789)	(11 720 789)
Other revenue			
Savings due to cancellation of prior-period obligations	21	–	–
Gain on exchange	22	(71 443)	(900 348)
Miscellaneous revenue	23	(3 162 977)	(3 126 019)
Investment revenue	24	(178 635)	(112 293)
Total revenue		(15 133 844)	(15 859 449)
Expenses			
Employee salaries, allowances and benefits	25	10 665 448	9 555 703
Non-employee compensation and allowances	26	505 725	581 043
Supplies and consumables	27	182 073	187 980
Depreciation and amortization	28	3 156 505	3 170 830
Impairment	28	259	–
Travel	29	447 342	303 419
Other operating expenses	30	1 765 723	1 678 966
Loss on exchange	31	1 535 218	59 420
Total expenses		18 258 293	15 537 361
(Surplus)/deficit for the period		3 124 449	(322 088)

Abbreviation: IPSAS, International Public Sector Accounting Standards.

C. Statement of changes in net assets/equity for the period from 1 January to 31 December 2024

(Euros)

	<i>2023</i>
Total net assets/equity as at 31 December 2022	13 817 940
Surplus/(deficit) for the financial period 2022	(322 088)
Changes in net assets	
Actuarial (gains)/losses on employee benefit liabilities	1 603 750
Total movements during the year	1 281 662
Total net assets/equity as at 31 December 2023	15 099 603
	<i>2024</i>
Surplus/(deficit) for the financial period 2024	3 124 449
Changes in net assets	
Actuarial (gains)/losses on employee benefit liabilities	(1 266 840)
Surrender of cash surplus 2021–2022	2 052 864
Total movements during the year	3 910 473
Total net assets/equity as at 31 December 2024	19 010 076

D. Statement of cash flows for the period from 1 January to 31 December 2024

(Euros)

	2024	2023
Cash flows from operating activities		
Surplus/(deficit) for the period (statement B)	(3 124 449)	322 088
Depreciation	3 156 505	3 170 830
(Increase) decrease in contributions receivable	(743 528)	286 671
(Increase) decrease in tax reimbursements due	75 243	(37 361)
(Increase) decrease in other accounts receivable	21 683	(12 369)
(Increase) decrease in prepaid expenses	16 244	(23 160)
Increase (decrease) in accounts payable	44 600	73 948
Increase (decrease) in contributions received in advance	(2 053 549)	63 449
Increase (decrease) in employee benefit liabilities	967 802	1 301 224
Increase (decrease) in obligations current period	–	(44 954)
Increase (decrease) in accounts and other liabilities	(3 100 415)	(3 027 259)
(Interest received)	178 635	112 293
Net cash flows from operating activities	(4 561 229)	2 185 400
Cash flows from investing and financing activities		
Interest received	(178 635)	(112 293)
Purchase of property, plant and equipment	(14 440)	(128 615)
Net cash flows from investing and financing activities	(193 075)	(240 908)
Cash flows from other sources		
Increase (decrease) in accumulated surplus	(786 024)	(1 603 751)
Increase (decrease) in surrender of savings from prior years	2 052 736	(391 709)
Net increase (decrease) in net assets/equity	1 266 712	(1 995 460)
Cash and cash equivalents and investments at the beginning of the financial period	11 347 846	11 398 814
Cash and cash equivalents and investments at the end of the financial period	7 860 254	11 347 846

E. Statement of comparison of budget and actual amounts for the financial period from 1 January to 31 December 2024

(Euros)

Part/ section	Object of expenditure	2024 approved budget	2024 expenses (cash)	2024 balance	2024 supplementary budget
1	A				1
2	1				2
3	1.1	1 835 200	2 441 429	(606 229)	– 3
4	1.2	486 000	538 749	(52 749)	– 4
5	1.3	149 400	147 839	1 561	– 5
6	1.4	103 450	29 026	74 424	– 6
7	2	1 272 250	1 134 700	137 550	– 7
8	3				– 8
9	3.1	3 032 200	3 201 769	(169 569)	– 9
10	3.4	1 158 100	1 361 673	(203 573)	– 10
11	3.5	12 500	5 894	6 606	– 11
12	3.6	130 050	130 517	(467)	– 12
13	3.7	58 950	50 502	8 448	– 13
14	3.8	43 300	35 505	7 795	– 14
15	4	6 950	7 024	(74)	– 15
16	5	92 500	56 415	36 085	– 16
17	6	7 350	4 466	2 884	– 17
18	7	1 880 450	1 741 601	138 849	– 18
19	7.1	1 434 800	1 404 687	30 113	– 19
20	7.2	209 750	177 563	32 187	– 20
21	7.3	99 900	82 404	17 496	– 21
22	7.4	66 000	39 188	26 812	– 22
23	7.5	62 800	37 759	25 041	– 23
24	7.6	7 200	–	7 200	– 24
25	8	177 150	199 858	(22 708)	– 25
26	8.1	133 000	134 901	(1 901)	– 26
27	8.3	44 150	64 957	(20 807)	– 27
28					28
29	B				29
30	9				30
31	9.1	81 100	24 112	56 988	– 31

<i>Part/ section</i>	<i>Object of expenditure</i>	<i>2024 approved budget</i>	<i>2024 expenses (cash)</i>	<i>2024 balance</i>	<i>2024 supplementary budget</i>	
32						
33	C	1 195 050	1 699 716	(504 666)	620 600	33
34	12	846 050	1 368 292	(522 242)	475 200	34
35	12.1	629 750	1 067 508	(437 758)	434 300	35
36	12.2	102 350	57 696	44 654	–	36
37	12.3	113 950	243 088	(129 138)	40 900	37
38	13	349 000	331 424	17 576	145 400	38
39	13.1	334 000	324 706	9 294	141 000	39
40	13.2	15 000	6 718	8 282	4 400	40
41						41
42	Total	11 721 950	12 810 795	(1 088 845)	620 600	42

Notes to the financial statements for the period from 1 January to 31 December 2024

Note 1

Statement of the objectives and activities of the Tribunal

[See SPLOS/34/4, p. 17]

Note 2

Basis of preparation

[See SPLOS/34/4, p. 17]

Going concern

The going-concern assertion is based on the approval by the Meeting of States Parties of the budget appropriations for the 2025–2026 budget period and the positive historical trend of the collection of assessed contributions over the previous years.

