

# INTERNATIONAL MARITIME ORGANIZATION

FINANCIAL REPORT AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2023

REPORT OF THE EXTERNAL AUDITORS



NAVIGATING  
THE FUTURE:  
SAFETY FIRST!

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# **INTERNATIONAL MARITIME ORGANIZATION**

## **FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

## SECRETARY-GENERAL'S STATEMENT

### INTRODUCTION

1 In accordance with financial regulation 12.10, I have the honour to submit to the Council, for its examination and onward transmission to the Assembly, the financial statements of the International Maritime Organization (IMO) for the year ended 31 December 2023.

2 The Report of the External Auditors on the audit of the 2023 financial statements, together with their opinion thereon, is also submitted to the Council as prescribed under financial regulation 12.10.

3 The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS), as prescribed by financial regulation 11.1, adopted by the Assembly through resolution A.1017(26) effective 1 January 2010, and in line with the United Nations policy that IPSAS be used as the accounting standards by United Nations system organizations.

4 In 1948, an international conference in Geneva adopted a convention formally establishing the Intergovernmental Maritime Consultative Organization. The Convention entered into force in 1958 and the Organization came into being in 1959. In 1982, the original name was changed to the International Maritime Organization. The Headquarters of the Organization is in London and its complement is approximately 320 staff members, including project staff, Member States Professionals and temporary employees. IMO's principal place of business, as well as the names and addresses of its General Counsel, actuary, principal banker and external auditor are indicated in annex 1 to the financial statements.

5 Within the meaning of IPSAS, IMO also controls the World Maritime University (WMU) and the IMO International Maritime Law Institute (IMLI), the financial records of which are presented within these financial statements. IMO is not a controlled entity within the meaning of IPSAS, its ultimate decision-making body being its Assembly of 175 Member States, with an elected Council of 40 Member States performing, in accordance with Article 26 of its constitutive Convention, all functions of the Assembly, with the exception of some technical matters, between sessions of the Assembly.

6 The purposes of the Organization, as summarized in Article 1(a) of its Convention, are "to provide machinery for cooperation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade; to encourage and facilitate the general adoption of the highest practicable standards in matters concerning maritime safety, efficiency of navigation and prevention and control of marine pollution from ships; and to deal with administrative and legal matters related to the purposes set out in this Article".

## HIGHLIGHTS OF MARITIME ACTIVITIES IN 2023

7 IMO continues to actively pursue its targets and objectives in a wide range of subject areas, and some of the highlights of 2023 for the Organization are summarized below.

### Maritime safety

8 In 2023, the Maritime Safety Committee (MSC) continued its regulatory work. MSC met for its 107th regular session in May-June 2023.

9 The Committee adopted a substantial number of amendments to mandatory and non-mandatory instruments under its remit, including the SOLAS Convention and associated mandatory codes, as well as the 1978 and 1988 SOLAS Protocols, and the 1978 STCW Convention and Code. The Committee approved, for adoption at MSC 108, draft amendments to the STCW Code to prevent and address the issues of violence and harassment in the maritime sector, and a revision and update of the 1995 STCW-F Convention, together with an associated new mandatory STCW-F Code, containing minimum standards of competence.

10 In the context of the Organization's climate action, and in order to support the safe delivery of IMO's Greenhouse Gas (GHG) Strategy, the Committee included in its agenda a new output to develop a framework for the safe operation of new technologies and alternative fuels aimed at reducing GHG emissions from ships.

11 The Committee considered safety matters in the context of the ongoing military conflict between Ukraine and the Russian Federation and took action with particular focus on the issuance of seafarers' certificates and documents in the territory of Ukraine temporarily occupied by the Russian Federation.

12 In this context, the Assembly, at its thirty-third session, adopted resolution A.1183(33) on *Impact of the Russian armed invasion of Ukraine on international shipping*, based on which IMO has initiated a needs assessment, as a priority, with a view to establishing technical cooperation to support Ukraine in the implementation of IMO instruments as Ukraine continues to operate the special maritime corridor.

13 Furthermore, the Committee continued its audit programme under the goal-based ship construction standards for bulk carriers and oil tankers (GBS), and progressed work on the development of a goal-based instrument regulating maritime autonomous surface ships, in cooperation with the Legal and Facilitation Committees.

14 The Committee considered the use of gender-neutral terminology in the instruments under its purview and acknowledged that the work to be undertaken was a major effort that required a holistic approach beyond the instruments of the Committee, which was brought to the attention of the Council and the Assembly for their consideration.

15 The Committee also considered and approved a number of proposals for new work items, mainly concerning technical matters. In this connection, taking into account the ongoing and prospective high workload of the Committee and its subsidiary bodies, the Committee agreed to consider the matter in detail at MSC 108 and to keep the Council informed of relevant outcomes.

16 Finally, the Assembly, at its thirty-third session, adopted the following resolutions emanating from the maritime safety-related work of the Organization:

- .1 *Recommendations emanating from the Joint Action Group to review the impact of the COVID-19 pandemic on the world's transport workers and the global supply chain (JAG-TSC) (resolution A.1189(33));*

- .2 *Urging Member States and all relevant stakeholders to promote actions to prevent illegal operations in the maritime sector by the "dark fleet" or "shadow fleet" (resolution A.1192(33)) (under the purview of MSC, MEPC and LEG);*
- .3 *Guidelines on places of refuge for ships in need of assistance (resolution A.1184(33)) (under the purview of MSC and MEPC);*
- .4 *Procedures for port State control, 2023 (resolution A.1185(33));*
- .5 *Survey Guidelines under the Harmonized System of Survey and Certification (HSSC), 2023 (resolution A.1186(33));*
- .6 *2023 Non-exhaustive list of obligations under instruments relevant to the IMO Instruments Implementation Code (III Code) (resolution A.1187(33)); and*
- .7 *2023 Guidelines on implementation of the International Safety Management (ISM) Code by Administrations (resolution A.1188(33)).*

### Facilitation of maritime traffic

17 Regarding the work of the Facilitation Committee (FAL) concerning the facilitation of maritime traffic, new amendments were adopted by FAL 47 which are expected to enter into force on 1 January 2025 and which aim to address the need to combat illicit activities in the national facilitation programmes of Governments.

18 FAL 47 adopted a resolution on recommended actions to accelerate the implementation of the maritime single window that will be mandatory from 1 January 2024. The resolution stresses the benefits of the implementation of single windows in the ports of Member States and, inter alia, urges Governments to adopt, implement and effectively apply the maritime single window concept to ship and port clearance processes. It also encourages Governments to utilize the IMO Compendium on Facilitation and Electronic Business when developing electronic information exchange systems as far as practically possible to ensure harmonization and interoperability across systems and stakeholders.

19 Concerning digitalization, the FAL Committee approved an update of the IMO Compendium on Facilitation and Electronic Business, including new data sets. By harmonizing the definitions and formats of the data elements required during a port call and by standardizing electronic messages, the IMO Compendium facilitates the exchange of information ship to shore and the interoperability of single windows, reducing the administrative burden for ships linked to formalities in ports.

20 FAL 47 approved *Guidelines for harmonized communication and electronic exchange of operational data for port calls*, providing guidance for the implementation of an electronic and automated exchange of operational data between ship and port.

21 To assist Member States in complying with the digitalization requirements, the implementation of two technical cooperation projects on the establishment of maritime single windows, the "Single Window for Facilitation of Trade" (SWiFT) project in Angola, in cooperation with Singapore was completed in November 2023. In respect to the "World Bank Group/IMO maritime single window for SIDS" in Fiji, launched in 2021, a mission to Fiji was held to introduce the Digital Gap Analysis. The report identifies existing cargo and ship clearance processes and information requirements and develops the scope and structure of an MSW envisaged in Fiji and provides recommendations on the next steps.

22 A new free-to-access e-learning course was launched in September 2023 on IMO's e-learning platform to explain the implementation of the maritime single window. The "Introductory e-learning course on implementation of the maritime single window (self-paced e-learning)" is based on the IMO Guidelines for setting up a maritime single window and developed in collaboration with WMU under IMO's Integrated Technical Cooperation Programme (ITCP). There are six modules

and, after successfully completing them, participants can download and print a certificate of completion.

### Maritime security

23 MSC 107 in June 2023 considered possible measures to address the threats to maritime safety and the international community from repeated missile launches by the Democratic People's Republic of Korea and adopted resolution MSC.531(107) on *Strengthening measures for ensuring the safety of international shipping*.

24 MSC 107 also considered the issuance of certificates of competency and seafarers' identity documents in certain parts of Ukraine temporarily occupied by the Russian Federation and, inter alia, encouraged Member States to fulfil their obligations under the STCW Convention as flag and port States, to prevent unlawful practices by the Russian Federation with respect to seafarers' certificates and documents, and to take appropriate action when examining such certificates and documents issued from locations in the territory of Ukraine temporarily occupied by the Russian Federation.

25 In December 2023, the thirty-third session of the Assembly adopted resolution A.1183(33) on *The impact of the Russian armed invasion of Ukraine on international shipping*, which, inter alia, requested the Secretary-General to facilitate a technical needs assessment to support Ukraine in the implementation of IMO instruments and to explore possible funding options for both the assessment and potential follow-on technical cooperation.

26 IMO has focused on partnering opportunities where possible in the area of maritime security, as well as increasing and diversifying the capacity-building support on offer. The "whole of Government" approach has been advanced for National Maritime Security Committees. Risk Registers and Strategies have been implemented for 11 Pacific Island countries in partnership with New Zealand and the Pacific Community. Training on National Maritime Security Risk Assessment has also been delivered with the Organization of American States Inter-American Committee Against Terrorism, and Port Facility Security Auditor training in partnership with Australia. A maritime cybersecurity and resilience symposium was also held with the United Kingdom at the University of Plymouth. In total 17 in-country activities were delivered under IMO's Global Enhancement of Maritime Security Programme, which supports countries in enhancing security measures to protect ships and ports from threats posed by terrorism, piracy and armed robbery, smuggling of arms, drugs, and illicit goods, and other illicit activities. Horizon scanning for new capacity-building initiatives is ongoing, with the development of new training to mitigate threats against the maritime sector, which could be facilitated by full or part-time employees working in or for the sector; security culture to build and promote a positive security culture in the maritime sector through the recognition that effective security is critical to business success; and Practical Maritime Person and Baggage Screening and Searching, which will include the provision of security equipment and which will provide hands-on training in the effective use of Walk-Through Metal Detectors and X-ray screening machines to detect weapons or any other dangerous substances and devices intended for use against persons, ships or ports.

27 The Maritime Safety Division is continuing with the implementation of two major European Union-funded port security projects, supporting Member States in Eastern and Southern Africa, the Indian Ocean and the Red Sea area. These projects are being delivered in partnership with the United Nations Office on Drugs and Crime and the International Criminal Police Organization (INTERPOL) across a broad array of maritime security issues.

28 MSD continues to assist Member States with the implementation of the Yaoundé Code of Conduct (YCoC) through the provision of an expert who is currently providing support to the work of the G7++FoGG. With a contribution from Germany, IMO has also commenced a project to provide support to the regional and national bodies of the YCoC architecture as well as targeted support to the Interregional Coordination Centre, based in Yaoundé, Cameroon, which plays a strategic role in fostering cooperation in the region. Further, with support from the Republic of Korea (ROK), IMO has continued to provide assistance to enhance communications at the Multinational Maritime



Coordination Centre of the Economic Community of West African States Zone F of the YCoC and to promote maritime safety and security within Zone F and the Gulf of Guinea. A follow-on project in the Economic Community of Central African States Zone D using this ROK funding will commence shortly.

29 MSD also continued to support Member States in the Western Indian Ocean and the Gulf of Aden to build capacity to counter piracy and other threats to maritime security through implementation of the Djibouti Code of Conduct, as amended. The main focus has been building sustainable capacities at national and regional levels to prevent a resurgence of piracy and to combat other threats to safety and security of navigation, by strengthening the regional Information-Sharing Network for effective sharing of information on broader threats to maritime security, and expanding the scope of the capacity-building coordination mechanism to include new expert thematic working groups and improved alignment of potential donor funding and technical assistance with regionally identified needs and priorities.

### Environmental protection

30 At MEPC 80 (July 2023), IMO Member States adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships, which includes an enhanced common ambition set on Well-to-Wake GHG reductions to reach net-zero GHG emissions from international shipping by or around, i.e. close to, 2050; a commitment to ensure the uptake of alternative zero and near-zero fuels and/or energy sources to represent at least 5%, striving for 10%, of the energy used by international shipping by 2030; as well as an indicative checkpoint to reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30%, by 2030, and by at least 70%, striving for 80%, by 2040, both compared to 2008. Member States have agreed to adopt by 2025 a basket of candidate mid-term GHG reduction measure(s) comprised of a technical element, namely a goal-based marine fuel standard regulating the phased reduction of marine fuels' GHG intensity, and an economic element on the basis of a maritime GHG emissions pricing mechanism. In parallel with the development of the mid-term measures, a comprehensive impact assessment has been initiated with a view to addressing any disproportionately negative impacts from the measures on States, including developing States, in particular SIDS and LDCs, and will be completed prior to the adoption of the measures, scheduled for 2025.

31 During 2023, MEPC also made concrete progress on other environmental subjects, including the designation of the Mediterranean Sea, as a whole, as an Emission Control Area for Sulphur Oxides and particulate matter; the designation of a Particularly Sensitive Sea Area in the North-Western Mediterranean Sea to protect cetaceans from international shipping; the agreement of an effective date of 1 January 2025 for the Red Sea and the Gulf of Aden special areas under MARPOL Annexes I and V; the approval of *Guidelines for the reduction of underwater noise from commercial shipping to address adverse impacts on marine life*; and the adoption of revised *Guidelines for the control and management of ships' biofouling to minimize the transfer of invasive aquatic species*.

32 MEPC 80 noted that some 52 technical cooperation activities related to the protection of the marine environment had been implemented through the ITCP in 2023, covering IMO's priority environmental conventions and protocols; and further noted the Secretariat's efforts to increase the ITCP delivery rate of 75% in 2023, when compared to 62% in 2022, as well as renewed efforts to improve the balance of ITCP among the five marine environment-related thematic priorities. MEPC recognized that the ITCP activities also supported initiatives of other UN organizations/ agencies, notably to further strengthen the implementation of the UN's 2030 Agenda for Sustainable Development and related Sustainable Development Goals (SDGs), in particular SDG 5 (gender equality), SDG 6 (clean water and sanitation), SDG 9 (industry, innovation and infrastructure), SDG 13 (climate action), SDG 14 (life below water) and SDG 17 (partnerships for the goals).

33 MEPC 81 was updated on the status of IMO's environmental e-learning courses. Since its launch in April 2022, 2,718 global participants have registered for the e-learning course "An Introduction to Oil Pollution Preparedness, Response and Cooperation" in English, of which 892 participants have completed the course. Some 613 global participants have benefited from this



course in Spanish, with 430 participants completing this course. The course was launched in French in early 2024.

34 Following its launch in October 2022, 1,000 global participants have benefited from the e-learning course entitled "Introduction to Marine Biofouling: Impacts and Management of Risks". Launched under the framework of the GEF-UNDP-IMO GloFouling Partnerships Project, the course provides a detailed introduction to multiple aspects related to ships' biofouling, its role as a vector for the introduction of invasive aquatic species and the management solutions and technologies that are available. The self-enrolled course is available in English and will also be made available in Spanish during the first quarter of 2024.

35 In 2023, IMO, together with WMU, made progress on the development of two new e-learning courses on Ballast Water Management and the London Protocol (LP). These remote courses are part of the IMO e-learning portal, created to increase the capacity of Member States to effectively implement IMO instruments.

36 IMO provided support to national and UN inter-agency contingency planning efforts in the event of a possible oil spill from FSO Safer in Yemen, with a focus on promoting best practices and sharing lessons learned in responding to oil pollution incidents, supporting all aspects of the salvage operation (emergency phase) and providing leadership on oil spill response contingency planning. Support provided to Yemen through a technical expert included, inter alia, analysing the level of preparedness, technical guidance and assistance regarding oil spill preparedness and response, crisis management, legal support, salvage, ship brokering and chartering, and insurance.