This is the fourth set of financial statements prepared in compliance with IPSAS. Before 1 January 2021, the financial statements were prepared using a modified cash basis of accounting.

Note 3

Summary of significant accounting policies

On 12 June 2003, the thirteenth Meeting of States Parties adopted the Financial Regulations of the Tribunal, which became effective on 1 January 2004 and have been applied to the financial period 2005–2006 and subsequent financial periods (see [SPLOS/100](#)). Pursuant to financial regulation 10.1 (a), the Tribunal adopted its Financial Rules in 2004. The States parties took note of the Financial Rules at their fourteenth Meeting, in 2004. The Financial Rules became effective on 1 January 2005.

On 9 December 2020, the thirtieth Meeting of States Parties approved amendments to the Financial Regulations of the Tribunal (see [SPLOS/30/6](#)). The amended Regulations, which became effective on 1 January 2021, have been applied to the financial period 2024 and will apply to subsequent financial periods. On 24 June 2021, the thirty-first Meeting of States Parties endorsed amendments to the Financial Rules of the Tribunal (see [SPLOS/31/5](#)). The amended Rules, which became effective on 1 January 2021, have been applied to the financial period 2024 and will apply to subsequent financial periods.

Financial period

Pursuant to financial regulation 2.1, the financial period consists of one calendar year. In the present report, that period is from 1 January to 31 December 2024.

Currency of accounts

Pursuant to financial regulation 11.2, the accounts of the Tribunal are presented in full/rounded euros.

Foreign currency transactions

Transactions in United States dollars are converted into euros using the United Nations operational rates of exchange, except for assessed contributions paid in United States dollars. For the contributions paid in United States dollars, the conversion into euros is made at the most favourable rate of exchange available to the Tribunal on the date of the payment, in accordance with financial rule 105.2.

The differences in exchange rates which may occur between the date of recording and the date of settling the transactions are recorded in the statement of financial performance as gains or losses on exchange (see notes 22 and 31).

Assets and liabilities in United States dollars are revalued at the end of the financial period at the prevailing United Nations operational rates of exchange. The revaluation amounts are recorded in the statement of financial performance as gains or losses on exchange.

In accordance with financial rule 111.3 (a), the following exchange rates between the euro and the United States dollar have been applied:

	<i>1 January</i> 2024	<i>31 December</i> 2024	<i>Average</i> 2024	<i>Average</i> 2023
Exchange rate between the euro and the United States dollar	0.901	0.960	0.9305	0.920

Cash and cash equivalents

Cash and cash equivalents are held at nominal value in current accounts.

Financial risks

The Tribunal is required to apply prudent risk management policies and procedures in accordance with its Financial Regulations and Rules. During the financial period 2024, the Tribunal made short-term investments of moneys not needed for immediate requirements, pursuant to financial regulation 9 (see note 5).

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Tribunal is exposed to currency risk through transactions in foreign currencies. To avoid currency risk, only a small amount of the Tribunal's cash is held in United States dollars.

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If possible, the Tribunal deposits its funds only in short-term fixed interest accounts and therefore has no significant interest rate risk exposure.

Liquidity risk refers to the risk arising from the general funding of the Tribunal's activities. The Tribunal maintains a Working Capital Fund, which was established to ensure the availability of capital for the Tribunal to address short-term liquidity problems pending receipt of assessed contributions.

Receivables, prepayments and other assets (current assets)

[See SPLOS/34/4, p. 19]

Property, plant and equipment

[See SPLOS/34/4, p. 19]

Leases

Lease agreements for cars and photocopiers are classified as operating leases and the lease payments made are charged to the statement of financial performance as expenses on a straight-line basis over the period of the lease.

Accounts payable and other liabilities (current liabilities)

Accounts payable are recognized initially at nominal value, as a best estimate of the amount required to settle the obligation at the reporting date. In accordance with the principle of accrual-based accounting, all invoices dated, services rendered or goods delivered before 31 December 2024 represent an account payable of the Tribunal and have been recorded in 2024.

Non-current liabilities**Deferred revenue and accrued expenses**

[See SPLOS/34/4, p. 20]

Employee benefit liabilities

[See SPLOS/34/4, pp. 20-21]

Provisions and contingent liabilities

[See SPLOS/34/4, p. 21]

Obligations

No obligations were recorded during the financial period 2024.

Non-exchange revenue

[See SPLOS/34/4, p. 21]

Miscellaneous revenue

[See SPLOS/34/4, p. 21]

Expenses

[See SPLOS/34/4, pp. 21-22]

Reserves and fund balances

In 1998, the eighth Meeting of States Parties authorized the establishment of a working capital fund to ensure continuity of operation in the event of temporary shortfalls in funds, and to provide the Tribunal with the necessary financial means to deal with cases, in particular those involving urgent proceedings, in accordance with financial regulation 6.2 (see [SPLOS/31](#)).

The prior-period gains and reserves represent excess income over expenditure from previous financial periods (2005–2006 to 2023), in accordance with regulation 4 of the Financial Regulations of the Tribunal.

Unless otherwise determined by the Meeting of States Parties, after deducting any assessed contributions for that financial period which remain unpaid, surpluses at the end of the financial period are apportioned to the States parties based on the scale of assessments applicable to the financial period to which the surplus relates. As of 1 January following the year in which the audit of the accounts of the financial

period is completed, the amount of surplus apportioned to a State party is surrendered if its contribution for that financial period has been paid in full.

Budget comparison

A comparison of actual amounts with the amounts in the budget (half of the approved budget for the 2023–2024 budget period) is presented in statement E. This comparison is made on the same modified cash basis of accounting as was applied to the budget.