37 The governing bodies of the London Convention/Protocol (LC/LP) continued their work to strengthen the implementation of the LC/LP in accordance with the strategic directions and targets set out in the 2016 LP/LC Strategic Plan, with a focus on increasing the LP membership. In particular, the governing bodies noted the ongoing review of the reporting system, notably with respect to GISIS and the online LC/LP module for reporting of annual dumping permits. With respect to climate change mitigation technologies, the governing bodies adopted a statement reiterating their concern about marine engineering techniques and emphasized the urgency to evaluate these against the background of the rapidly growing interest in the issue. Furthermore, in light of recent amendments to the AFS Convention to introduce controls on cybutryne, the governing bodies approved *Revised guidance on best management practices for removal of anti-fouling coatings from ships*.

38 Supporting the work of IMO on environmental matters, the Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection (GESAMP), for which IMO acts as the Secretariat, continued its work in nine dedicated working groups, including the continuation of the second phase of the Working Group on Sea-Based Sources of Marine Litter (co-sponsored by IMO, the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Environment Programme (UNEP)). The fiftieth annual session of GESAMP was hosted at the Headquarters of the International Seabed Authority in September.

## Legal matters

39 The Legal Affairs Office (LAO) continued to provide legal advice to other Divisions of the Secretariat, to the IMO organs, Member States and other stakeholders.

40 LAO facilitated the 110th session of the Legal Committee, held in March 2023. Among other matters, the Committee considered abandonment of seafarers and adopted resolution (LEG.6(110)) providing Guidelines for port State and flag State authorities on how to deal with seafarer abandonment cases. The Committee further considered guidelines relating to fair treatment of seafarers detained on suspicion of committing maritime crimes advice and guidance in connection with the implementation of IMO instruments, measures to prevent unlawful practices associated with the fraudulent registration and fraudulent registries of ships; piracy; promotion of the entry into force of the 2010 HNS Convention; measures to assess the need to amend liability limits; guidance for the

proper implementation and application of IMO liability and compensation conventions; and measures to address maritime autonomous surface ships.

41 With respect to Council meetings in 2023, LAO provided advice and submitted documents to C 129, C 130 and C 131. LAO continued to support the Working Group on Council Reform as Secretary to consider proposed measures relating to access to information and transparency. At its 129th session, the Council, upon recommendation of the Working Group, agreed that, as a first step, the plenary meetings of the Assembly, which are public, should be live streamed to the public. LAO also played a crucial role supporting the process of the election of the Secretary-General.

42 Regarding the thirty-third session of the Assembly, LAO processed documents and briefs, provided legal support to the Assembly and managed the election of the Members of the Council. Moreover, LAO was in charge of Committee 1 of the Assembly.

43 LAO continued to deliver technical cooperation activities related to the implementation of IMO conventions into the maritime legislation and on the liability and compensation regime. Legal Officers also delivered lectures at IMLI and WMU.

44 The depositary processed more than 100 depositary actions by Member States in 2023, representing a typical workload for the depositary staff. The Head of LAO took part in numerous meetings related to the depositary functions of the Organization.

45 LAO notified 142 new abandonment cases to relevant Member States and interested organizations in consultative status with IMO and the International Labour Organization (ILO).

46 LAO represented IMO at the signing ceremony of the UN Convention on the International Effects of Judicial Sales of Ships and delivered a keynote speech at the international Symposium on the Beijing Convention organized by the Supreme People's Court of the People's Republic of China which followed the signing.

47 LAO was present at the Intergovernmental Conference on an international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction (BBNJ) and at the adoption session in June 2023. LAO also represented IMO at the thirty-third meeting of the States Parties to UNLCOS.

48 LAO participated and delivered a keynote speech at an international symposium on the Biological Diversity of Areas beyond National Jurisdiction, held from 28 to 30 June 2023 in Qingdao City, China.

## Outreach

49 IMO's public-facing visibility continued apace. The highlight of the year was the adoption in July 2023 by MEPC 80 of the revised IMO GHG Strategy. There was intense media liaison before, during and after the adoption, including arranging interviews and a well-attended press conference at the end of MEPC 80. The election and subsequent endorsement by the Assembly of the next Secretary-General elicited substantial media interest as well on social media platforms. The election of the Council by the Assembly was another key moment. Outreach to promote IMO support for Member States continued. More than 175 short news stories ("What's New") focused largely on projects and implementation activities. Visits to the IMO public website remained high at nine million. Official IMO HQ accounts on social media platforms (X (formerly Twitter), Instagram, Facebook and LinkedIn) continued to gain more followers. Sixteen new videos were published on YouTube during 2023. The outcomes of all IMO bodies including the Council, Assembly, Committees and Sub-Committees were all communicated to the media and via the IMO website.

50 Seafarer matters were highlighted. The IMO X/Twitter feed for the Day of the Seafarer celebration on 25 June 2023 under the theme "#OceansWorthProtecting" had millions of impressions worldwide. Seafarers were invited to share a picture of the marine environment using the hashtag.

The best photos were selected for a physical photo exhibition at IMO Headquarters. Many IMO Goodwill Maritime Ambassadors continued their outreach work to attract young people to the maritime professions. The second International Day for Women in Maritime on 18 May 2023 was marked with a high level of social media engagement under the theme “Mobilizing networks for gender equality”. A new and original IMO one minute film “Women in maritime can...” was launched.

51 For the annual World Maritime Day celebration, IMO hosted the IMO-UNEP-Norway Innovation Forum, a hybrid event that took place at IMO Headquarters and virtually, which focused on marine environment issues, in line with the year's theme "MARPOL at 50 – Our commitment goes on", and the Secretary-General hosted the traditional evening reception. Furthermore, the IMO building and other landmarks around the world were illuminated in blue as a symbolic effort to unite the maritime community in raising awareness of the vital contribution of shipping to the world.

## External relations

52 The External Relations Office (ERO) assisted the Council's second Intersessional Working Group on relations with non-governmental organizations (ISWG-NGO 2). At its 130th session, the Council approved amendments to the terms of reference of the ISWG-NGO, as well as adopting corresponding amendments to the Organization and method of work of the Council (Circular Letter No.4607), in particular the footnote to paragraph 3.8 thereof to reflect the open-ended nature of the ISWG-NGO.

53 ERO organized the IMO Awards Ceremony, featuring the presentation of the International Maritime Prize and the IMO Award for Exceptional Bravery at Sea, which was held at IMO Headquarters on the first day of the IMO Assembly.

54 ERO also coordinated 80 in-person group visits in 2023, comprising 1,396 students and officials.

55 Further, ERO provided assistance to Member States in appointing their Members of Permanent Missions to IMO as well as the designation of focal points.

## Maritime Knowledge Centre

56 The Maritime Knowledge Centre (MKC) continued to increase its global reach and dissemination of unique IMO content while delivering services and content to its core users and international audience of researchers in its digital and physical spaces.

57 The MKC's ongoing cooperation with UN Libraries and the collaborative buying power of the United Nations System Electronic Information Acquisitions Consortium continues to ensure remote access to a wide variety of key electronic resources and delivery of core digital content beyond MKC's usual budgetary capabilities. The MKC maintains its intranet site for information relating to on-site and remote access to electronic subscription resources for Secretariat staff.

58 The MKC provided significant research assistance on matters related to IMO and its documentation. Throughout the year, MKC staff continued to digitize unique IMO content for access and visibility via the MKC Internet site. MKC staff digitized travaux préparatoires of the 1974 SOLAS and 1973 MARPOL conferences and maintained the Index of IMO Resolutions.

59 The MKC's Internet provides access to IMO content for a wide variety of users and is a starting point for research in areas reflecting the work of the Organization. The MKC's digital Current Awareness Bulletin continues to increase subscribers and Research Guides content has been developed and expanded.

60 In addition to welcoming international researchers visiting to use its special collections on-site, the MKC resumed hosting interns, providing research assistance and coordinating their access

to information resources during their internships. The MKC regularly welcomes participants of in-person group visits coordinated by ERO.

### *Technical cooperation*

61 IMO continues to provide technical assistance to its Member States, particularly developing countries, to enhance the implementation and enforcement of IMO instruments. Technical assistance is funded through both the Technical Cooperation Fund and extrabudgetary resources and is enhanced through the formal partnership agreements that the Organization has reached with many of its Member States and various international and regional organizations. The year 2023 marked a further increase in technical cooperation activities' implementation levels for IMO following the impact of COVID-19. The blended delivery approach of remote and physical implementation remained during 2023 to sustain opportunities for efficiency where appropriate.

62 During 2023, IMO's technical cooperation work, which operated within the framework of the ITCP regional and global programmes, as well as thematic long-term projects (see paragraphs 63 to 66 below), aimed at supporting institutional capacity-development to assist Member States in meeting their international maritime obligations. This included training at the national, regional and global levels, provision of fellowships, conduct of needs assessments, gender-specific training for women in the maritime sector in the developing countries, as well as focusing on the delivery of the technical cooperation thematic priorities agreed by each of the IMO organs. Strategic work included development of training material, investment in e-learning, and online learning programmes. The brochure "All Hands on Deck" was also launched, which sets out IMO's strategic framework for technical cooperation and provides the basis for further developments contained within the Capacity-Building Decade 2021-2030 Strategy, as well as the proposal for a revised comprehensive strategy that was requested by the Committee at TC 73.

63 In 2023, within the framework of the ITCP, 206 activities were delivered out of a total of 276 programmed activities, a delivery rate of 75%. This is a 5% increase in activities delivered, in comparison to 2022 which was still recovering from the impacts of the COVID-19 pandemic in the early part of the year, when 181 activities were delivered out of 258 programmed, a delivery rate of 70%. Also, within the framework of the ITCP, IMO funded a total of 176 fellowships in the maritime field in 2023, compared to the 243 fellows funded in 2022. The higher number of fellowships in 2022 was mainly due to the fact that additional courses were completed in 2022 to make up for the restrictions during COVID-19. Additionally, 2,590 persons worldwide were trained through attendance at national and regional training workshops and seminars, a considerable increase from the 2,028 trained in 2022. A further 662 senior officials attended events in 2023 aimed at developing and harmonizing regional strategies on maritime technical issues, a notable increase from the 472 recorded in 2022. This figure is in addition to the number of persons trained through the regular training courses listed above.

64 The Technical Cooperation Committee approved the ITCP for the 2024-2025 biennium, as well as the allocation and use of £10.8 million (equivalent to \$13.4 million) from the Technical Cooperation Fund to support the delivery of the biennial programme.

65 Details of the Organization's technical cooperation work in 2023 were reported to the seventy-third session of the Technical Cooperation Committee (TC 73) which was held in hybrid modality in October 2023 (document TC 73/16). The Committee was also informed of the achievements of the ITCP's Women in Maritime global programme as part of IMO's efforts to enhance the participation of women in the maritime sector and facilitate the achievement of Sustainable Development Goal 5 of the UN 2030 Agenda on Sustainable Development. It was also informed of the activities which took place in May 2023 to celebrate the second International Day for Women in Maritime. Furthermore, following the Council's decision to establish the IMO Gender Equality Award, for international recognition of significant contributions to advancing gender equality and the empowerment of women in the maritime sector, the first award campaign took place in 2023, with the winner selected from the 13 nominations received. With regard to the IMO Regional Presence Office (RPO) Scheme, the Committee was informed of progress on the establishment of

the RPO in the Pacific region, as well as the RPO in Egypt for the Arab States in the Middle East and North Africa region, which was approved in 2022.

66 The wide range of technical assistance activities delivered by the Organization underlines the important role that technical cooperation plays in the work of IMO to facilitate the implementation of its regulatory instruments, and has now become increasingly important in assisting Member States with regulatory developments, particularly regarding the GHG Strategy, as well as continued post-COVID-19 recovery.

### Partnerships and projects

67 Total funds (committed and pledged) to support ongoing extra-budgetary long-term thematic projects to date are as follows:

#### **GHG Portfolio Support**

- (1) **GreenVoyage2050:** approximately \$27 million (Norway and other donors)  
**Phase I:** approximately \$7 million (Norway as donor)  
**Phase II:** approximately \$20 million (Norway), \$161,813 (Finland), \$160,086 (France), \$53,362 (Germany) and \$106,045 (Netherlands)
- (2) **Blue Solutions:** approximately \$17 million (pledge)
- (3) **GMN II:** approximately €10 million (EU as donor)
- (4) **GHG SMART:** approximately \$4.5 million (ROK as donor)
- (5) **SMART-C GHG:** approximately \$3.8 million (ROK as donor)
- (6) **IMO CARES II:** approximately \$1.185 million (KSA as donor)
- (7) **Innovation Forum:** approximately \$ 647,318 (Norway as donor)

#### **Oceans Portfolio Support/ Biofouling Portfolio**

- (8) **GloFouling Partnerships Project:** \$6.98 million (GEF as donor) and \$144,000 co-finance (from KSA)
- (9) **TEST Biofouling Project:** approximately \$4 million (Norway as donor)
- (10) **Regional Litter Asia Project (RegLitter):** approximately \$5.6 million (ROK as donor)
- (11) **GloLitter:** approximately \$4.49 million (Norway, Australia and KSA as donor)
- (12) **Pro-Seas:** \$90,000 project proposal preparatory grant from GEF

#### **Oceans Portfolio Support/ Other Marine Environment Projects**

- (13) **GloNoise Partnerships Project:** approximately \$2 million (GEF as donor)
- (14) **SENSREC III Project:** approximately \$1.29 million (Norway as donor)

#### **Human Element Support**

- (15) **SMART-C Women:** approximately \$3 million (ROK as donor)

#### **Maritime Safety Support**

- (16) **SMART-C Traffic:** approximately \$3 million (ROK as donor)

#### **Implementation of IMO Instruments Support**

- (17) **SMART-C Leaders:** approximately \$3.8 million (ROK as donor)

68 SDPAP has also made significant progress in delivering results from current projects as follows:

#### **Climate Change (GHG portfolio)**

- (1) During the reporting period, **IMO GreenVoyage2050** has achieved a number of important outputs, including supporting Solomon Islands in the development of a National Action Plan to address GHG emissions from ships, and undertaking a feasibility study for identified pilot projects in Georgia, Malaysia and South Africa. GreenVoyage2050 also developed and delivered two new workshop packages – one, on the “Development of a Route-Based Action Plan Methodology” in Singapore, and two, on “Port Actions for Green Shipping”, delivered in Mumbai, India. GreenVoyage2050 has secured additional funding for a Phase 2, which will run from January 2024 onwards, from the Government of Norway (NKR210 million) and additional contributions from Finland, France, Germany and the Kingdom of the Netherlands totalling €450,000.



[1] <https://greenvoyage2050.imo.org/>

- (2) The **Global Maritime Technology Cooperation Centre Network (GMN)**, funded by the EU (\$11 million), Phase I was successfully completed in March 2022, which aimed to reduce international shipping's GHG emissions. Over the course of six years, the GMN established five MTCCs in Africa, Asia, the Caribbean, Latin America and the Pacific with a primary goal of enhancing the human and institutional capacities in maritime administrations and port authorities. The Network conducted over 90 workshops and conferences and delivered 10 pilot demonstration projects. To build on this success, the European Commission has pledged a further €10 million to support GMN Phase II from 2023 to 2027, with the main focus on scaling up the work of the regional centres, with emphasis on facilitating the introduction of portside energy efficiency measures and technologies, as well as retrofitting domestic vessels through pilot demonstrations.
- (3) Within the GHG portfolio, the **IMO-Republic of Korea GHG SMART (Sustainable Maritime Transport Training Programme to Support the Implementation of the GHG Strategy) Programme** is funded by the Republic of Korea (\$4.5 million), supporting SIDS and LDCs with the implementation of the IMO GHG Strategy via building sufficient human capacity in these countries. This includes development of a comprehensive training programme and post-training monitoring, evaluation and refinement. The 2023 GHG SMART Practical Training and Study Visit was held from 18 to 22 September 2022 in Busan, Republic of Korea, and was attended by 20 participants from 13 SIDS/LDCs from the Africa, Asia, Caribbean and Pacific regions.

The GHG SMART Project represents an innovative way of delivering IMO's training activities since it provides a continued long-term training programme for the participants, over one year. The online Core Training is followed by post-training monitoring, evaluation and refinement. Participants undergo classroom training as well as field training. The field training includes visits to the technology development and demonstration sites and major infrastructure facilities that support GHG reduction and energy efficiency. In addition, the two top-performing participants of the programme (one female and one male) are offered fully funded scholarships to study for a Master of Science in Maritime Energy Management at WMU in Malmö, Sweden.

- (4) The **SMART-C GHG Project**, funded by the Republic of Korea, supports capacity-building in two Asian pilot countries (Viet Nam and Philippines) for developing National Action Plans and the implementation of the IMO GHG Strategy with the help of GHG Emission Data from Maritime Sector (2023-2027). This project aims at the implementation of the maritime GHG reduction regulations by building relevant capacity for baseline emission data collection, management and analysis, in accordance with the 2023 IMO GHG Strategy.
- (5) The **IMO Coordinated Actions to Reduce Emissions from Shipping (IMO CARES) Project** is funded by the Kingdom of Saudi Arabia (\$1.6 million) and aims to reduce shipping emissions through coordinated actions worldwide. The Project has completed a year-long preparatory phase and moved to a full-scale implementation phase from 1 April 2023. The Project's objective is to accelerate demonstration of green technologies and their deployment globally, with particular focus on SIDS and LDCs. To achieve its objective, the Project is undertaking a Maritime Technology Global Challenge to identify suitable technology solutions. These technologies are focused on portside energy efficiency and the retrofitting of domestic vessels. The solutions identified will eventually undergo pilot demonstrations in Africa and the Caribbean under the GMN II Project. Additionally, the IMO CARES project will produce a detailed Technology report, focusing on energy-efficient maritime technologies in developing countries.
- (6) The **3rd IMO-UNEP-Norway Innovation Forum** took place on 28 September 2023. The Innovation Forum is a global platform to exchange best practice between competent international policymakers, maritime, climate change and environmental organizations, technology developers, academia, maritime industry, ports and finance to catalyse



collaboration and innovation for climate action in the maritime sector. Particular emphasis is placed on north-south and south-south collaboration for promoting inclusive innovation to accelerate the transition of the marine sector towards a zero- and low-emission future and is focused on addressing the specific needs of developing countries, especially SIDS and LDCs. The event is organized in partnership with UNEP and is funded by the Government of Norway (\$644,991 over four years). The 4th Innovation Forum will take place in October 2024.

- (7) The Third IMO-EBRD-World Bank **FIN-SMART Roundtable** was held on Friday, 23 June at EBRD headquarters in London. More than 50 leaders from the financial, public and private sectors participated in the Third “Financing Sustainable Maritime Transport (FIN-SMART) Roundtable” to discuss ongoing pilots, potential bankable proposals and overall raise importance of multi-development banks investing in green shipping. The Roundtable aims to support accelerating financial flows – particularly in developing countries – for the decarbonization of the maritime sector, in line with country priorities and the objectives of the IMO 2023 Strategy.
- (8) IMO and the Maritime and Port Authority of Singapore jointly launched **NextGEN Connect** (“GEN” stands for “Green and Efficient Navigation”). The aim has been to bring together industry stakeholders, academia and global research centres to offer inclusive solutions for maritime decarbonization for trials along specific shipping routes. The launch was made during the IMO-Singapore Future of Shipping Conference: Decarbonization (6 April 2022). Under NextGEN Connect, diverse stakeholders were invited to propose robust methodologies to jointly develop, on a pilot basis, route-based action plans to reduce GHG emissions between specific points along a shipping route in the Asia-Pacific region. Following the review of proposals by an expert panel, a winner was announced during the Singapore Maritime Week (24 to 28 April 2023), and work is currently under way to develop case studies for potential route-based actions between different ports. Furthermore, the NextGEN database ([nextgen.imo.org/](http://nextgen.imo.org/)) currently lists more than 150 decarbonization projects with more than 500 stakeholders worldwide, including IMO Member States, shipowners, technology developers, classification societies and non-governmental organizations.

### **Biofouling Portfolio**

- (9) “Building Partnerships to Assist Developing Countries to Minimize the Impacts from Aquatic Biofouling” (**GEF-UNDP-IMO GloFouling Partnerships** project) is part of a wider IMO effort, in collaboration with the United Nations Development Programme (UNDP) and the Global Environment Facility (GEF), to protect marine ecosystems from the negative effects of invasive aquatic species. The seed funding is provided by **GEF (\$6.9 million)**. The Project fosters an intervention in 12 beneficiary countries and 14 partnering countries in six regions at multiple levels: driving legal, policy and institutional reforms in countries to implement the IMO Biofouling Guidelines; developing capacity to enact a national policy; and bringing in active private sector participation to identify effective solutions and technologies to deal with biofouling. The project also looks at GHG emissions resulting from biofouling on ships. During the reporting year (2023), the project organized and delivered the first-ever Arab Women in Maritime – Biofouling Management Workshop from 10 to 11 May, hosted by the Kingdom of Saudi Arabia in Jeddah. The workshop provided the opportunity for women from 18 Middle East and North Africa countries to enhance their knowledge on the topic of biofouling and its effects and in return to share their practical knowledge by identifying the gaps related to gender equality and finding solutions. GloFouling Partnerships also organized and delivered an international workshop on biofouling management to prevent invasive aquatic species in marine protected areas and particularly sensitive sea areas from 6 to 9 June, which was hosted by Ecuador in the Galapagos Islands. The workshop provided experts from 20 countries with an opportunity to exchange views, methods and practices for prevention, risk assessment, inspection, monitoring, early detection and rapid response to the introduction of invasive species via ships’ biofouling. The project developed and delivered in its seven out of 12 lead partnering

countries a training course focusing on the development of biofouling management plans and biofouling management record books— key element of IMO’s Biofouling Guidelines. The GloFouling project also finalized and published two proceedings documents: one from the second Global Project Task Force meeting that took place in April 2022, and another from the second GloFouling Partnerships Forum and Exhibition on Biofouling Prevention and Management for Maritime Industries that took place in October 2022.

- (10) The “Accelerating Transfer of Environmentally Sound Technologies through demonstration pilots to reduce biofouling and related emissions” (**TEST Biofouling) Project** is a joint effort between IMO and the Norwegian Agency for Development Cooperation (Norad). The project assists developing countries in enhancing their knowledge about control and management of ship’s biofouling through capacity-building activities as well as illustrating effective approaches in mitigating environmental risks associated with the transfer of IAS through technology demonstration pilots on national and regional levels. During its reporting year the project delivered the training course “Introduction to Marine Biofouling: Impacts and Management of Risks” to nine of its 14 projects’ partnering countries in the Africa, the Caribbean and the Pacific regions. In preparation for the technology demonstration pilots in 2024, detailed capacity-building and technology analysis reports were conducted for each of the 12 lead partnering countries and 14 partnering countries to identify the technology needs and requirements in order to facilitate the demonstrations. Through its Gender Action Plan, the project also promotes gender diversity and inclusion within the biofouling industry. During 2023 the following activities were completed as a primary focus to enhance women’s inclusivity in the biofouling sector: questionnaires developed and disseminated targeting Women in Biofouling and women’s participation in the private sector of the biofouling industry; data analysed and findings and recommendations outlined for stakeholder uptake on gender diversity in their workforce; e-publications of the analysis reports were developed and made available on the project’s website; Women in Biofouling networking group established; sponsored participation of women from the project’s beneficiary countries (Jordan and Nigeria) in Women in Maritime-related conference; “He for She” and “She Champions” identified by the project’s implementing partners, the Maritime Technology Cooperation Centres of Africa, the Caribbean and the Pacific, as well as the Global Industry Alliance (GIA) for Marine Biosafety.

### **Marine Litter portfolio**

- (11) **The Sea-based Marine Plastic Litter Portfolio** has been created to allow all marine plastic litter projects to collaborate on tackling the issue. The project spearheading these efforts, **IMO-FAO GloLitter Partnerships Project**, is funded mainly by Norway and further funding has been secured from Australia and the Kingdom of Saudi Arabia totalling \$4.5 million. GloLitter has been working with the lead partnering countries to finalize their national action plans (NAPs). The NAP activities prioritize actions to address sea-based marine plastic litter (SBMPL) on a national level in accordance with MARPOL Annex V, the London Protocol and the IMO Action Plan to Address Marine Plastic Litter from Ships. Regional-level twinning arrangements between the countries has been initiated to work together on common issues related to marine plastic litter with the support from the GloLitter project. A number of knowledge products were developed to support improved marine plastic litter management, including a guidance document on the development of a national regulatory framework dealing with SBMPL, training packages to support implementation of MARPOL Annex V (and LC/LP) including packages specifically designed for fisheries, ports and regulatory stakeholders, and others. The project also held regional events to build the capacity of Members States on marine plastic litter issues and initiate regional partnerships. Based on the GloLitter results, the team developed a new Regional Litter Project (RegLitter) to support national marine plastic litter priorities specifically in the partner countries in Asia and leveraged \$5.6 million for a four-year project from the Republic of Korea for this activity. Also, the new Pro-Seas project concept was developed in cooperation with FAO and approved by GEF with the full proposal to be developed in 2024. Additional funding was leveraged from the Kingdom of Saudi Arabia to fund the development of the regional SBMPL plan for Central America led by Costa Rica.

- (12) The second project under the **SBMPL Portfolio is the Regional Litter Project, RegLitter**, funded by the Republic of Korea with an available budget of \$5.5 million. RegLitter will build on the results of the GloLitter project with a specific focus on countries in Asia. Countries who are partner countries under the GloLitter project will have support in developing their own NAPs and lead partner countries under the GloLitter project will have further support in actioning activities included in the NAP developed under GloLitter. RegLitter is essentially phase 2 of GloLitter for the countries participating from the Asia region.
- (13) The third project under the **SBMPL Portfolio is the PRO-SEAS project**, which will take four countries from the GloLitter project and essentially be the phase 2 for those countries. These countries all have NAPs and the project will focus on specific activities identified in the NAPs for the project to implement. This project is in its preparatory phase and as such the Project Document is still being developed. If approved the Global Environment Fund will formalize the project and provide \$7million in support.

#### **Other projects in the Oceans Portfolio**

- (14) The **SENSREC Project** assists developing countries in implementing the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships. In 2023, as a result of the work developed by the SENSREC project, Bangladesh acceded to the Hong Kong Convention and helped to fulfil the requirements for its entry into force, which has been established for June 2025. Throughout the year, SENSREC finalized activities remaining from its second phase in Bangladesh, such as an assessment of the challenges and barriers to the entry of women into the ship recycling workforce. In November 2023, SENSREC held an inception workshop to launch its third phase in Bangladesh, which will focus more on implementation of the Convention by supporting the upgrade of the national industry and assisting the establishment of infrastructure for downstream hazardous waste management in Chattogram.
- (15) The overall objective of the Global Partnership for Mitigation of Underwater Noise from Shipping (**GloNoise Partnership**) project, launched in December 2023, is to establish a truly global stakeholders' partnership, with a strong focus on developing countries, in order to deal with the major environmental issue of underwater noise from shipping. The specific objective of the project is to assist developing countries and regions in raising awareness, building capacity and collecting information to assist the policy dialogue on mitigation of anthropogenic underwater noise from shipping. The project has six lead pilot countries – Argentina, Chile, Trinidad and Tobago, Costa Rica, South Africa and India – and three twinning countries – Georgia, Malaysia, and Madagascar – in addition to the strategic partners. It is based on IMO's *Guidelines for the reduction of underwater noise from commercial shipping to address adverse impacts on marine life*, and its future revisions, and relevant policy discussions at multiple levels. The project has entered the implementation phase officially with the signing of the final version of the ProDoc in December 2023 by GEF-UNDP and IMO. The ProDoc was developed by IMO and submitted in September 2023 for review by UNDP and GEF.

#### **Safety, security and gender equality portfolio**

- (16) **SMART-C Traffic:** The project supports the development of a SMART-Maritime Traffic Management System and Improvement of Related Operational Capability in a Pilot Developing Country (the Philippines) (2023-2026). The goal of the project is to develop, operate and pilot trial a web-based e-Navigation service that can efficiently analyse and manage maritime safety information in an Internet-based environment.
- (17) **SMART-C Women:** The project aims to contribute to the achievement of gender equality through the increase of employment opportunities for women in the maritime sector in developing countries, in the Asia and Pacific regions, and to the provision of training to help them advance their careers in related industries. Specifically, the project will provide female

officials in beneficiary countries with online and in-person training that will strengthen their competencies in environmental and digital technologies to prepare them for the emerging opportunities within the maritime sector, while also supporting them to acquire new educational qualifications through fellowships at WMU and IMLI.

- (18) **SMART-C Leaders:** The project aims to improve two Pacific SIDS' (Tonga and Vanuatu) capacity in ship inspection/port State control (PSC)/flag State inspection and help the countries' implementation of the corrective action plan established after its audit under the IMO Member State Audit Scheme (IMSAS).

69 SDPAP made full use of the GIA initiative to partner with all maritime industries in finding solutions to the most pressing environmental issues. After Low Carbon GIA, and the GIA for Marine Biosafety, a third GIA for GloLitter was launched in 2022. During the reporting period, the **Global Industry Alliance to Support Low Carbon Shipping (Low Carbon GIA)**, a public-private partnership established under GreenVoyage2050, launched a new web-based portal on just-in-time arrival, as well as developing and releasing a video series on CII and EEXI. The Low Carbon GIA have also delivered several activities with respect to alternative marine fuels, including undertaking a regulatory mapping exercise, and the development of a glossary of life cycle assessment terminology. The Low Carbon GIA also convened a round table to discuss chain of custody models for sustainability and life cycle GHG emissions of marine fuels. The Low Carbon GIA also convened a round table to discuss chain of custody models for sustainability and lifecycle GHG emissions of marine fuels.

70 Four issues of the **IMO TC partnership newsletter** were released with the aim of showcasing IMO technical cooperation and providing a cross section of the Organization's partnership and project work to a broader base of readers including official development assistance contacts via the National Knowledge Partnership Officers. TCID is working with IMO's Public Information Services to revamp the newsletter, which will be relaunched later this year.

### Member State Audit and Implementation Support

71 In 2023, various components of IMSAS have progressed with continuation of audits in accordance with the overall audit schedule, the latest update of which is set out in the annex to document C 130/7(a). Until the end of 2023, 119 audits had been conducted under the Scheme, of which nine audits were conducted in remote mode and three audits in hybrid mode (remote audits followed by on-site verification) during the post-pandemic period.

72 The Council, at its 128th session (C 128), re-established the Joint Working Group on Member State Audit Scheme (JWGMSA) to discuss further development of the Scheme into the second audit cycle, based on the experiences and challenges from the conduct of audits and audit follow-up work in the first audit cycle, including the possibility for a transition to a continuous monitoring mechanism, inclusion of modalities for the continued use of the remote audit mechanism in the post-pandemic context, and to review certain elements of the Framework and Procedures for the Scheme. JWGMSA 7 was held from 11 to 13 October 2023 and its report will be presented to C 132.

73 With the support for the continuous work of correspondence and working groups under the Sub-Committee on Implementation of IMO Instruments, the work on preparation of four Assembly resolutions on Survey Guidelines under the Harmonized System of Survey and Certification, including the part containing remote surveys; Procedures for Port State Control; the Non-exhaustive list of obligations under instruments relevant to the IMO Instruments Implementation Code; and the revised *Guidelines on the implementation of the ISM Code by Administrations*, containing remote ISM audits, were completed and adopted as resolutions A.1185(33), A.1186(33), A.1187(33) and A.1188(33) respectively by the Assembly in 2023.

74 Relevant activities in harmonization of PSC procedures and activities worldwide were implemented, in particular the holding of the eighth Workshop for Port State Control (PSC) MoU/Agreement Secretaries, Database Managers and Chairpersons (PSCWS 8), from 14 to 16

November 2023 at IMO Headquarters, in which PSCWS 8 put forward recommendations on matters related to, among others, the strengthened cooperation among PSC regimes, TC activities and capacity-building for developing PSC, initiating of inspection of fishing ships, an overarching PSC database, together with the associated webservices, as well as findings from and reporting by the Maritime Anti-corruption Network

75 Comprehensive outreach activities were carried out within the context of the cooperation with FAO and ILO to fight against illegal, unreported and unregulated fishing, and supporting the fulfilment of the entry-into-force criteria of the Cape Town Agreement, including preparation of the fifth Joint FAO/ILO/IMO Ad Hoc Working Group on Illegal, Unreported and Unregulated Fishing and Related Matters (JWG 5), held from 8 to 12 January 2024 in Geneva, development of guidance to assist competent authorities in the implementation of the Cape Town Agreement of 2012, as well as for lecturing on matters related to IMSAS, PSC, casualty investigation and the monitoring of recognized organizations. Capacity-building activities, including the development of e-learning capabilities in the fields of IMSAS auditors training and casualty investigation, were implemented.