A reconciliation of the actual amounts on a modified cash basis, with actual amounts presented in the financial statements, is included in the section entitled “Statement of comparison of budget and actual amounts” below, in the light of the fact that the full accrual basis and the modified cash basis of accounting applied to the budget differ.

In June 2023, the thirty-third Meeting of States Parties approved a supplementary budget in the amount of €2,484,900 to cover the costs of case No. 31, *Request for an advisory opinion submitted by the Commission of Small Island States on Climate Change and International Law*, which was not provided for in the 2023–2024 budget since it was submitted after the 2023–2024 budget had been approved. The Meeting authorized the Tribunal to finance part of the costs through savings from case No. 28, *Dispute concerning delimitation of the maritime boundary between Mauritius and Maldives in the Indian Ocean (Mauritius/Maldives)* (€410,000), and the provision for one urgent case in the Tribunal’s 2023–2024 budget (€833,700). The Meeting also authorized the Tribunal to use part of the cash surplus from the 2021–2022 budget to finance an additional appropriation in the amount of €1,241,200 in order to cover the portion of the estimated costs of case No. 31 that cannot be absorbed by the approved budget of the Tribunal for the period 2023–2024. Half of the approved amount (€620,600) was allocated to the year 2024.

After the 2023–2024 budget was approved in June 2022, the post adjustment multiplier for Hamburg was revised by the International Civil Service Commission (ICSC) in February 2023 (increased by 8.8 per cent), July 2023 (increased by 7.6 per cent) and February 2024 (increased by 2.3 per cent). The revisions resulted in successive increases in judges’ annual and special allowances and in salaries of staff in the professional and higher categories. Furthermore, the pensionable remuneration for staff in the professional and higher categories was revised by the ICSC in February 2023, January 2024 and February 2024, resulting in increases in contributions to the United Nations Joint Staff Pension Fund. In addition, the salary scales for Bonn (also applicable to Hamburg) for staff in the General Service category were revised by the ICSC in March 2023. The above-mentioned changes in parameters, which were beyond the control of the Tribunal, resulted in overexpenditures in several budget lines. In June 2024, at the request of the Tribunal, the thirty-fourth Meeting of States Parties authorized the Tribunal to use an amount of up to €872,000 from the 2021–2022 cash surplus to finance the overexpenditure in relation to the recurrent part of the 2023–2024 budget (see SPLOS/34/11).

Note 4

Cash and cash equivalents

The Tribunal held a total of €3,360,254 in cash and cash equivalents as at 31 December 2024, including €1,309,132 in the Working Capital Fund. The equivalent of €127,622 (€58,942 in 2023) is kept in United States dollars (\$132,940 (\$65,418 in 2023)). At the end of the financial period 2023, cash and cash equivalents amounted to €6,347,846.

Note 5

Investments

In February, April, May, September, October and November 2024, the Tribunal made short-term investments of moneys not needed for immediate requirements totalling €10,500,000. Short-term investments are investments made for less than 12 months, in accordance with rule 109.1 of the Financial Rules of the Tribunal. As at 31 December 2024, investments in the amount of €4,500,000 were made, and as at 31 December 2023, investments in the amount of €5,000,000 had been made.

Note 6

Assessed contributions receivable

A total of €1,877,243 in assessed contributions was outstanding for the financial period 2024 and previous financial periods as at 31 December 2024. Of this amount, €1,137,917 was outstanding for the financial period 2024. For the financial period 2023, €238,038 remained outstanding, and for the budget period 2021–2022, €179,221 remained outstanding. As regards the financial periods 1996/97 to 2019–2020, the unpaid contributions amounted to €322,067. Contributions received in excess of contributions due are reported in note 12.

<i>Financial period of assessment</i>	<i>31 December 2024 (euros)</i>	<i>31 December 2023 (euros)</i>
1996/97 to 2019–2020	322 067	325 730
2021–2022	179 221	334 051
2023	238 038	473 934
2024	1 137 917	
Total	1 877 243	1 133 715

Note 7

Tax reimbursements due

Tax reimbursements due refer to value added tax (VAT), energy tax and insurance tax. As at 31 December 2024, these receivables amounted to €248,873, in comparison with €324,116 at the end of the financial period 2023, and comprised:

- €234,899 for VAT (€310,697 in 2023)
- €4,485 for energy tax (€7,801 in 2023)
- €9,489 for insurance tax (€5,618 in 2023)

Note 8

Other receivables

Other receivables consist of receivables from staff, judges, trust funds managed by the Tribunal, vendors, the German authorities responsible for the premises of the Tribunal, the German Institute for Federal Real Estate and case-related receivables. This amounted to a total of €171,127.

	<i>31 December 2024 (euros)</i>	<i>31 December 2023 (euros)</i>
Accounts receivable, German Institute for Federal Real Estate	87 671	120 272
Accounts receivable, vendors and trust funds	37 890	58 727
Accounts receivable, staff	39 965	6 853

	31 December 2024 (euros)	31 December 2023 (euros)
Accounts receivable, case related	3 153	3 153
Accounts receivable, judges	2 448	3 805
Total	171 127	192 810

Accounts receivable from the German Institute for Federal Real Estate are amounts due from the German authorities for major repairs under the Agreement between the Tribunal and the Government of the Federal Republic of Germany on the Occupancy and Use of the Premises of the International Tribunal for the Law of the Sea in the Free and Hanseatic City of Hamburg (the Premises Agreement). Accounts receivable from vendors mainly represent interest earned on short-term investments, which will be paid only once the investments expire in 2025. They also represent credit notes for which the Tribunal has not yet been reimbursed, a deposit for fuel for the Tribunal's official cars and an insurance claim which has not yet been settled by the insurance company. Accounts receivable from staff include advances for the education grant and for home leave paid to staff. The case-related receivables concern interpretation and translation charges due to the Tribunal. Accounts receivable from judges relate to a subsistence allowance advance.

Note 9

Prepaid expenses

Prepaid expenses in the amount of €109,162 are payments made towards the end of the financial period 2024 that relate to the following financial period. Accordingly, these expenses will be charged against the provision for the financial period 2025 and will be cleared from the receivables items. In December 2023, prepaid expenses amounted to €125,406.

Note 10

Property, plant and equipment

The Tribunal's assets amount to €43,093,007 (€46,235,072 in 2023) in property, plant and equipment. Under the Premises Agreement, the German Government agreed to transfer the premises to the Tribunal permanently, free of rent, with the right to occupy and use them, as of 6 November 2000. The building (the main building, the villa, the security booth and the visitor parking area) and all its assets were capitalized as at 1 January 2021, following the adoption of IPSAS for the financial period 2021. The leasing of the building has been recorded as a donated right-to-use arrangement and has consequently been recognized as a finance lease in accordance with the United Nations corporate guidance for IPSAS. The opening balance of the building assets was calculated using the book values of the building in 2017 as transmitted to the Tribunal by the German Institute for Federal Real Estate.

	<i>Other property, plant and equipment (euros)</i>						<i>Total</i>
	<i>Buildings</i>	<i>Furniture</i>	<i>Information technology equipment</i>	<i>Media, equipment and communications</i>	<i>Other building equipment</i>	<i>Total (other property, plant and equipment)</i>	
Costs							
As at 1 January 2024	55 193 722	29 582	218 308	63 879	236 058	547 827	55 741 549
Additions	–	–	14 699	–	–	14 699	14 699
Impairment loss/disposal	–	–	(1 295)	–	–	(1 295)	(1 295)
As at 31 December 2024	55 193 722	29 582	231 712	63 879	236 058	561 231	55 754 953

	<i>Other property, plant and equipment (euros)</i>					<i>Total (other property, plant and equipment)</i>	<i>Total</i>
	<i>Buildings</i>	<i>Furniture</i>	<i>Information technology equipment</i>	<i>Media, equipment and communications</i>	<i>Other building equipment</i>		
Accumulated depreciation							
As at 1 January 2024	9 257 241	22 724	119 163	36 388	70 961	249 236	9 506 477
Depreciation	3 085 748	2 423	27 560	11 081	29 693	70 757	3 156 505
Disposals	–	–	(1 036)	–	–	(1 036)	(1 036)
As at 31 December 2024	12 342 989	25 147	145 687	47 469	100 654	318 957	12 661 946
Net book value							
As at 1 January 2024	45 936 480	6 858	99 145	27 491	165 098	298 592	46 235 072
As at 31 December 2024	42 850 733	4 435	86 025	16 410	135 404	242 274	43 093 007

Note 11**Accounts payable and accruals**

The records of the Tribunal indicate €49,193 in accounts payable to employees and judges, €6,364 in payables to non-employees, such as consultants and external translators, and €155,350 in payables to vendors, making a total of €210,907. The accounts payable will be settled at the beginning of the following financial period, in January 2025. At the end of the financial period 2023, payables amounted to €166,307.

Note 12**Contributions received in advance**

As at 31 December 2024, €2,763,185 was received in assessed contributions for future periods. At the end of 2023, contributions in the amount of €4,816,734 were received in advance.

Note 13**Employee benefit liabilities (current)**

Annual leave and home leave are recognized as expenses because employees render services that increase their entitlement to future compensated absences. As annual leave and home leave can partly fall due for settlement in a period exceeding 12 months, these liabilities have been divided into current and non-current liabilities. Expenses in the amount of €34,325 for home leave and in the amount of €28,604 for annual leave have been recorded for the financial period 2024. These amounts represent current values. Total liabilities in the amounts of €22,502 and €309,071, respectively, have been recorded in the statement of financial position. In 2023, liabilities in the amount of €326,121 were recorded. Amounts of €28,504 and €106,187 were recorded as non-current liabilities (see note 15).

Note 14**Obligations (current period)**

No obligations were recorded during the financial period 2024.

Note 15**Employee benefit liabilities (non-current)**

Non-current liabilities have been created for the pensions of judges, after-service health insurance, repatriation grants and relocation grants. In accordance with IPSAS 39, an actuary was appointed by the Tribunal for the actuarial valuation of these liabilities as at 31 December 2024. The valuation of obligations as at 31 December 2024 was executed using the projected unit credit method. The liabilities were determined in United States dollars and converted at the year-end exchange rate of 0.96 between the dollar and the euro. The liability amounts recorded are shown in the table below.

	2024			2023		
	Current (euros)	Non-current (euros)	Total (United States dollars)	Current (euros)	Non-current (euros)	Total (United States dollars)
Judges' pensions	–	22 157 563	23 080 795	–	21 327 957	23 671 428
After-service health insurance	–	1 517 848	1 581 092	–	1 427 091	1 583 897
Repatriation grant	–	126 565	131 839	–	101 123	112 234
Relocation grant	–	124 061	129 230	–	107 693	119 526
Annual leave	309 071	106 187	–	311 965	119 428	–
Home leave	22 502	28 504	–	14 156	15 086	–
Total	331 573	24 060 728	24 922 956	326 121	23 098 378	25 487 085

Non-current liabilities for employee benefits for home leave (€28,504) and annual leave for staff members (€106,187) have been recorded (see note 13).

Amounts for service costs and interest are shown in the table below.

	2024 service costs (euros)	2023 service costs (euros)	2024 interest (euros)	2023 interest (euros)
Repatriation grants	10 610	10 766	3 091	3 592
After-service health insurance	78 149	68 379	49 841	44 594
Pension obligations	1 100 563	783 575	727 160	688 159
Relocation grants	–	–	3 308	3 657
Total	1 189 322	862 720	783 400	740 002

Note 16**Surrender of savings from prior years**

The following table shows savings from previous financial periods that have not yet been surrendered and thus remain as liabilities:

Financial period	31 December 2024	31 December 2023
2003 (Staff assessment)	33	33
2005–2006	1 359	1 359
2007–2008	3 210	3 210
2009–2010	2 486	2 486
2011–2012	845	845

<i>Financial period</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
2013–2014	3 538	3 538
2017–2018	8 448	8 448
2019–2020	1 515	1 643
2021-2022	2 052 864	
Total	2 074 298	21 562

The savings will be surrendered once the contributions for the relevant periods have been paid by the respective States parties.