76 Among others, the MSA&IS Department covered allocated tasks associated with the Secretariat's involvement in the oversight of the management of the two IMO number schemes - for ships, and company and registered owner; the implementation of quality systems within the framework of IACS (QSCS and IQARB); coordination among data systems, e.g. GISIS, EQUASIS and EMCIP and maintenance of relevant GISIS modules; and external partnership in the fields of marine casualty statistics and trend analysis and fishing vessel safety, in particular in cooperation with WMU and industries.



## STRATEGIC PLAN FOR 2018-2023 AND BEYOND

77 In 2017, the work on the development of a new Strategic Plan had been finalized with the adoption of the *Strategic Plan for the six-year period 2018 to 2023* by the Assembly in December 2017 (A.1110(29)), including the first-ever vision statement for the Organization, seven new focused strategic directions with corresponding performance indicators, as well as overarching principles that should be taken into account in all of the Organization's work. In December 2021, the Assembly adopted a revised *Strategic Plan for the six-year period 2018 to 2023* (A.1149(32)), which now includes a new strategic direction on the human element, including a reference to gender equality.

78 The vision of IMO for the period 2018 to 2023 was as follows:

- IMO will uphold its leadership role as the global regulator of shipping, promote greater recognition of the sector's importance and enable the advancement of shipping, while addressing the challenges of continuing developments in technology and world trade and the need to meet the 2030 Agenda for Sustainable Development.
- To achieve this, IMO will focus on the review, development and implementation of and compliance with IMO instruments in its pursuit to proactively identify, analyse and address emerging issues and support Member States in their implementation of the 2030 Agenda for Sustainable Development.

79 The following strategic directions set out the areas of particular focus for the period 2018 to 2023:

- SD 1: Improve implementation
- SD 2: Integrate new and advancing technologies in the regulatory framework
- SD 3: Respond to climate change
- SD 4: Engage in ocean governance
- SD 5: Enhance global facilitation and security of international trade
- SD 6: Address the human element
- SD 7: Ensure regulatory effectiveness
- SD 8: Ensure organizational effectiveness

80 At its thirty-third session in 2023, the IMO Assembly approved the new Strategic Plan for the six-year period 2024 to 2029, which maintained the existing eight strategic directions while reflecting more recent developments and priorities within those strategic directions. The new Strategic Plan provides the Organization with a clear direction and a degree of continuity and consistency of approach over the next six years.



## FINANCIAL MANAGEMENT

### Risk

81 At its 100th session in June 2008, the Council approved the Organization's Risk Management Framework (RMF), consisting of a Risk Management Policy, Risk Management Definitions and a Risk Management Process. It requested the Secretariat to apply the RMF to the strategic directions and high-level actions falling under the Secretary-General's responsibility as well as to the Secretariat-related key objectives for 2009. A similar exercise has been conducted periodically since that time; the results being reported to the Council. However, at its 112th and 113th sessions in 2014, the Council decided that the RMF should only be applied to the Secretariat's Business Plan and subsequently approved the revised RMF for future iterations of the Secretariat's risk management exercise.

82 In addition to the RMF, IMO has an established framework of internal controls, including internal oversight, designed to maximize the effective and efficient use of its resources and safeguard its assets.

### Governance

83 The Organization's governance is provided through the Assembly and the Council and is defined in the IMO Convention. For 2023, the key management personnel of IMO consisted of the Secretary-General and six Divisional Directors and three Departmental Heads/Chiefs. The key management personnel of WMU and IMLI consists of the President and Director, respectively. Related party disclosures in line with IPSAS requirements are accordingly included in the notes to the financial statements. The Council is responsible for providing intergovernmental support and specific policy direction to, and supervision of, the activities of IMO. In view of its State-membership composition, the Council is not considered a related party as defined by IPSAS.

### Funding

84 IMO's activities are mainly funded by assessed contributions on its Member States and Associate Members. Voluntary contributions from Member States, governmental agencies, intergovernmental bodies and other public, private and non-governmental sources may support financially certain activities of the Organization, the finances of which may receive further support through commercial activities (including the sale of publications and catering and conference services), and through miscellaneous revenue (including interest on financial assets). Indirect support cost income, earned through third-party agreements with donors, is also used to fund activities provided for in the regular budget. IMO is in good financial health with adequate resources to meet its mandated activities.

### Sustainability

85 In considering the Organization's financial sustainability, an evaluation of the consequences of any significant delays or defaults in payments from Member States or any reductions in contributions from donors in the context of the recent known market volatility has been made, and a review was also made to determine whether there could be a consequential reduction in the scale of operations and/or the delivery of the Strategic Plan, the High-level Action Plan and the Divisional Business Objectives. Having considered IMO's projected activities and the corresponding risks, a determination has been made to note that the Organization has adequate resources to continue to operate in the medium term. Overall, based on operating assumptions and known risks and mitigations, the Organization will continue as a "going concern" in the context of preparing IMO's financial statements.

86 The assertion above is supported by i) the budget approved by the Assembly for the 2024-2025 biennium; ii) the scope and content of the Strategic Plan prepared for the period 2024-2029; iii) the net assets held at the end of the 2023 financial period, and the Assembly's decision at its thirty-third session to reform the Special Contingency Account and Working Capital Fund to improve

the Organization's financial resilience; iv) the high level of collections of the assessed contribution of over 95% for the past 10 years; and v) the trend in donor support that has been sustaining IMO's mandate, including delivery of technical cooperation work, as determined by the Council and Assembly.

## FINANCIAL AND BUDGET PERFORMANCE HIGHLIGHTS

87 The Organization continues to adapt and focus on the effective implementation of its programmatic activities. Below are the highlights of the financial outcomes for 2023.

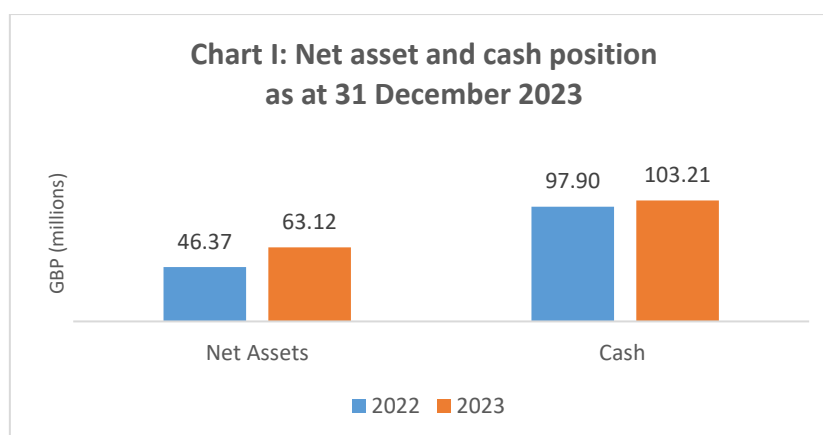
### Financial analysis

88 The financial ratios for 2023 and 2022 as summarized below indicate a healthy overall financial position for IMO in terms of solvency and liquidity. The ratios for assets over liabilities are high, which are good indicators of solvency, i.e. the ability of the Organization to pay off both its current and long-term liabilities. The cash ratio is also strong, reflecting the fact that cash and cash equivalents accounted for 93% of the Organization's total assets and indicating that there are adequate current liquid assets to cover the current liabilities.

Description	2023	2022
<b>Current Ratio - Current Assets: Current Liabilities</b>	11.17	13.79
<b>Total Assets: Total Liabilities</b>	2.32	1.77
<b>Cash Ratio - Cash and Short-Term Investments: Current Liabilities</b>	10.53	12.87
<b>Quick Ratio - Cash, Short-Term Investments, and Receivables: Current Liabilities</b>	10.64	13.01

89 Cash and cash equivalents increased by £5.30 million in 2023, which was mainly generated by cash receipts from donor-funded activities, and advance receipts from Member States on their assessments for 2024.

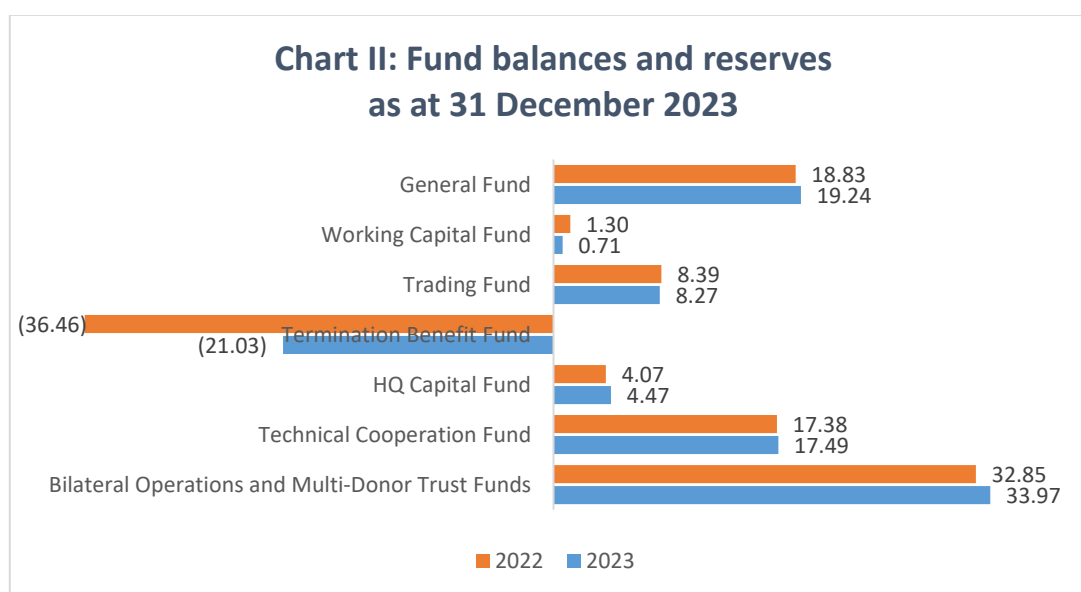
90 The closing net asset position of £63.12 million (2022: £46.37 million) is presented in Statement I and in Chart I below, and represents the fund balances for the Organization as a whole. The net asset position increased by £16.75 million (2022: £9.05 million), representing the combined effect of the net operating surplus of £2.70 million, the currency exchange loss of £2.80 million, and the actuarial gain on post-employment benefits of £16.85 million.



91 It should be noted that the Organization's available funds for future use come with certain limitations. The total closing balance of £63.12 million (2022: £46.37 million) includes 53.81% or £33.97 million (2022: £32.85 million) that is tied to multi-donor trust funds and bilateral agreements with donors, as depicted in the chart below. The use of these funds is governed by the respective fund's terms of reference and the donor's contractual agreement, and consequently is not available

for the Organization's general use. For more detailed information on the balances of major funds, refer to Note 2.13 in the financial statements.

92 As shown in Chart II, the financial positions of the General Fund, Working Capital Fund, Headquarters Capital Fund and Technical Cooperation Fund are relatively strong. Much of the surplus in the Trading Fund will, in due course, be transferred to the Technical Cooperation Fund in accordance with Assembly resolution A.1132(31). The Termination Benefit Fund shows a deficit of £21.03 million (2022: £36.46 million), which is mainly due to the unfunded portion of the long-term liability relating to the Organization's After-Service Health Insurance scheme. The IMO Assembly has set aside funds of £9.23 million to meet these liabilities through various Assembly resolutions, and has also established a regular funding mechanism for all staff other than those on the Organization's regular budget. Nevertheless, there remains a proportion of the liability which remains unfunded.



93 The increase in current assets of £4.52 million is mostly due to the increase in cash and cash equivalent as discussed above.

94 The total value of property plant and equipment, and intangible assets has decreased by £0.12 million to £1.43 million (2022: £1.55 million). This decrease is attributed to a decline in the purchase of new assets along with a further reduction due to depreciation.

95 Current liabilities increased by £2.19 million to £9.80 million (2022: £7.61 million). This increase is mainly due to advance contributions from Member States, deferred donor income, and unpaid goods and services received in 2023.

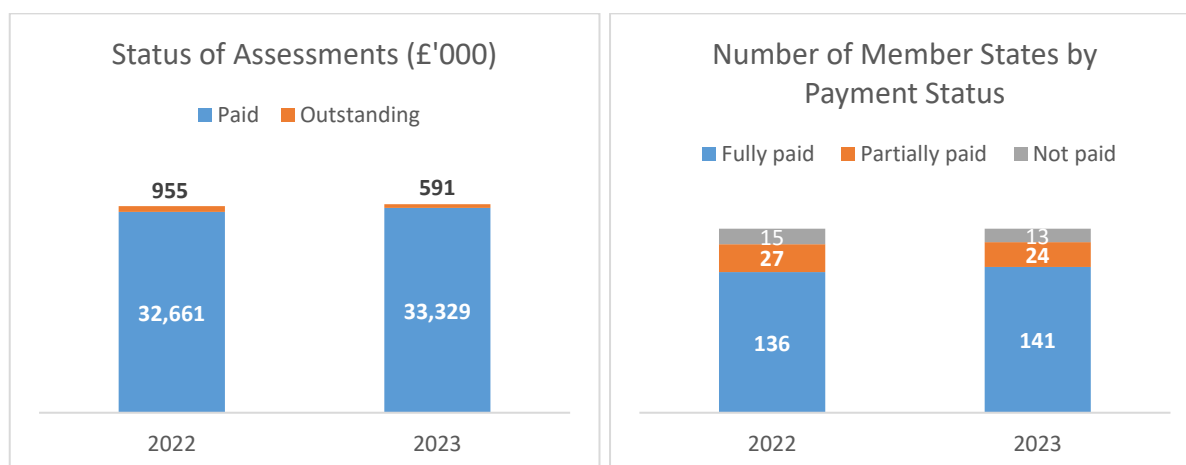
96 Liabilities relating to employee benefits are mainly for post-employment obligations for After-Service Health Insurance, repatriation benefits and accrued annual leave. These liabilities underwent an actuarial revaluation on 31 December 2023, a process that the Organization undertakes biennially. The total value of long-term employee benefit liabilities fell to £37.94 million (2022: £52.49 million) while the substance of the scheme itself remains unchanged, the decrease mirroring a rise in interest rates used to discount the scheme's future cash flows. The subsequent actuarial valuation is scheduled for 31 December 2025.

97 IMO's revenue comprises three main components: assessed contributions from Member States, voluntary contributions from donors, and revenue from commercial activities. In 2023, the largest component of revenue was assessed contributions from Member States, which constituted 49.64% (2022: 53.43%) of total revenue, followed by revenue from commercial activities, which amounted to 23.42% (2022: 24.00%), voluntary contributions from donors, which represented 21.13% (2022: 20.92%), and other revenue, which accounted for 5.81% (2022: 1.65%).

98 Overall, total revenue for 2023 was £68.33 million, a net improvement of £5.42 million or 8.61% from 2022 (£62.91 million). This increase is due to several factors summarized below.

99 The assessed contribution revenue represents the total assessments for the year as approved by the Assembly at its thirty-second session. The assessment collection rate during the years remained relatively stable with 98.26% and 97.03% of the assessed contributions for 2023 and 2022, respectively, among the highest in the United Nations system. The chart below shows further analysis on the amount and number of Member States with full payment for 2023 and 2022.

**Chart III: Status of assessment collections**



100 Donor contributions increased by 9.68% to £14.44 million (2022: £13.16 million). Revenue from donors is recognized on the signature of the donor agreement, and for agreements with conditions, when these conditions are met. It usually fluctuates from year to year due to the timing of contributions and the discharge of obligations for agreements with specified conditions, although there has been an underlying trend of increasing support from donors for IMO's work over recent years which continued into 2023.