Note 17

Other non-current liabilities

The financial lease of the building of the Tribunal, which is categorized as a donated right-to-use arrangement, was recognized as an asset in 2021. As at 31 December 2024, the value of the building amounted to €42,850,733 (€45,936,480 in 2023). Deferred revenue under other non-current liabilities was credited for the same amount. The value of the building will be depreciated until the end of 2038. At the time the depreciation is recognized, an equal amount is recognized as revenue by debiting deferred revenue and crediting revenue for the same amount (see note 10).

The refurbishment of a special lift was partly financed by the German authorities and the refurbished lift was recognized as an asset in 2021. The liability for the lift amounted to €24,974 (€28,972 in 2023) as at 31 December 2024.

A leasing liability for the lease of the Tribunal's telephone system in the amount of €53,345 (€64,014 in 2023) has also been recorded under the same heading.

Accordingly, other non-current liabilities amount to €42,929,051 (€46,029,466 in 2023).

Note 18

Working Capital Fund

In 1998, the eighth Meeting of States Parties authorized the establishment of a working capital fund to ensure continuity of operation in the event of temporary shortfalls in funds, and to provide the Tribunal with the necessary financial means to deal with cases, in particular those involving urgent proceedings, in accordance with financial regulation 6.2 (see [SPLOS/31](#)).

The total Working Capital Fund currently stands at €1,309,132, the same as at the end of 2023, of which €767,014 may be used to cover case-related costs.

Note 19

Surplus/deficit for prior periods

Prior-period deficits stand at €17,194,759 and represent excess revenue over expenses from previous financial periods (2005–2006 to 2019–2020 and 2023) and the deficits from the financial periods 2021, 2022 and 2023, in accordance with regulation 4 of the Financial Regulations of the Tribunal. At the end of 2023, the total prior-periods deficit amounted to €16,730,823.

The accumulated surplus after IPSAS implementation, as at 31 December 2021, amounted to €241,596 and stood at €242,810 at the end of 2024. The amount represents an adjustment to previous periods for assets that were capitalized in 2021 and 2022 but had been recorded as an expense in previous financial periods. The

amount of €242,810 was depreciated in 2021 and 2022 and will be in future financial periods.

Employee benefit liabilities were increased by €967,802 in 2024 because of changes in service and interest costs and experience adjustments. Exchange rate losses due to the increased value of the United States dollar against the euro have been recorded in the statement of financial performance.

The deficit for the current period amounts to €3,124,449.

Note 20

Revenue (assessed contributions)

In June 2022, the thirty-second Meeting of States Parties approved a budget for the 2023–2024 budget period in the amount of €23,443,900 (see [SPLOS/32/12](#)). In accordance with regulation 5.3 of the Financial Regulations of the Tribunal, States parties' assessed contributions are determined on the basis of half of the budget for each year of the two-year budget period. Accordingly, revenue from assessed contributions amounts to €11,720,789. The Republic of San Marino ratified the United Nations Convention on the Law of the Sea in July 2024 and was required to pay assessed contributions to the budget of the Tribunal in accordance with regulation 5.4 (d).

Note 21

Savings due to cancellation of prior-period obligations

No obligations were cancelled.

Note 22

Gains on exchange

Gains on exchange in the amount of €71,443 (€900,348 in 2023) were recorded. They include an amount of €46,853 for the revaluation of employee benefit liabilities. Exchange rate losses are reported under expenses (see note 31).

Note 23

Miscellaneous revenue

A total of €3,162,977 (€3,126,019 in 2023) in miscellaneous revenue was recorded as at 31 December 2024. This amount includes:

- The 2024 assessed contribution of the Republic of San Marino in the amount of €1,161, in accordance with financial regulation 5.4 (d) (see note 20)
- Miscellaneous revenue in the amount of €72,100 from refunds from electricity and water suppliers (€59,189), the agreed JPO programme support costs for the year 2024 (€10,100), a refund for ASHI for the year 2023 (€2,611) and revenue from the sale of computer equipment (€200)
- Rounding losses (-€30)
- Deferred revenue in the amount of €3,089,746 (the same amount as in 2023) to meet the accumulated depreciation of the building further to the building's donated right-to-use arrangement and the depreciation of the special lift, which was partly financed by the German authorities (see note 17).

Note 24

Investment revenue

In February, April, May, September, October and November 2024, the Tribunal made short-term investments of moneys not needed for immediate requirements (see note 5). As at 31 December 2024, interest revenue in the amount of €178,635 was recorded (€112,293 in 2023).

Note 25**Employee salaries, allowances and benefits**

The amount of €10,665,448 (€9,555,703 in 2023) in employee salaries, allowances and benefits includes judges' allowances and judges' pensions, staff salaries and common costs, and in addition, service costs and interest for provisions.

Note 26**Non-employee compensation and allowances**

This encompasses all amounts paid to consultants, interpreters, translators and other external service providers. As at 31 December 2024, expenses totalling €505,725 (€581,043 in 2023) were recorded in this regard.

Note 27**Supplies and consumables**

In 2024, €182,073 (€187,980 in 2023) was spent on supplies and consumables. This amount includes expenses for office supplies and operating supplies, as well as library subscriptions and books.

Note 28**Depreciation and amortization**

Of the €3,156,505 (€3,170,830 in 2023) for depreciation, the amount of €3,085,747 (the same amount as in 2023) corresponds to the depreciation of the four assets constituting the building (the main building, the security booth, the villa and the visitor parking area). Other assets include computer equipment, building equipment and technology, courtroom equipment and office furniture (see note 11).

An impairment loss for a defective computer in the amount of €259 was recorded in the financial period 2024. No impairment or amortization expenses were recorded in 2023.

Note 29**Travel**

A total of €447,342 (€303,419 in 2023) was spent on travel in 2024. The amount includes €390,927, corresponding to travel to Hamburg by judges to attend sessions, hearings and case-related meetings, and €56,415 for official travel by the President, the Registrar and staff members of the Tribunal.