101 Commercial activity revenue grew 6.0% to £16.0 million (2022: £15.10 million), driven by publications sales rebounding to pre-pandemic levels and a record year of cafeteria sales.

102 Other revenue rose to £3.97 million in 2023, up from £1.04 million in 2022, primarily due to improved interest rates and consequent increases in investment income.

103 Total operating expenses rose 14.38% to £65.60 million in 2023, from £57.36 million in 2022. This increase was driven primarily by inflationary pressures on travel, staff costs, running costs of the building, and training and development activities.

104 The currency exchange loss of £2.82 million, which negated the operating surplus of £2.72 million, was the primary cause of the £0.10 million net loss in the overall financial performance. The Organization reports its financial results in GBP, but holds a proportion of its funds in US dollars, particularly for its donor-funded project work. This work is budgeted for and expenditure incurred in US dollars, and consequently holding those funds in US dollars reflects the underlying operations rather than being a speculative exercise.

105 It should be noted that the financial performance of revenue and expenses reflected in Statement II (Statement of Financial Performance) is presented on an IPSAS accrual basis and thus is different in its measurement and accounting from the budgetary performance of receipts and payments reflected in Statement V(a), which is prepared on a modified cash/accrual basis. For example, the budget is prepared to reflect the purchase of new property, plant and equipment rather than the depreciation charge over their useful life. Similarly, the budget approved by the Assembly does not cover extrabudgetary or donor funds, while the financial statements cover the entirety of the Organization's financial position and performance. The difference in amounts between the two

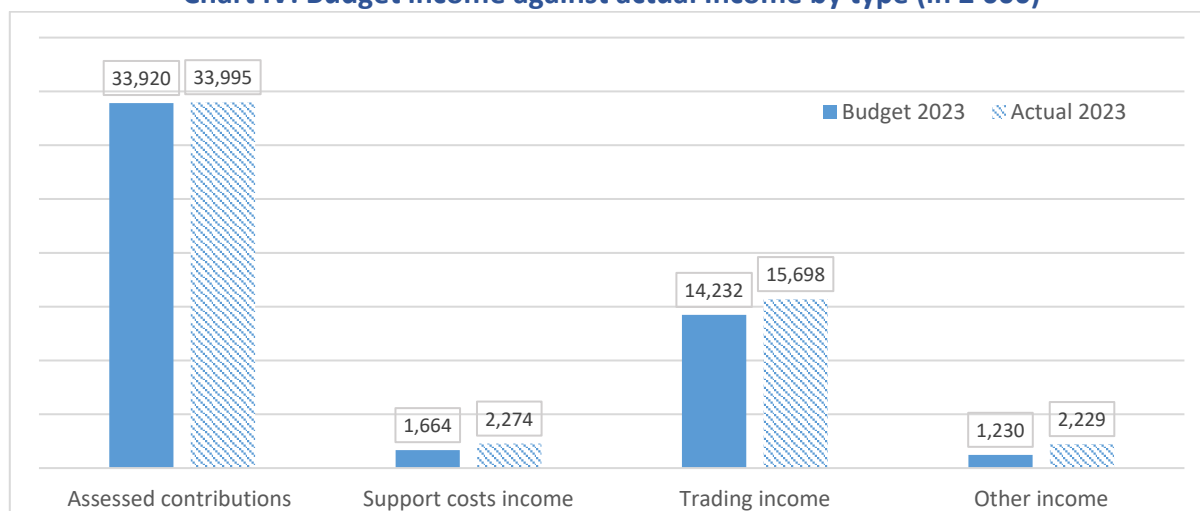
statements is reconciled to the cash flow statement (Statement IV); that reconciliation is provided in Note 5 to the Financial Statements. For instance, the assessed contribution (i.e. invoiced amounts of £33.62 million) for the year is recognized in full as revenue in Statement II, whereas actual amounts received, including those related to assessments for prior years (£32.91 million) are shown as Actual in Statement V(a). Likewise, while expense in Statement II includes £0.49 million (2021: £0.68 million) for depreciation and amortization on an accrual basis, it is not included in Statement V(a), which includes the cost of purchased assets instead.

## Budget performance

106 The thirty-second session of the Assembly held in December 2021 adopted resolution A.1148(32) on the Results-Based budget for the 2022-2023 biennium, in which it approved the budget for the financial periods 2022 and 2023 for the Organization's core funds. This included an appropriation for 2023 of £54,691,000 to be funded in part through projected income of £52,762,000. In addition, transfers of commitments from 2022, along with additional transfers of uncommitted funds with the approval of the IMO Council, were also effected – following these transfers, the final appropriation for 2023 was £58,930,479.

107 The Organization's major sources of budgeted income are shown in Chart IV, which shows actual performance in 2023 compared to the final budget figure – donor and extrabudgetary contributions do not fall under the budgetary approval process and so are not included in these figures.

**Chart IV: Budget income against actual income by type (in £'000)**



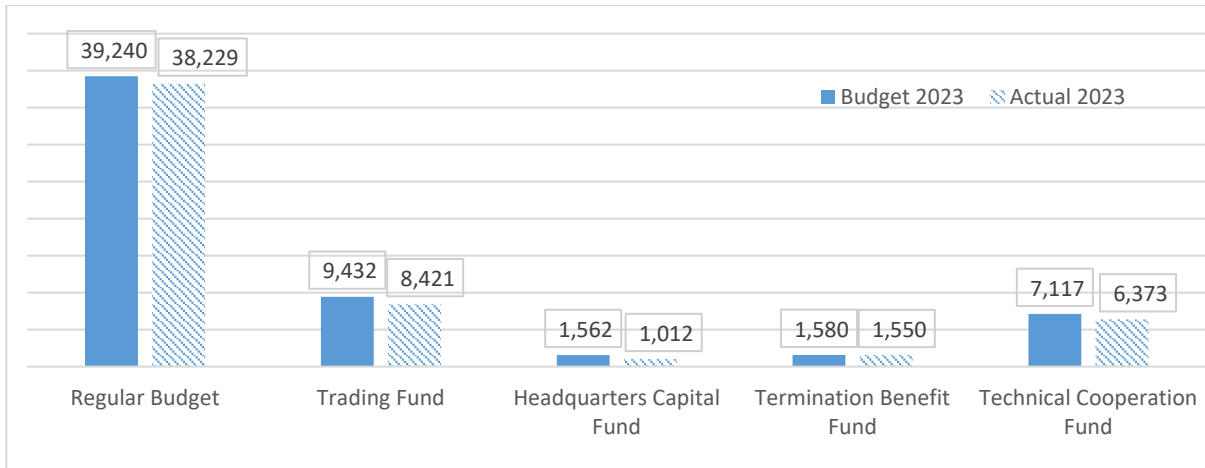
108 The assessed contribution for 2023 was £33.92 million, of which £33.33 million was collected, a 98.26% rate. In addition, £0.66 million was received towards the settlement of arrears from prior years, giving a total collections figure of £32.99 million. Overall, the assessment income represents just under two thirds of the Organization's budgeted income, and the collection rate has remained strong during challenging economic times, reflecting the support shown by the Organization's Member States for its work.

109 Trading Fund revenue for the year amounted to £15.7 million, above the budgeted amount of £14.2 million. This reflects a strong sales performance as revenue increased by £1.5 million (10%) from 2022 and higher than pre-pandemic levels, reflecting the ongoing global economic recovery following the pandemic. A part of this increase reflects inflationary increases in sales prices, while the work of IMO's meetings programme facilitated the launch of several new titles, including the IMDG Code 2022 Edition, IMDG Code supplement and MARPOL, all of which had a positive impact on the 2023 financial results. Sales made by the Organization's catering function also recovered to record highs exceeding pre-pandemic levels, with an increase in the number of in-person meetings held at the Headquarters building.

110 The income earned from support costs is directly linked to the delivery of donor-funded and Trading Fund activities, so that the increasing portfolio of donor-funded project work has had the indirect effect of increasing support cost income. In addition to this, the Organization also generates income from various sources including investment income, cost recovery from other organizations, and rental income from subletting parts of the Headquarters building, contributing a total of £2.2 million in revenue.

111 Considering now the budget performance from an expenditure perspective, the actual expenditure for each Fund against the final 2023 budget is shown in the chart below:

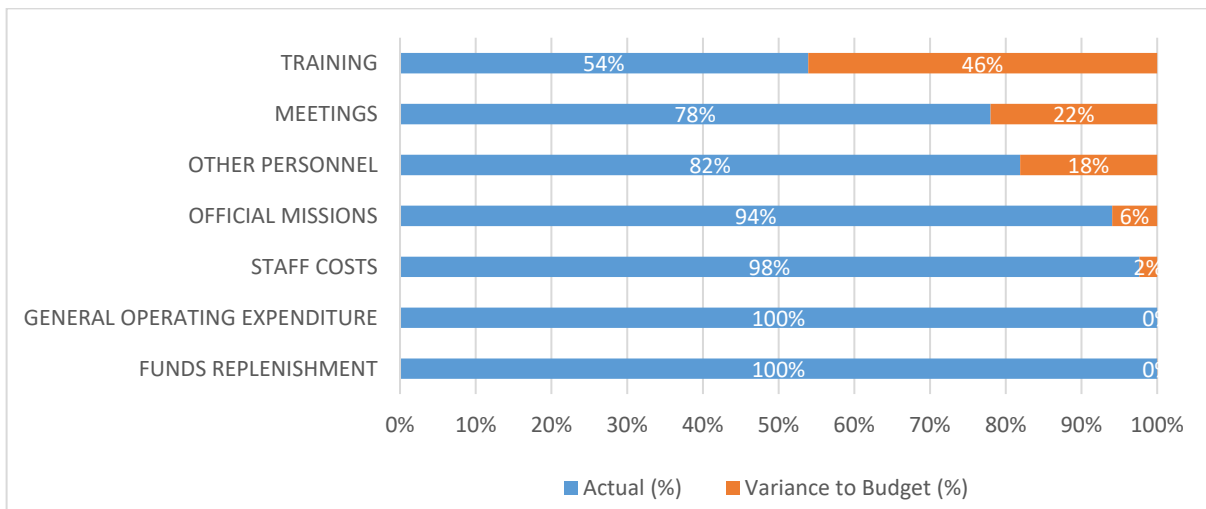
**Chart V: Budget expenditure against actual expenditure by Fund (in £'000)**



112 In 2023, the Organization continued to experience budgetary challenges arising from unprecedented external factors, primarily the sustained levels of high inflation within the host country, where the headline CPI rate opened the year above 10%. While the CPI rate fell over the course of 2023 it remained well above the budgetary rate of 2% which had been set in line with the Bank of England’s inflation target. This affected the Organization’s costs in all areas, most particularly the operating costs of the Headquarters building and staff expenses. The key details of the budget performance for 2023 in each area are outlined in the paragraphs that follow.

113 For the regular budget, the expenditure profile across the main cost categories is shown in the chart below.

**Chart VI: 2023 regular budget variance analysis to budget**





114 For the areas of variance greater than 10 per cent of the budget the key highlights are summarized below:

1. **Training Delivery model** – The Organization adopted a hybrid model of in-person where required and continued to leverage online training resources and virtual training as a means of training delivery, resulting in savings in the training budget for 2023;
2. **Meetings programme** – The Organization continues to enhance its provision for hybrid participation, accommodating both in-person and virtual attendees. In 2023, several critical contracts in the provision of these services were expected to end. To ensure continuity and minimal disruption to the meetings programme, a strategic decision was made to extend these contracts into 2024, at which point a comprehensive tendering process will be undertaken. Furthermore, a number of initiatives were started at the end of 2023, with the expectation of completion in 2024. This contributed to a reduction in the 2023 expenditure, although it should be noted the budget would be discharged in 2024 at the same point when the expenditure is recognized;
3. **General Operating Expenditure** – The largest component of General Operating Expenditure relates to the operation of the Headquarters building. The onset of inflationary pressures in 2022 made it clear that 2023 would pose significant budgetary challenges. The Organization took a number of measures to address this risk for 2023, with several energy efficiency measures, for example adjustments in the lighting timings and thermostat settings of the Headquarters building, adopted to minimize energy consumption as far as practicable. A study on the building's energy efficiency led to the implementation of various low-cost recommendations aimed at further reducing energy usage, with more measures to follow during 2024. Finally, the IMO Council approved the transfer of uncommitted funds from 2022 to 2023 where necessary to meet inflationary pressures, and with a combination of these measures expenditure was contained within the revised budget;
4. **Staff Costs** - The rate of separations during 2023 remained higher than budgeted, which acted as an offset to the inflationary impact on staff costs.

115 With respect to the Trading Fund, the larger proportion of expenditure relates to the cost of sales of publications, investment in the development of the digital platform for electronic publications, catering supplies (which includes external functions) and related cost in the provision of services. As with the regular budget, these costs were impacted by inflation, and a combination of efficiency measures and the carry forward of uncommitted funds from 2022 allowed expenditure to be contained within the revised budget.

116 The main expenditures of the Headquarters Capital Fund related to investment in the The main expenditures of the Headquarters Capital Fund related to investment in the Organization's building improvement works including the replacement of existing lighting with more energy-efficient LED alternatives and upgrade of the air handling systems. It also included continued investments in the replacement and update of equipment in the Headquarters building's conference facilities, with a particular emphasis on increasing the capability to support hybrid meetings.

117 The final budget for technical cooperation activities which were financed from the Technical Cooperation Fund included the original appropriation of £5,575,000 in addition to a budget of £1,541,592 that was carried over from 2022 for activities postponed from that year. Expenditure from the TC Fund for 2023 amounted to £6,373,383 as activities were able to resume in full following the pandemic.

# REPORT OF THE EXTERNAL AUDITOR: OPINION ON THE ORGANIZATION'S FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023



**CHAIR OF THE AUDIT BOARD  
REPUBLIC OF INDONESIA**

**Letter from the External Auditor to the Chair of the Council  
of the International Maritime Organization**

Number: 78 /S/I/05/2024

The Chair of the Council  
International Maritime Organization  
4, Albert Embankment London SE1 7SR  
United Kingdom

Dear Chair,

In accordance with the Article XII of the International Maritime Organization's Financial Regulations and Financial Rules, I have the honour of presenting our report to the Council of the International Maritime Organization for onward transmission to the Assembly.

This report comprises the External Auditor's Opinion and the External Auditor's Long-Form Report on the attached Audited Financial Statements of the International Maritime Organization for the year ended 31 December 2023 prepared by the Organization.

Yours Sincerely,

**Dr. Isma Yatun, CSFA, CFrA.**  
Chair of the Audit Board of the Republic of Indonesia  
External Auditor

**Jakarta, Indonesia  
31 May 2024**



## AUDIT OPINION

### CERTIFICATE OF THE EXTERNAL AUDITOR ON THE FINANCIAL STATEMENTS OF THE INTERNATIONAL MARITIME ORGANIZATION AS AT AND FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

To the Council of the International Maritime Organization

#### **Opinion**

We have audited the financial statements of the International Maritime Organization (the Organization), which comprise the statement of financial position as at 31 December 2023, the statement of financial performance, the statement of changes in net assets, the statement of cash flows, and the statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 31 December 2023, and financial performance and cash flows for the year then ended of the Organization in accordance with International Public Sector Accounting Standards (IPSAS).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization, in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, 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.

In preparing the financial statements, Management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

The Council as Those Charged with Governance is responsible for overseeing the Organization's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Information Other than the Financial Statements and the Auditor's Report thereon**

The Organization is responsible for the other information, which comprises the financial report for the year ended 31 December 2023, contained below, but does not include the financial statements and our auditor's report thereon.

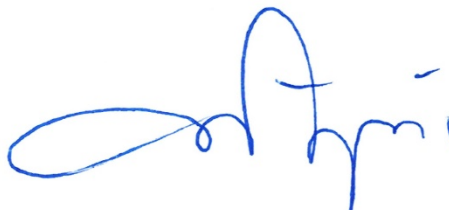
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read other information and, in doing so, consider whether this other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in such other information, we are required to report that fact. We have nothing to report in this regard.

**Report on Other Legal and Regulatory Requirements**

Further, in our opinion, the transactions of the Organization that have come to our notice or which we have tested as part of our audit have, in all significant respects, been in accordance with the Organization's Financial Regulations and Financial Rules.

In accordance with Article XII of the Financial Regulations and Financial Rules, we also issued a long-form report on our audit of the Organization.



**Dr. Isma Yatun, CSFA, CFA**  
**Chair of the Audit Board of the Republic of Indonesia**  
**External Auditor**

**Jakarta, Indonesia**  
**31 May 2024**



ORGANISATION  
MARITIME  
INTERNATIONALE



ORGANIZATION  
MARITIME  
INTERNATIONAL

28 February 2024

**Dr. Isma Yatun**  
Chairperson  
The Audit Board of the Republic of Indonesia  
Jalan Gatot Subroto 31, Jakarta 10210  
Indonesia

#### Letter of Transmittal

Dear Dr. Yatun,

Pursuant to financial regulation 11.2, we have the honour to submit the financial statements for the year ended 31 December 2023 of the International Maritime Organization, certified and approved in accordance with financial regulation 11.1, along with the Statement on Internal Control for the financial period 2023 which does not form a part of the financial statements.

We confirm, to the best of our knowledge and belief, and having made appropriate enquiries with other officials of the Organization, the following representations in connection with your audit of the financial statements of the International Maritime Organization for the year ended 31 December 2023.

We are responsible for preparing financial statements that properly present the activities of the Organization, and for making accurate representations to you. All accounting records and related information have been made available for the purpose of your audit, and all transactions that occurred in the financial period have been, properly reflected in the financial statements and recorded by the Organization in the accounting and other records.

- 1 The financial statements have been prepared and presented in accordance with:
  - a. the International Public Sector Accounting Standards;
  - b. the Financial Regulations and Financial Rules of the Organization; and
  - c. the accounting policies of the Organization, as summarized in note 1 to the financial statements.
- 2 The accounting policies used by the Organization as stated in the financial statements are consistent with those of the previous year. The application of IPSAS 41: Financial Instruments has not had a material impact on our financial reporting.
- 3 Within the meaning of IPSAS 35, IMO also controls WMU and IMLI for financial reporting purposes, the financial records of which are presented in the consolidated financial statements.
- 4 The value of cash, cash equivalents and investments recorded is not impaired and, in our



opinion, is fairly stated.

- 5 All material accounts receivables have been included in the financial statements and represent valid claims against debtors or future economic benefits to the Organization. Apart from the estimated uncollectable contributions receivable as presented in note 2.2, we expect all significant accounts receivable at 31 December 2023 to be collected.
- 6 The inventories, property, plant and equipment, and the intangible assets disclosed in notes 2.3, 2.7 and 2.8 to the financial statements, respectively, are owned by the Organization and are free from any charge.
- 7 All known accounts payable and accruals have been included in the financial statements.
- 8 The commitments of the Organization for the acquisition of goods and services, as well as the capital commitments contracted but not delivered as at 31 December 2023, have been disclosed in note 7.1 to the financial statements. Commitments for future expenses have not been recognized as liabilities.
- 9 All known legal or contingent liabilities as at 31 December 2023 have been disclosed in note 7.2 to the financial statements.
- 10 All expenses reported during the period were incurred in accordance with the financial regulations and financial rules of the Organization and any specific donor requirements.
- 11 All losses of cash or receivables, ex gratia payments, frauds and presumptive frauds, wherever incurred, were communicated to the External Auditors and are reported in note 8.
- 12 Disclosure is made, in the financial statements, of all matters necessary to enable them to present fairly the results of transactions during the period.
- 13 There have been no known events since the IMO reporting date of 31 December 2023 that necessitate revision of the information presented in the financial statements thereto.

  
**Azara Prempeh**  
 Director, Administrative Division

  
**Arsenio Domínguez**  
 Secretary-General

28 February 2024



## STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDED 31 DECEMBER 2023

### Scope of responsibility

1. As Secretary-General and Director of the Administrative Division of the International Maritime Organization (IMO), we are accountable, in accordance with the responsibilities assigned in Article X of the Financial Regulations, for establishing financial rules and procedures to ensure effective financial administration and the exercise of economy, and for maintaining internal financial control.

### Purpose of the system of internal control

2. The system of internal control is designed to reduce and manage rather than eliminate the risk of failure to achieve the Organization's policies, aims and objectives. Therefore, it can only provide a reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify principal risks, evaluate the nature and extent of those risks and manage them efficiently, effectively and economically. Internal control is a process effected by the Council, the Secretary-General, senior management and other members of the Secretariat, and designed to provide reasonable assurance on the achievement of the following internal control objectives:
  - the regularity of the receipt, custody, and disposal of all funds and other financial resources of the Organization;
  - the conformity of obligations and expenditures with the appropriations or other financial provision voted by the Assembly, or with the purposes and rules relating to trust and other special funds; and
  - the economic use of the resources of the Organization.
3. Thus, on an operational level, IMO's internal control system is not solely a policy or procedure that is performed at certain points in time, but rather continually operated at all levels within the Organization through internal control processes to ensure the above objectives.
4. The current statement on IMO's internal control processes, as described above, applies for the year ended 31 December 2023, and is up to the date of the approval of the Organization's 2023 financial statements.

### Risk management and internal control

5. The Organization operates a Risk Management Framework, developed and approved by the Council. Under this Framework, the Organization is required to conduct a biennial risk assessment exercise to identify and analyse risks to the delivery of the Secretariat's Business Plan, to develop and implement mitigation measures where those risks are considered to be unacceptably high and report the outcome of this exercise to the Council. Between these reports and throughout the biennium, the application of the principles of risk management and the mitigation of risks to the extent practically possible is an ongoing process at the Organization. The outcome of both the risk assessment exercise and the ongoing monitoring of the risks throughout the biennium informs the assessments of the effectiveness of the established system of internal control.

**Review of effectiveness**


6. The review of the effectiveness of the system of internal control is also informed by:
- senior managers, each of whom has a role to play in the system of internal control and has been assigned specific delegations within the framework provided by the Financial Regulations and Financial Rules, Procurement Manual and Budget Manual. Each staff member assigned such delegated responsibility has provided me with an individual attestation on internal control for the year ended 31 December 2023 which acknowledges the scope of their responsibility, reports any significant weaknesses identified in internal controls along with steps being taken to address them, and confirms that internal controls are operating effectively within their area of responsibility;
  - the work of the Internal Oversight and Ethics Office (IOEO), which has a dual function, both as internal oversight to provide me with reports on internal audits and evaluations conducted during the year to provide independent and objective information on the adequacy and effectiveness of the Organization's system of internal controls, and as the ethics office to provide confidential advice and counsel to the Organization and its staff on ethics and standards of conduct, promote ethical awareness and responsible behaviour and handle referrals of allegations of unethical behaviour or conflicts of interest. Relevant matters are reported to the Council under the renamed agenda item on "Internal Oversight, Ethics and Joint Inspection Unit";
  - the External Auditor, the Chairperson of the Audit Board of the Republic of Indonesia, who provides me with a management letter identifying any issues of control identified during their annual audit and provides the Council and Assembly with an opinion on the accuracy of the Organization's financial statements; and
  - the Council, which reviews the outcomes of the biennial risk assessment exercise and identifies any action which it believes is necessary to address the findings thereof.
7. For the year 2023, there have been no significant issues to report in the operation of internal controls.

**Conclusion**

8. Effective internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention and therefore can only provide reasonable assurance. Furthermore, because of changes in conditions, the effectiveness of internal control may vary over time. In recognizing this, however, concludes that, to the best of our knowledge and information, the IMO Secretariat generally had an effective system of internal control for the year ended 31 December 2023, and up to the date of the approval of the financial statements for that year.



**Azara Prempeh**  
Director, Administrative Division



**Arsenio Dominguez**  
Secretary-General

28 February 2024



# **INTERNATIONAL MARITIME ORGANIZATION**

## **FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**INTERNATIONAL MARITIME ORGANIZATION  
STATEMENT I**

**STATEMENT OF FINANCIAL POSITION  
as at 31 December 2023  
(GBP)**

		IMO		Consolidated	
	Note	2023	2022	2023	2022 (restated)
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	2.1	103,206,972	97,902,051	120,749,287	119,457,244
Contributions Receivable	2.2	1,097,985	1,102,371	1,097,985	1,102,371
Inventories	2.3	566,730	470,803	635,878	531,820
Advances to Sub-contractors and Partners	2.4	660,919	1,028,385	660,919	1,028,385
Other Receivables and Prepayments	2.5	3,910,698	4,416,435	5,132,690	4,538,118
<b>Total Current Assets</b>		<b>109,443,304</b>	<b>104,920,045</b>	<b>128,276,759</b>	<b>126,657,938</b>
<b>Non-Current Assets</b>					
Investments	2.6	-	-	10,219,773	5,375,628
Property, Plant and Equipment	2.7	1,344,723	1,458,354	1,822,241	1,942,141
Intangible Assets	2.8	80,801	95,138	80,801	99,800
<b>Total Non-Current Assets</b>		<b>1,425,524</b>	<b>1,553,492</b>	<b>12,122,815</b>	<b>7,417,569</b>
<b>TOTAL ASSETS</b>		<b>110,868,828</b>	<b>106,473,537</b>	<b>140,399,574</b>	<b>134,075,507</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Payables and Accruals	2.9	9,440,170	7,319,220	15,468,628	12,728,756
Provisions for Warranties	2.10	39,533	60,773	39,533	60,773
Employee Benefits Current	2.11	321,923	229,853	402,819	319,301
<b>Total Current Liabilities</b>		<b>9,801,626</b>	<b>7,609,846</b>	<b>15,910,980</b>	<b>13,108,830</b>
<b>Non-Current Liabilities</b>					
Employee Benefits Non-Current	2.11	37,944,930	52,492,942	39,867,505	54,475,202
<b>Total Non-Current Liabilities</b>		<b>37,944,930</b>	<b>52,492,942</b>	<b>39,867,505</b>	<b>54,475,202</b>
<b>TOTAL LIABILITIES</b>		<b>47,746,556</b>	<b>60,102,788</b>	<b>55,778,485</b>	<b>67,584,032</b>
<b>NET ASSETS</b>		<b>63,122,272</b>	<b>46,370,749</b>	<b>84,621,089</b>	<b>66,491,475</b>
Fund Balances and Reserves	2.13	63,220,979	37,323,765	83,131,999	54,000,323
(Deficit)/Surplus for the year		(98,707)	9,046,984	1,489,090	12,491,152
<b>TOTAL FUND BALANCES AND RESERVES</b>	<b>2.13</b>	<b>63,122,272</b>	<b>46,370,749</b>	<b>84,621,089</b>	<b>66,491,475</b>

The accompanying notes form an integral part of these financial statements.

**INTERNATIONAL MARITIME ORGANIZATION  
STATEMENT II**

**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 December 2023  
(GBP)**

	Note	IMO		Consolidated	
		2023	2022	2023	2022 (restated)
<b>REVENUE</b>					
Assessed Contributions	3.1	33,920,000	33,616,000	33,920,000	33,616,000
Donor Contributions	3.2	14,435,077	13,161,091	21,397,192	19,506,795
Commercial Activities	3.3	16,002,336	15,097,241	18,275,313	16,971,236
Fellowships	3.4	-	-	6,287,790	6,157,231
Other Revenue	3.5	3,970,436	1,035,323	5,416,209	1,397,812
<b>TOTAL REVENUE</b>		<b>68,327,849</b>	<b>62,909,655</b>	<b>85,296,504</b>	<b>77,649,074</b>
<b>EXPENSES</b>					
Staff and Other Personnel Costs	4.1	43,265,567	40,159,436	53,208,428	49,613,617
Travel Expenses	4.2	3,035,366	1,909,818	4,069,425	2,549,118
Supplies, Consumables and Other Running Costs	4.3	9,908,899	7,526,604	11,096,877	8,515,501
Costs Related to Trading Activities	4.4	2,117,740	1,558,496	2,134,146	1,570,456
Outsourced Services	4.5	829,884	726,023	1,190,266	1,148,190
Training and Development	4.6	5,170,624	4,002,621	6,676,060	5,282,652
Depreciation, Amortization and Impairment	4.7	436,300	498,280	661,455	718,799
Return of Unspent Funds	4.8	17,874	43,723	17,874	43,723
Other Expenses	4.9	821,840	932,338	1,210,879	1,187,618
<b>TOTAL EXPENSES</b>		<b>65,604,094</b>	<b>57,357,339</b>	<b>80,265,410</b>	<b>70,629,674</b>
<b>OPERATING SURPLUS FOR THE YEAR</b>		<b>2,723,755</b>	<b>5,552,316</b>	<b>5,031,094</b>	<b>7,019,400</b>
Currency Exchange (Loss) / Gain	4.10	(2,822,462)	3,494,668	(3,542,004)	5,471,752
<b>NET (DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(98,707)</b>	<b>9,046,984</b>	<b>1,489,090</b>	<b>12,491,152</b>

The accompanying notes form an integral part of these financial statements.



**INTERNATIONAL MARITIME ORGANIZATION  
STATEMENT III**

**STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 December 2023  
(GBP)**

	Note	IMO		Consolidated	
		2023	2022	2023	2022 (restated)
<b>Opening balance 1 January</b>		<b>46,370,749</b>	<b>37,323,765</b>	<b>66,491,475</b>	<b>54,187,165</b>
(Deficit) / Surplus for the year	6.2.2	(98,707)	9,046,984	1,489,090	12,491,152
<b>Other movements</b>					
Actuarial gain for the year	2.11	16,850,230	-	16,850,230	-
Impact of changes in accounting policy	1	-	-	-	64,956
Exchange rate effect	10	-	-	(209,706)	(251,798)
<b>Total movement for the year</b>		<b>16,751,523</b>	<b>9,046,984</b>	<b>18,129,614</b>	<b>12,304,310</b>
<b>TOTAL NET ASSETS</b>		<b>63,122,272</b>	<b>46,370,749</b>	<b>84,621,089</b>	<b>66,491,475</b>

The accompanying notes form an integral part of these financial statements.

**INTERNATIONAL MARITIME ORGANIZATION  
STATEMENT IV**

**STATEMENT OF CASH FLOWS  
for the year ended 31 December 2023  
(GBP)**

	IMO		Consolidated	
	2023	2022	2023	2022 (restated)
<b>Cash flow from operating activities:</b>				
<b>(Deficit) / Surplus for the period</b>	(98,707)	9,046,984	1,489,090	12,491,152
Depreciation of Property, Plant and Equipment <sup>1</sup>	405,132	485,987	615,350	655,712
Net loss on disposal of Property, Plant and Equipment	571	-	2,825	3,025
Amortization of Intangible Assets <sup>1</sup>	14,337	6,764	17,427	30,824
Effect of currency exchange on Cash and Cash Equivalent	903,464	(281,081)	1,683,095	(2,239,237)
(Increase)/decrease in Contributions Receivable	4,386	(110,594)	4,386	(93,182)
(Increase)/decrease in Inventories	(95,927)	(54,385)	(104,058)	(60,015)
(Increase)/decrease in Advances to Sub-contractors and Partners	367,466	(464,965)	367,466	(539,165)
(Increase)/decrease in Other Receivables and Prepayments	505,737	(1,489,620)	(594,572)	(942,822)
Increase/(decrease) in Payables and Accruals	2,120,950	1,029,429	2,739,872	274,467
Increase/(decrease) in Provisions for Warranties	(21,240)	(2,259)	(21,240)	(2,259)
Increase/(decrease) in Employee Benefits Current	92,070	(120,039)	83,518	(69,371)
Increase/(decrease) in Employee Benefits Non-Current	(14,548,012)	1,835,245	(14,607,697)	2,225,884
<b>Net cash flows from operating activities</b>	<b>(10,349,773)</b>	<b>9,881,466</b>	<b>(8,324,538)</b>	<b>11,735,013</b>
<b>Cash flows from investing activities:</b>				
Investments		-	(4,844,145)	343,178
Purchases of Property, Plant and Equipment <sup>1</sup>	(292,072)	(1,231,830)	(498,275)	(1,592,470)
Purchases of Intangible Assets <sup>1</sup>	-	(99,308)	1,572	(93,431)
<b>Net cash flows from investing activities</b>	<b>(292,072)</b>	<b>(1,331,138)</b>	<b>(5,340,848)</b>	<b>(1,342,723)</b>
<b>Cash flows from financing activities:</b>				
(Decrease) in Finance Lease Liabilities Current	-	-	-	-
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other movements in Net Assets	16,850,230	-	16,850,230	64,956
Loss on Exchange on consolidation	-	-	(209,706)	(251,798)
Effect of exchange rate changes on Cash and Cash Equivalents	(903,464)	281,081	(1,683,095)	2,239,237
<b>Net increase in Cash and Cash Equivalents</b>	<b>5,304,921</b>	<b>8,831,409</b>	<b>1,292,043</b>	<b>12,444,685</b>
<b>Cash and Cash Equivalents at beginning of the year</b>	<b>97,902,051</b>	<b>89,070,642</b>	<b>119,457,244</b>	<b>107,012,559</b>
<b>Cash and Cash Equivalents at end of the year</b>	<b>103,206,972</b>	<b>97,902,051</b>	<b>120,749,287</b>	<b>119,457,244</b>

The accompanying notes form an integral part of these financial statements.