Note 30**Other operating expenses**

Other operating expenses include expenses against the budget lines for maintenance of the premises, external printing and binding, purchases of equipment, communications, hospitality and miscellaneous services. Total expenses for the financial period 2024 amounted to €1,765,723. In 2023, other operating expenses amounted to €1,678,966.

Note 31**Loss on exchange**

A loss on exchange in the amount of €1,535,218 was recorded. In 2023, a loss of €59,420 was recorded. The loss includes an amount of €1,503,738 for the revaluation of employee benefit liabilities as a result of the increased value of the United States dollar against the euro between December 2023 and December 2024. Exchange rate gains are reported under revenue (see note 22).

Note 32

Statement of comparison of budget and actual amounts

With the implementation of IPSAS in 2021, the Tribunal's budget and accounts are now prepared on different bases. The financial statements are prepared on a full accrual basis, whereas the Tribunal's budget, disclosed in the statement of comparison of budget and actual amounts (statement E), is prepared on a modified cash basis of accounting. As required under IPSAS 24, the actual amounts presented on a comparable basis to the budget have been reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing and entity differences. There are also differences in formats and classification schemes adopted for the presentation of financial statements and the budget.

Basis differences occur when the approved budget is prepared on a basis other than the accounting basis, as stated above.

Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. As mentioned above, the Tribunal's budget period is for two years, while its financial period is for one year. For each of the two years of a budget period, the contributions of States parties are determined on the basis of half of the appropriations adopted by the Meeting of States Parties for that budget period. Accordingly, the budget for the financial period 2024 is half of the approved budget for the 2023–2024 budget period.

The budget for 2023–2024 includes estimates for a portion of the meetings to deal with case No. 28 and estimates for two urgent cases in part C (Case-related costs).

On 12 December 2022, the Tribunal received a request from the Commission of Small Island States on Climate Change and International Law to render an advisory opinion, which was entered in the list of cases of the Tribunal as case No. 31. In June 2023, the thirty-third Meeting of States Parties authorized the Tribunal to use part of the cash surplus from the 2021–2022 budget to finance an additional appropriation in the amount of €1,241,200 in order to cover the portion of the estimated costs of case No. 31 that cannot be absorbed by the approved budget of the Tribunal for the period 2023–2024.

With regard to the overall budget performance for the 2023–2024 budget period, the expenditure level as at 31 December 2024 shows that the funds approved for the case-related part of the budget were not sufficient. The overexpenditure for Part C "Case-related costs" amounts to €504,666. These additional costs (up to €1,241,200) can be absorbed by part of the 2021–2022 cash surplus, as authorized by the Meeting of States Parties (see SPLOS/33/13, paragraph 1). The balance of €736,534 will be surrendered with the 2023–2024 cash surplus.

For the year 2024, the budget lines for annual allowances and special allowances show overexpenditure in the amounts of €606,229 and €52,749, respectively. Both negative balances are due to the revisions of the post adjustment for Hamburg in February and July 2023 and in February 2024, which resulted in increases in judges' annual allowances and special allowances of 8.8 per cent, 7.6 per cent and 2.3 per cent, respectively. The projected overexpenditure in the budget line for annual allowances is also attributable to the fact that case No. 31 was dealt with by the Tribunal in its composition of September 2023. As a consequence, between October

2023 and May 2024 (when case No. 31 was completed), annual allowances were payable to 27 judges. The changes in the DSA rate for Hamburg from €319, when the budget was drafted, to €361 in June 2022, to €325 in July 2023 and to €374 in July 2024 also increased the expenditure under the budget line “Special allowances”.

For the year 2024, the budget line “Established posts” shows an overexpenditure of €169,569. The negative balance is due to the above-mentioned multiple revisions of the post adjustment for Hamburg and to the revision of salaries in the General Service category. Since March 2022, when the Tribunal drafted the budget, salaries have increased by approximately 22 per cent.

Under the budget line “Common staff costs” in section 3 (“Staff costs”), an overexpenditure of €203,573 was recorded for the year 2024. The negative balance is partly due to the entitlements of outgoing and incoming staff members in the Professional category. In addition, the revision of the pensionable remuneration in both staff categories has led to increased monthly contributions to the United Nations Joint Staff Pension Fund.

The budget line “Representation allowance” shows a negative balance of €74 owing to the high value of the United States dollar against the euro.

Section 8 “Library and related costs” shows an overexpenditure of €22,708 for the year 2024, which can be compensated with the expenditure level of 2023 for the overall 2023–2024 budget.

With regard to the 2023–2024 budget, the overall balance of part A of the budget (Recurrent expenditure) amounts to €509,259. The overexpenditure can be financed with up to €872,000 from the 2021–2022 cash surplus, as authorized by the Meeting of States Parties (see SPLOS/34/11, paragraph 4). The balance of €362,741 will be surrendered with the 2023–2024 cash surplus.

Note 33

Contingent liabilities

Any future review of the post adjustment multiplier for Hamburg may lead to adjusted salaries for staff members in the Professional category and for judges. A future cost-of-living survey for Hamburg may likewise lead to a revision of the post adjustment multiplier. The amounts of adjusted salaries cannot be reliably estimated.

Note 34

Related party disclosures

The key management personnel are defined as the President, the Registrar and the Deputy Registrar.

The staff costs for the Registrar amounted to €211,735.

For the President, the annual and special allowances amounted to €176,759 and the non-pensionable allowance to €129,661. Provisions for President Heidar were created in an amount of €437,292.

Note 35

Write-off losses of cash, receivables and property

An amount of €259 for a defective notebook was written off during the reporting period.

Note 36**Events after the reporting date**

[See SPLOS/34/4, p. 32]

Note 37**Trust funds**

The Tribunal maintained four trust funds in 2024: the Nippon Foundation grant, the trust fund for the law of the sea, the Republic of Korea trust fund and a Junior Professional Officer trust fund.