<sup>1</sup> Depreciation of Property, Plant and Equipment, amortization of Intangible Assets, purchases of Property, Plant, and Equipment and Intangible Assets include the effect of the exchange rate adjustment for exchange rate movements in the year. The consolidated statements in notes 2.7 and 2.8 show additions and foreign exchange adjustments separately rather than in aggregate.

**INTERNATIONAL MARITIME ORGANIZATION  
STATEMENT V**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
IMO AND CONSOLIDATED  
for the year ended 31 December 2023  
(GBP)**

	Budget Amounts <sup>2</sup>				Actual Amounts on Comparable Basis <sup>2</sup>		Variances: Final Budget and Actual Amounts	
	Original 2023	Original 2022	Final 2023	Final 2022	2023	2022	2023	2022
<b>Receipts<sup>1</sup></b>								
Assessed contributions	33,920,000	33,616,000	33,920,000	33,616,000	33,994,668	32,913,762	74,668	(702,238)
Support costs income	1,664,000	1,588,000	1,664,000	1,588,000	2,273,984	1,844,179	609,984	256,179
Trading income	14,232,000	14,099,000	14,232,000	14,099,000	15,697,906	14,206,868	1,465,906	107,868
Other income	1,230,000	1,333,000	1,230,000	1,333,000	2,228,589	917,955	998,589	(415,045)
Funds Transfer	1,716,000	1,359,000	1,716,000	1,359,000	1,716,000	1,359,000	-	-
<i>IMO Subtotal</i>	<i>52,762,000</i>	<i>51,995,000</i>	<i>52,762,000</i>	<i>51,995,000</i>	<i>55,911,147</i>	<i>51,241,764</i>	<i>3,149,147</i>	<i>(753,236)</i>
WMU	11,622,200	11,637,800	13,043,500	12,921,300	15,650,934	13,976,756	2,607,434	1,055,456
IMLI	2,304,604	2,024,733	2,185,003	2,263,516	2,535,848	1,994,987	350,845	(268,529)
<i>Subtotal Education and research</i>	<i>13,926,804</i>	<i>13,662,533</i>	<i>15,228,503</i>	<i>15,184,816</i>	<i>18,186,782</i>	<i>15,971,743</i>	<i>2,958,279</i>	<i>786,927</i>
<b>Overall total receipts</b>	<b>66,688,804</b>	<b>65,657,533</b>	<b>67,990,503</b>	<b>67,179,816</b>	<b>74,097,929</b>	<b>67,213,507</b>	<b>6,107,426</b>	<b>33,691</b>
<b>Payments<sup>1&amp;3</sup></b>								
Regular budget strategic results <sup>4</sup>	38,626,000	37,525,000	39,240,434	37,560,314	38,229,281	34,826,034	1,011,153	2,734,280
Trading	7,913,000	8,222,000	9,431,772	8,345,494	8,421,041	6,814,480	1,010,731	1,531,014
Headquarters capital	1,305,000	1,259,000	1,561,681	2,534,820	1,011,601	1,598,511	550,080	936,309
Termination/separation <sup>4</sup>	1,272,000	1,093,000	1,580,000	1,336,164	1,549,978	1,336,085	30,022	79
Technical Cooperation (TC Fund)	5,575,000	5,206,000	7,116,592	6,997,187	6,373,383	5,692,949	743,209	1,304,238
<i>IMO Subtotal</i>	<i>54,691,000</i>	<i>53,305,000</i>	<i>58,930,479</i>	<i>56,773,979</i>	<i>55,585,284</i>	<i>50,268,059</i>	<i>3,345,195</i>	<i>6,505,920</i>
WMU	11,437,900	11,486,300	12,733,400	12,454,600	13,945,200	12,397,500	(1,211,800)	57,100
IMLI	1,523,377	1,867,701	1,813,404	1,605,333	2,049,322	1,726,648	(235,918)	(121,315)
<i>Subtotal Education and research</i>	<i>12,961,277</i>	<i>13,354,001</i>	<i>14,546,804</i>	<i>14,059,933</i>	<i>15,994,522</i>	<i>14,124,148</i>	<i>(1,447,718)</i>	<i>(64,215)</i>
<b>Overall total payments</b>	<b>67,652,277</b>	<b>66,659,001</b>	<b>73,477,283</b>	<b>70,833,912</b>	<b>71,579,806</b>	<b>64,392,207</b>	<b>1,897,477</b>	<b>6,441,705</b>
<b>NET (DEFICIT)/SURPLUS - IMO</b>	<b>(1,929,000)</b>	<b>(1,310,000)</b>	<b>(6,168,479)</b>	<b>(4,778,979)</b>	<b>325,863</b>	<b>973,705</b>	<b>6,494,342</b>	<b>5,752,684</b>
<b>NET (DEFICIT)/SURPLUS - CONSOLIDATED</b>	<b>(963,473)</b>	<b>(1,001,468)</b>	<b>(5,486,780)</b>	<b>(3,654,096)</b>	<b>2,518,123</b>	<b>2,821,300</b>	<b>8,004,903</b>	<b>6,475,396</b>

<sup>1</sup> Classification of receipts or payments follows the same basis as the approved budget and is different from the classification shown in Statement II which presents it by nature/function.

<sup>2</sup> Budget amounts are on a modified accrual basis (IMO) and an accrual basis (WMU and IMLI) as approved by the respective governing bodies and the actual amounts are on the same basis as the budget amounts.

<sup>3</sup> The Final Budget for 2023 includes transfers for uncommitted and committed funds from the prior year. Committed funds transferred to 2023, amounted to £2,096,355, as detailed in Note 7.1. With the approval of the IMO Council, uncommitted funds from the 2022 budgets were transferred to support 2023 expenditure for the Regular Budget (£625,166), Trading Fund (£1,480,000), and the HQ Capital Fund (£37,958).

<sup>4</sup> The Final Budget for 2023 for the Regular Budget and the Termination Benefit Fund incorporates a transfer of £308,000 from the savings in the Staff costs of the Regular Budget to fund the Termination Benefit Fund as approved by the Council in its 128th session.

The accompanying notes form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

### NOTE 1: ACCOUNTING POLICIES

#### Basis of Preparation

1 The financial statements of the International Maritime Organization (IMO) have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS) using the historic cost convention. Where a specific matter is not covered by IPSAS, the appropriate International Financial Reporting Standards (IFRS) have been applied. No Standards have been adopted prior to their required implementation date, and no transitional provisions are in operation.

2 The Cash Flow Statement is prepared using the indirect method.

3 Within the meaning of IPSAS 35 – "Consolidated Financial Statements" the Organization is a controlling entity with two controlled entities, the World Maritime University (WMU) and the IMO International Maritime Law Institute (IMLI) based in Sweden and Malta, respectively. Neither WMU nor IMLI has equity and the Organization's control is not by means of shareholding; however, their Charter and Statute, respectively, provide for the 'power' and 'benefit' criteria necessary for establishing control under IPSAS 35, the key factors being:

- the Secretary-General's ability to appoint the President of WMU and the Director of IMLI, and also to appoint the respective governing boards;
- the alignment of the objectives of WMU and IMLI with the goals of IMO through the Charter and the Statute, respectively;
- the requirement for changes to the Charter and Statute to be approved by IMO organs; and
- in the event of the dissolution of IMLI, the funds and assets remaining shall be used as directed by IMO Council.

4 Consolidated statements have therefore been prepared and are shown alongside those of IMO for ease of reference.

5 The functional and reporting currency of IMO is GBP. Transactions in currencies other than GBP are converted into GBP at the prevailing United Nations Operational Rates of Exchange (UNORE) at the time of transaction. Monetary assets and liabilities held at the year-end in currencies other than GBP are converted into GBP at the prevailing UNORE year-end closing rate. The resulting gains or losses are accounted for in the Statement of Financial Performance.

#### Cash and Cash Equivalents

6 Cash and cash equivalents comprise cash in hand, cash in banks, and highly liquid short-term deposits with maturities of 12 months or less.

#### Investments

7 The Organization implemented IPSAS 41 – "Financial Instruments" as it became effective on 1 January 2023. This standard supersedes IPSAS 29 - "Financial Instruments: Recognition and Measurement". This transition in accounting standards did not lead to any significant consequences for IMO or WMU, as all payables, receivables, cash, and investments that are within the scope of IPSAS 41 are valued following the amortized cost basis, being held to collect cash flows, and with no change in impairment charges from those in place under IPSAS 29. The introduction of IPSAS 41 did however affect IMLI's reporting of financial assets, leading to an unrealized decrease in the fair value of investments. Up to the year ended 31 December 2022, the portfolio of investments at IMLI

was measured at cost less any impairment. The adoption of IPSAS 41 requires the restatement of the consolidated comparative period ending 31 December 2022. The effect of the restatement on the consolidated financial statements is summarised below:

Net effect on the statement of Financial Position	Consolidated as at 31 Dec 2022	IPSAS 41 adjustments	Consolidated as at 31 Dec 2022 (restated)
<b>Non-current assets</b>			
Investments	5,383,532	(7,904)	5,375,628
<b>FUND BALANCES AND RESERVES</b>			
Fund balances and reserves	53,933,047	67,276	54,000,323
(Deficit)/Surplus for the Year	12,566,332	(75,180)	12,491,152
<b>Net effect on the statement of Financial Position</b>	<b>66,499,379</b>	<b>(7,904)</b>	<b>66,491,475</b>

Net effect on the statement of Financial Performance	Consolidated as at 31 Dec 2022	IPSAS 41 adjustments	Consolidated as at 31 Dec 2022 (restated)
Other revenue	1,404,556	(6,744)	1,397,812
Other expenses	1,121,776	65,842	1,187,618
<b>Net effect on the operating surplus for the year</b>		<b>(72,586)</b>	
Currency exchange gain / (loss)	5,474,346	(2,594)	5,471,752
<b>Net effect on the statement of Financial Performance</b>		<b>(75,180)</b>	

Net effect on the statement of Changes in Net Assets	Consolidated as at 31 Dec 2022	IPSAS 41 adjustments	Consolidated as at 31 Dec 2022 (restated)
Closing balance 31 December	54,187,165	64,956	54,252,121
Surplus for the year	12,566,332	(75,180)	12,491,152
Exchange rate effect	(254,118)	2,320	(251,798)
<b>Net effect on the statement of Changes in Net Assets</b>	<b>66,499,379</b>	<b>(7,904)</b>	<b>66,491,475</b>

## Receivables

8 Receivables are financial assets with fixed or determinable payments that are not traded in an active market. Receivables classified as current assets are for amounts due within 12 months of the reporting date, while non-current receivables are those that are due more than 12 months from the reporting date of the financial statements. Receivables are stated at nominal value less allowance for estimated irrecoverable amounts in the Statement of Financial Position.

9 Assessed contributions receivable is the amount of contributions as approved by the Assembly that are still outstanding. Donor contributions receivable is recognized when the donor agreement is signed but the payment from the donor has not been received at the reporting date.

10 An allowance for doubtful accounts is recognized when there is a risk that the receivables may be impaired. Changes in the allowance for doubtful accounts are recognized in the Statement of Financial Performance.

11 For donor contributions, commercial and other receivables, an allowance is provided on a case-by-case basis. Allowances are recognized based on historical collection experience and/or evidence indicating that the collection of a particular receivable is in doubt. For commercial receivables and other receivables, an allowance equivalent to 100% of the receivable is provided when the receivable is deemed uncollectable and has been overdue for three or more years.

12 For Member States' assessed contributions, the value of unpaid balances is adjusted as follows:



- no allowance or discount is applied to Member States with sums outstanding for no more than the current or current and previous reporting period; and
- all sums that have been due for more than two reporting periods are held net of a 100% allowance, that is, at zero value in the Statement of Financial Position. The allowance includes current and all prior period outstanding balances. This does not reflect an adjustment for Expected Credit Loss under IPSAS 41 – "Financial Instruments" but rather an impairment in the value of the receivable due to the uncertainty of the timing of future cash flows.

## Revenue

13 Assessed income on Member States is recognized on a calendar basis as revenue when it falls due, normally on 1 January of the financial year for which the assessment is made as per the assessments approved by the Assembly. Sums received in advance from Member States for the following reporting period are shown on the Statement of Financial Position as revenue received in advance.

14 Donor Contributions are recognized on a case-by-case basis following the provisions of IPSAS 23 – "Revenue from Non-Exchange Transactions".

15 In cases where donor contributions are made without a condition under IPSAS 23 – "Revenue from Non-Exchange Transactions", revenue and the associated financial asset are recognized when the agreement is signed or, in the absence of an agreement, on receipt of funds. Where there are no payment terms specified by the contributor or payment terms are in the current accounting year, revenue is recognized in the current period. Where payment terms specify payment after the year-end (31 December), the amount is reported as deferred revenue. Where the start date of the contract is after 31 December, revenue is recognized in the future accounting year.

16 Moreover, in some cases a donor agreement may contain sufficiently strict conditions over the application of funds to a specific activity that a liability is recognized along with the asset when the agreement is confirmed in writing and revenue is only recognized as the activity is delivered.

17 In-kind contributions of goods are valued at fair market value and are recognized as revenue and as assets when received. In-kind contributions of services are not recognized in the financial statements.

18 The Organization's commercial sales operations, conducted through the Trading Fund, subletting of conference facilities, and the fees charged to those submitting products and substances for technical assessment in order for the Organization to fully recover costs associated with conducting those assessments, are considered to be exchange transactions and are accounted for within the meaning of IPSAS 9 – "Revenue from Exchange Transactions".

19 Revenue from the sale of publications is recognized upon shipment to the customer.

20 Interest on fixed short-term deposits and other revenue are recognized when received or earned in accordance with IPSAS 9 – "Revenue from Exchange Transactions".

## Inventories

21 Publications held for sale on hand at the end of the financial period are recorded as inventories and are valued at the lower of cost or net realizable value.

22 The cost of publications includes production, transportation, and storage costs, determined on a weighted average basis. Inventory quantities are validated by physical stock counts.

23 Publications are shown as a cost of sales at the time at which the sale is recognized, and

the inventory is reviewed at the end of each financial year for impairment. A provision is made for inventory considered to be impaired due to damage, obsolescence, and slow-moving titles with excess stock on hand.

24 The Organization does not hold any specific item of inventory for the purpose of distributing free of charge. While a small number of copies of various publications are distributed 'free of charge' from time to time under specific conditions, these free copies constitute an insignificant percentage (typically less than 5%) of the total books distributed. Consequently, no provision is made in this regard.

### Property, Plant and Equipment

25 Property, Plant and Equipment (PP&E) are stated at historical cost less accumulated depreciation and any impairment losses. Depreciation is provided for PP&E over their estimated useful life using the straight-line method. The estimated useful life for PP&E classes is as follows:

<b>Class</b>	<b>Estimated useful life (years)</b>
Communication and IT equipment	3 – 5
Vehicles	4 – 7
Furniture & fixtures	5
Conference equipment	7
Miscellaneous	5

26 Leasehold improvements are recognized as assets and valued at cost and depreciated over the lesser of the remaining useful life of the improvements or the lease term.

27 While the Organization uses an operational threshold for recognizing property, plant and equipment of £500, this threshold is not applied to library collections. Where a library collection is deemed to be in excess of 10% reference in nature, all purchases of reference material are capitalized and depreciated over three years on a straight-line basis. Where a library collection holds less than 10% reference books, all items will be expensed as purchased.