Nippon Foundation grant

The Nippon Foundation grant was established in March 2007, following the signature of the Nippon Foundation grant agreement. Pursuant to this agreement, the Nippon Foundation contributed an amount of €200,000 to the Nippon Foundation's International Tribunal for the Law of the Sea capacity-building and training programme on dispute settlement under the United Nations Convention on the Law of the Sea. In accordance with regulation 6.5 of the Financial Regulations of the Tribunal, a trust fund was subsequently established, and a special euro bank account named "Nippon Foundation grant" was set up with Deutsche Bank.

Since 2007, the Nippon Foundation has made annual contributions to the grant totalling €4,114,480 (including a contribution in March 2024 for the 2024–2025 programme in the amount of €281,740). At the beginning of the financial period 2024, the total reserves of the fund amounted to €103,936. In July 2024, an amount of €22,647 was surrendered to the Nippon Foundation. As at 31 December 2024, the balance of total reserves was €125,105. The audited financial statement for the Nippon Foundation grant will be circulated at the Meeting of States Parties in June 2025.

Trust fund for the law of the sea

Pursuant to regulation 6.5 of its Financial Regulations, in October 2009, the Tribunal established a trust fund for the law of the sea. The trust fund is intended to promote the advancement of human resources in developing countries in the law of the sea and maritime affairs in general. Several contributions to the trust fund from different sources (the Korea Maritime Institute, China, Cyprus, Korwind) were received between 2009 and 2023. During the financial period 2024, two contributions from the Korea Maritime Institute totalling €31,000 and a contribution from Cyprus in the amount of €15,000 were received. Since July 2012, the trust fund has been used to support the Tribunal's internship programme, to provide financial assistance to interns from developing countries and to finance regional workshops. As at 31 December 2024, the balance of total reserves stood at €287,903. The audited financial statement for the trust fund will be circulated at the Meeting of States Parties in June 2025.

Republic of Korea trust fund

The trust fund was established to provide financial assistance for the organization of workshops for legal advisers at the Tribunal. During the financial period 2024, the Tribunal received a voluntary contribution from the Republic of Korea in the amount of €295,739. A workshop for legal advisers was organized in September 2024. The balance of the trust fund amounted to €171,923 as at 31 December 2024. The audited financial statement for the Republic of Korea trust fund will be circulated at the Meeting of States Parties in June 2025.

Junior Professional Officer trust fund

In December 2022, the Tribunal and the People's Republic of China signed a memorandum of understanding concerning junior professional officers. On the basis of the cost estimates provided by the Tribunal, a contribution in the amount of €164,310 was received from the People's Republic of China in June 2024 and placed into a trust fund established for the purposes of the programme. The Junior Professional Officer was appointed on 1 July 2024 for a period of one year. The balance of the trust fund amounted to €78,561 as at 31 December 2024. The audited financial statement for the Junior Professional Officer trust fund will be circulated at the Meeting of States Parties in June 2025.

Note 38**Institutional arrangements**

The financial records of the Tribunal have been prepared using the Infor SunSystems financial software package.

The financial statements and the notes to the financial statements were authorized by the Registrar of the Tribunal, Ms Ximena Hinrichs-Oyarce, on 14 February 2025.

Appendix II

Status of contributions to the International Tribunal for the Law of the Sea from 1996 to 2024 as at 31 December 2024

[The status of contributions as at 31 May 2025 will be made available on the platform of the Meeting of States Parties.]

Appendix III

Performance reports for grants given to the International Tribunal for the Law of the Sea

(Euros)

A. Nippon Foundation grant for the period from 1 January to 31 December 2024

	<i>2024</i>
Revenue	
Grant from the Nippon Foundation	(281 740)
Miscellaneous revenue	(277)
Net revenue	(282 017)
Expenses	
Participants (subsistence allowance, travel and insurance)	149 553
Lecturers (subsistence allowance and travel)	37 734
General administrative expenses	50 382
Non-refundable taxes	532
Total expenses	238 201
Surplus for the period	(43 816)
Assets	
Cash and term deposits	111 189
Accounts receivable	1 989
Prepaid expenses	16 830
Total assets	130 008
Liabilities	
Accounts payable	(4 903)
Total liabilities	(4 903)
Net assets/equity	
(Surplus)/deficit for prior periods	(103 936)
Surrender of surplus	22 647
Surplus for the financial period 2024	(43 816)
Total net assets/equity	(125 105)
Total liabilities and net assets/equity	(130 008)

B. Trust fund for the law of the sea for the period from 1 January to 31 December 2024

	<i>2024</i>
Revenue	
Contributions	(46 000)
Net revenue	(46 000)
Expenses	
Internship programme	29 503
Bank charges	538
Total expenses	30 041
Surplus for the period	(15 959)
Assets	
Cash and term deposits	287 903
Total assets	287 903
Liabilities	
Accounts payable	–
Total liabilities	–
Net assets/equity	
(Surplus)/deficit for prior periods	(271 944)
Surplus for the financial period 2024	(15 959)
Total net assets/equity	(287 903)
Total liabilities and net assets/equity	(287 903)

C. Republic of Korea trust fund for the period from 1 January to 31 December 2024

	2024
Revenue	
Contributions	(295 739)
Gains on exchange	(297)
Net revenue	(296 036)
Expenses	
Tickets and DSA (judges)	25 159
Tickets and DSA (lecturers)	17 954
Tickets and DSA (participants)	152 348
Accommodation	44 089
Temporary assistance	6 800
Hospitality	22 275
Cleaning	440
Communication	4 800
Bank charges	691
Administrative expenses	310
Non-refundable taxes	385
Total expenses	275 251
Surplus for the period	(20 785)
Assets	
Cash and term deposits	184 872
Tax receivables	7 836
Total assets	192 708
Liabilities	
Accounts payable	–
Total liabilities	–
Net assets/equity	
(Surplus)/deficit for prior periods	(171 923)
Surplus for the financial period 2024	(20 785)
Total net assets/equity	(192 708)
Total liabilities and net assets/equity	(192 708)

Abbreviation: DSA, daily subsistence allowance.

D. Junior Professional Officer trust fund for the period from 1 January to 31 December 2024

	2024
Revenue	
Contributions	(164 310)
Net revenue	(164 310)
Expenses	
Salary	37 273
Common staff costs	48 457
Programme support costs	10 100
Non-refundable taxes	19
Total expenses	95 849
Surplus for the period	(68 461)
Assets	
Cash and term deposits	78 159
Accounts receivable	402
Total assets	78 561
Liabilities	
Accounts payable	(10 100)
Total liabilities	(10 100)
Net assets/equity	
(Surplus)/deficit for prior periods	–
Surplus for the financial period 2024	(68 461)
Total net assets/equity	(68 461)
Total liabilities and net assets/equity	(78 561)

Appendix IV

Audit procedures and results of additional audit scope

[See SPLOS/34/4, p. 43]

1. Approval of expenses

As instructed, we have audited whether the expenses incurred during the financial period 2024 were in accordance with the appropriations approved by the Meeting of States Parties.

The approved budget for the financial period 2024 amounted to €11,721,950; however, a total amount of €12,810,795 was spent against approved budget lines, resulting in an overexpenditure of €1,088,845 (see appendix I, statement E). The total overexpenditure resulting from case-related costs for case No. 31 will be covered by the supplementary budget approved by the Meeting of States Parties. It should be noted that overexpenditures incurred under some budget lines in part A of the budget (Recurrent expenditure) were approved up to an amount of €872,000 by the Meeting of States Parties. We also refer to the explanations in the notes to the financial statements in appendix I.

2. Authorization of expenditures

We have audited the procedures for the authorization of expenditures as outlined in the Financial Regulations and Rules of the Tribunal and tested, on a sample basis, whether those procedures have been strictly followed by the Tribunal in all material respects.

No significant matters came to our attention as a result of the work done. In our opinion, the procedures for the authorization of expenditures were carried out in accordance with the Rules of the Tribunal and the Financial Regulations and Rules of the Tribunal.

3. Procedures for recruiting/engaging staff

In the financial period 2024, the Tribunal recruited two new staff members. We have audited, on a sample basis, whether the procedures for recruiting and engaging the new staff members were in line with the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal.

No discrepancies came to our attention as a result of the work done. The Tribunal has carried out the procedures for recruiting and engaging staff in accordance with the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal.

4. Procedures for procurement of goods and services

We have audited whether the procedures followed by the Tribunal in the order process were in line with the Financial Regulations and Rules of the Tribunal (i.e. whether they included requests for bids or tenders, fair analysis of tenders, written contracts, etc.) and tested, on a sample basis, that those procedures have been followed by the Tribunal in all material respects.

No matters came to our attention as a result of the work done. In our opinion, the procedures for procurement of goods and services were carried out in accordance with the Financial Regulations and Rules of the Tribunal.

5. Examination of whether goods and services that have been procured were in line with the approved budget, properly recorded and not excessive, having regard to circumstances and the functions of the Tribunal

We have audited whether (a) the expenditures reported for the financial period have been properly included in the statement of income and expenditures and have been charged to the appropriate budget line; and (b) the goods and services procured were necessary or not excessive with regard to circumstances and the functions of the Tribunal.

In our opinion, the expenditures for the financial period have been properly included in the statement of income and expenditures and have been charged to the appropriate budget line. The overexpenditures in the financial period could be reasonably explained and were authorized by the Meeting of States Parties. The equipment acquired during the financial period 2024 has been duly registered in the inventory list and is being used as required by circumstances and the functions of the Tribunal.

6. Examination regarding the Nippon Foundation grant, the trust fund for the law of the sea, the Republic of Korea trust fund and the Junior Professional Officer trust fund

Nippon Foundation grant

We have audited whether the grant given to the Tribunal by the Nippon Foundation, maintained in a separate trustee account, is administered in accordance with the Nippon Foundation grant agreements.

Pursuant to the agreements, the Nippon Foundation contributed an amount of €281,740 in the financial period 2024 to the Nippon Foundation's International Tribunal for the Law of the Sea capacity-building and training programme on dispute settlement under the United Nations Convention on the Law of the Sea. The purpose of the grant is to finance the expenses of participants from developing countries in the aforementioned programme. The Nippon Foundation grant was invested in a special bank account.

During the financial period 2024, the sum of €238,200 was withdrawn from the Nippon Foundation grant to provide funding for the programme's activities. In the financial period, participants from several developing countries took part in the programme.

As at 31 December 2024, the special bank account of the Nippon Foundation grant showed a balance of €111,189.

We also refer to the performance report of the Nippon Foundation grant contained in appendix III.

Trust fund for the law of the sea

Total contributions in the amount of €46,000 were made to the trust fund, as explained in the notes to the financial statements contained in appendix I. A special bank account was set up for the trust fund.

During the financial period 2024, an amount of €30,041 was withdrawn to provide funding to the internship programme.

The special bank account showed a balance of €287,903 as at 31 December 2024.

We also refer to the performance report of the trust fund contained in appendix III.

Republic of Korea trust fund

This trust fund was established in 2020. Total contributions in the amount of €295,739 were made to the trust fund, as explained in the notes to the financial statements contained in appendix I. A special bank account was set up for the trust fund.

During the financial period 2024, an amount of €275,251 was withdrawn for tickets and daily subsistence allowance for judges, lecturers and participants.

The special bank account showed a balance of €184,872 as at 31 December 2024.

We also refer to the performance report of the trust fund contained in appendix III.

Junior Professional Officer trust fund

This trust fund was established in 2024. A contribution in the amount of €164,310 was made to the trust fund, as explained in the notes to the financial statements contained in appendix I. A special bank account was set up for the trust fund.

During the financial period 2024, an amount of €95,849 was withdrawn for salaries and common staff costs of the Junior Professional Officer.

The special bank account showed a balance of €78,159 as at 31 December 2024.

We also refer to the performance report of the trust fund contained in appendix III.