28 Impairment reviews are undertaken for all assets at least annually.

### Intangible Assets

29 Intangible assets are stated at historical cost less accumulated amortization and any impairment losses.

30 Publication titles are not considered to be intangible assets as they do not meet the provisions of IPSAS 31 – "Intangible Assets". Consequently, development costs for new titles are expensed as they are incurred.

31 Amortization is provided over the estimated useful life using the straight-line method. The estimated useful life for intangible asset classes is as follows:

<b>Class</b>	<b>Estimated useful life (years)</b>
Software acquired externally	3
Internally developed software	3 – 6

### Finance Leases

32 Leases under which substantially all the risk and reward of ownership have been transferred to the Organization through the lease agreement are treated as finance leases.

33 Assets purchased under a finance lease are shown as assets at the lower of the fair value

of the asset and the present value of the minimum lease payments. An associated lease obligation is recognized at the same value.

34 Lease payments made under a finance lease are apportioned between payment of finance charges and reduction of the balance of the liability.

35 Assets acquired through a finance lease are depreciated over the shorter of the lease term or the useful life of the asset, except where such assets become the property of the Organization on completion of the lease term. In such cases, the asset is depreciated over its useful life. The finance charge will be calculated to produce a constant periodic rate of interest on the remaining balance of the liability.

### Operating Leases

36 Leases that are not categorized as finance leases, with a balance of risk and reward remaining with the lessor, are considered to be operating leases.

37 Expenditure incurred under an operating lease is charged on a straight-line basis over the life of the lease.

### Employee Benefits Liabilities

38 IMO recognizes the following categories of employee benefits:

- short-term employee benefits due to be settled within 12 months of the end of the accounting period in which employees render the related service;
- post-employment benefits;
- other long-term employee benefits; and
- termination benefits.

39 Actuarial gains and losses which may arise from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur as a separate item directly in net assets/equity. Past service costs from amendments to the benefits provided by the plans are recognized in surplus or deficit over the average remaining service lives of the related employees if they are not vested, and immediately when they arise if the benefits are already vested. None of the benefits of the Organization's defined benefits plans has been amended during the reporting period.

40 Short-term employee benefits include salaries and related benefits, settling-in benefits, education grant, and others such as home leave, paid annual leave and sick leave.

41 Post-employment benefits are defined benefit plans consisting of the United Nations Joint Staff Pension Fund (UNJSPF), After-Service Health Insurance Plan (ASHI), and repatriation grant and related benefits.

42 Other long-term employee benefits include accrued unused annual leave and, where applicable, compensation payments in the case of death, injury, or illness attributable to the performance of duties.

43 Termination benefits include indemnities for dismissal before retirement or voluntary redundancy. Where, at the reporting date, there is a formal plan, without realistic possibility of withdrawal, to finish the employment of a staff member and at that date, the staff member has not yet separated from the Organization, an accrual is recognized in the financial statements.

### Provisions and Contingent Liabilities

44 Provisions are made for future liabilities and charges where IMO has a present legal or constructive obligation as a result of past events, and it is probable that IMO will be required to settle

the obligation. This liability is estimated using a percentage based on the previous five years' sales and the level of returns.

45 The Organization's sales of publications are made mainly through distributors and resellers rather than directly to the end user. It is the Organization's established business practice to refund distributors for unsold copies held by them, which may become obsolete through the issuance of a new edition. A provision is established to reflect an approximation of the funds expected to be reimbursed to distributors for the copies sold to them during the financial year which may be returned during future financial years. This liability is estimated using a percentage based on the previous five years' sales and the level of returns. From 1 January 2021, any publications purchased no longer qualify for returns, with the exception of two copies of key publications required to be kept in stock under the terms of the distributor's agreement.

46 Other commitments, that do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of IMO.

### **Fund Accounting and Segment Reporting**

47 The financial statements are prepared on a fund accounting basis, showing, at the end of the period, the consolidated position of all IMO funds. A fund is a self-balancing accounting entity established to account for the transactions of a specified purpose or objective. Fund balances represent the accumulated residual of revenue and expenses.

48 IMO classifies all projects, operations, and fund activities into four segments: i) Core Programme Management; ii) Technical Cooperation and Extrabudgetary Activities; iii) Trading and Business Activities; and iv) Education and Research. IMO reports on the transactions of each segment during the financial period, and the balances held at the end of the period.

49 Under Core Programme Management, the Organization provides services to support Member States' decision-making, including the development of treaties, regulations, and policies. These activities are funded by assessed contributions and transfers from surpluses from such contributions. The Organization's General Fund, Working Capital Fund, Headquarters Capital Fund, and Termination Benefit Fund are grouped under this segment.

50 Under Technical Cooperation and Extrabudgetary Activities, the Organization provides Member States with technical cooperation and extrabudgetary planning and implementation services. Such activities are primarily funded through the surplus of the Organization's commercial activities and contributions from donors or through a cost-recovery model such as the fees charged for assessments of products and substances. In this context, the Organization's Technical Cooperation Fund and all donor trust Funds are grouped under this segment.

51 Activities conducted by WMU and IMLI are categorized under the Education and Research segment. The funding is primarily derived from donations to, and fees charged by WMU and IMLI.

52 As the Organization undertakes commercial business activities, in particular publishing and catering, through the Trading Fund, those activities are segmented under Trading and Business Activities. Funding comes from the sale of publications and catering.

### **Budget Comparison**

53 The Assembly approves the biennial budgets of the Organization which include the regular budget and the budgets of the Trading Fund, the Headquarters Capital Fund, the Termination Benefit Fund, and the Technical Cooperation Fund. These budgets may be subsequently amended by the Council or through the exercise of delegated authority. Statement V: Comparison of Budget and Actual Amounts compares the final budget to actual amounts calculated on the same basis as the

corresponding budgetary amounts. As the bases used to prepare the budget and financial statements differ, Note 5 provides a reconciliation between the actual amounts presented in Statement V and the actual amounts presented in Statement IV: Cash Flow.

## NOTE 2: ASSETS AND LIABILITIES

### Note 2.1: Cash and Cash Equivalents

Cash and Cash Equivalents	IMO		Consolidated	
	2023 GBP	2022 GBP	2023 GBP	2022 GBP
Bank and Imprest Cash	25,461,682	29,925,320	41,698,396	50,815,032
Short-term deposits	77,743,173	67,974,547	79,046,726	68,638,283
Other cash and cash equivalents	2,117	2,184	4,165	3,929
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>103,206,972</b>	<b>97,902,051</b>	<b>120,749,287</b>	<b>119,457,244</b>

54 Cash required for immediate disbursement is maintained in cash and 52 bank accounts, seven in British pounds, 36 in US dollars, seven in Euros, one in Philippine peso and one in Bangladeshi Takas. Balances in the short-term deposit accounts are available at short notice.

55 IMO does not place long-term investments in bonds or shares, nor does it make use of money market facilities such as hedging. Excess funds are invested in short-term deposits, which are held to maturity for not more than 12 months with an approved list of counterparties.

56 IMO's Investment Policy, established in accordance with Article IX of the Financial Regulations, prioritizes capital retention over maximization of return on investment and establishes limits on the maximum amounts and time period for deposits with any counterparty, based on a range of factors designed to assess their financial stability, to diversify and manage investment risk.

57 Effective implementation of the Investment Policy is the responsibility of the IMO Treasury Committee, comprising senior officers and an external treasury expert. The Committee meets regularly and considers the current cash position, cash flow projections, and surplus funds available to invest together with the proposed counterparties and their credit ratings.

58 The table below shows the breakdown of the value of IMO's short-term deposits by currency and maturity dates of the placements, including accrued interest as at 31 December 2023:

IMO Treasury Deposit					
Maturity Date	Currency	Initial Amount	Accrued Interest	Total	Value in GBP
26 January 2024	GBP	52,776,569	699,389	53,475,958	53,475,958
26 January 2024	USD	30,543,611	449,020	30,992,631	24,267,215
<b>TOTAL SHORT-TERM DEPOSITS</b>					<b>77,743,173</b>

59 IMLI holds short-term deposits of €1,500,000 (2022: €750,000), which is equivalent to £1,303,553 as at 31 December 2023 (2022: £663,736).

60 There have been no impairments of short-term deposits held by IMO and IMLI as at 31 December 2023.



**Note 2.2: Contributions Receivable**

Composition:	IMO		Consolidated	
	2023 GBP	2022 GBP	2023 GBP	2022 GBP
Member States assessments	812,285	908,928	812,285	908,928
Donor Contributions	285,700	193,443	285,700	193,443
<b>TOTAL CONTRIBUTIONS RECEIVABLE</b>	<b>1,097,985</b>	<b>1,102,371</b>	<b>1,097,985</b>	<b>1,102,371</b>

61 Contributions receivable for Member States' assessments and donor contributions relate to non-exchange transactions.

62 Historical experience has shown that assessments due from Member States are highly likely to be settled in full at some point in the future, with no write-offs having been authorized in this regard since the inception of the Organization. However, because there is significant uncertainty surrounding the timing of future cash flows from such receivables, an adjustment is required to show these amounts at fair value. The movement of the fair value adjustment during 2023 resulted in an increase of £21,485 when compared to 2022.

63 The following table sets out the composition of Member States' receivables by year and the fair value adjustments and allowance for doubtful accounts as at 31 December 2023.

Member States assessments due:	IMO		Consolidated	
	2023 GBP	2022 GBP	2023 GBP	2022 GBP
Contributions Receivable before allowance				
2023	590,877	-	590,877	-
2022	363,033	954,634	363,033	954,634
2021	47,874	97,235	47,874	97,235
2020 and earlier	690,567	715,640	690,567	715,640
<b>Total Contribution Receivable</b>	<b>1,692,351</b>	<b>1,767,509</b>	<b>1,692,351</b>	<b>1,767,509</b>
Fair value adjustments	(525,002)	(503,517)	(525,002)	(503,517)
Allowance for doubtful accounts	(355,064)	(355,064)	(355,064)	(355,064)
<b>NET CONTRIBUTIONS RECEIVABLE</b>	<b>812,285</b>	<b>908,928</b>	<b>812,285</b>	<b>908,928</b>

64 As at 31 December 2023 there were a total of 37 Member States with outstanding balances. Of these, 32 had current year and prior year balances only. The remaining five had arrears prior to 2021. For the Member States in arrears and without an agreed payment plan, an approximation is made based on historical experience – for those Member States that had arrears extending only to the current year and prior year, no fair value adjustment is made, while for the remaining Member States with arrears for 2021 and earlier, it was assumed that there is sufficient uncertainty about the timing of future cash flows such that their present value after discounting would be approximately zero.

65 In addition to the balances due from these 37 Member States, the settlement of the former Socialist Federal Republic of Yugoslavia (SFRY) arrears of £355,064 continues to depend on the results of ongoing negotiations at the United Nations regarding succession issues. The Governments of the successor States of the former SFRY have requested the United Nations to write off all debts of the former SFRY relating to their contributions to the United Nations and its specialized agencies and programmes. The United Nations had taken the view that, in accordance with the general rules of international law regarding the succession of States in respect of State debts, the United Nations has the right to seek payment of all or part of the pre-dissolution arrears from the five successor States of the former Yugoslavia. Despite requests for the debt to be written off, the United Nations has refused to do so. The precise amount owed by each of SFRY's five successor States has not yet been determined by the United Nations. Until this issue is settled by the United Nations, the

Secretariat is not in a position to pursue the recovery of the outstanding amount, and the Secretariat's policy in this regard is consistent with prior years and the approach taken by the United Nations.

66 Contributions receivable from donors represent amounts due but not yet received based on signed agreements as at 31 December 2023. Contributions receivable from donors are shown net of contributions adjustments related to allowances for doubtful accounts based on the review of receivables. A review of amounts due at 31 December 2023 concluded that no such adjustments were required on outstanding balances.

67 In the case of both Member State assessments and donor contributions due, adjustments are made to better reflect the fair value of the receivables in the financial statements but constitute neither a formal write-off of the receivable nor a releasing of the third party from their obligation.

### Note 2.3: Inventories

	IMO		Consolidated	
	2023 GBP	2022 GBP	2023 GBP	2022 GBP
IMO publications	564,366	466,190	564,366	466,190
Model courses	2,364	4,613	2,364	4,613
Public relations articles	-	-	69,148	61,017
<b>TOTAL INVENTORIES</b>	<b>566,730</b>	<b>470,803</b>	<b>635,878</b>	<b>531,820</b>

Inventories reconciliation – IMO	2023 GBP	2022 GBP
Opening inventories	470,803	416,418
Purchases	1,016,649	944,609
Total inventories available for sale	1,487,452	1,361,027
Cost of sales	(889,468)	(863,802)
Cost of free distributions	(14,521)	(23,936)
Inventory adjustment including allowance for impairment	(16,733)	(2,486)
<b>TOTAL INVENTORIES</b>	<b>566,730</b>	<b>470,803</b>

	Opening Balance 01.01.2023 GBP	Utilization	Increase / (Decrease) GBP	Closing Balance 31.12.2023 GBP
Allowance for impairment	179,645	(179,263)	16,733	17,115
<b>TOTAL ALLOWANCE</b>	<b>179,645</b>	<b>(179,263)</b>	<b>16,733</b>	<b>17,115</b>

68 A review of inventory was carried out during year-end in determining the provisions of £17,115, covering obsolescence, slow-moving, and excess stock holdings.

69 As at 31 December 2023, IMLI and WMU held inventory valued at £19,413 and £49,735 respectively (2022: £18,982 and £42,035).

**Note 2.4: Advances to Sub-Contractors and Partners**

70 Advances to sub-contractors and implementing partners are payments made under contract with regional bodies and similar organizations which, acting as implementing agents or partners, deliver technical cooperation programmes on the Organization's behalf. These advances are then offset against approved expenditure reports as the contract is delivered. In addition, any advances made to UNDP to provide regional or national services on the Organization's behalf, through the Service Clearing Account arrangement, are also considered to be advances to sub-contractors and Partners. The total outstanding advances at the end of the financial period were made to the following:

	IMO	
	2023	2022
<b>Sub-Contractors and Partners</b>	<b>GBP</b>	<b>GBP</b>
Food and Agriculture Organization (FAO)	243,462	314,197
UNDP Service Clearing Account (SCA)	115,658	-
The University of Trinidad and Tobago	79,347	67,350
Jomo Kenyatta University of Agriculture and Technology (JKUAT)	55,462	18,971
The Intergovernmental Oceanographic Commission of UNESCO (IOC)	50,840	107,143
Secretariat of the Pacific Regional Environment Programme (SPREP)	36,034	36,197
The Central American Maritime Transport Commission (COCATRAM)	33,540	43,402
Other	46,576	441,125
<b>TOTAL ADVANCES TO SUB-CONTRACTORS AND PARTNERS</b>	<b>660,919</b>	<b>1,028,385</b>

**Note 2.5: Other Receivables and Prepayments**

	IMO		Consolidated	
	2023	2022	2023	2022
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
Advances to staff	983,035	970,308	1,112,873	1,070,479
Taxes recoverable	1,246,540	1,624,954	1,355,683	1,715,569
Advances to vendors	1,073,346	1,130,678	552,300	564,393
Fellowships	-	-	315,590	144,028
Miscellaneous	607,777	690,495	1,796,244	1,043,649
<b>TOTAL OTHER RECEIVABLES AND PREPAYMENTS</b>	<b>3,910,698</b>	<b>4,416,435</b>	<b>5,132,690</b>	<b>4,538,118</b>

71 Advances to staff are for Education Grants, travel and other staff entitlements made in accordance with the Staff Regulations and Staff Rules. A breakdown of the most significant advances to staff are shown below:

	IMO		Consolidated	
	2023	2022	2023	2022
<b>Advances to staff</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
Education Grant advance	640,871	599,070	763,767	697,349
Service incurred injury	323,553	329,691	323,553	329,691
Home leave prepayment	-	-	6,941	1,892
Assignment Travel prepayment	2,529	-	2,529	-
Others	16,082	41,547	16,083	41,547
<b>TOTAL ADVANCES TO STAFF</b>	<b>983,035</b>	<b>970,308</b>	<b>1,112,873</b>	<b>1,070,479</b>

72 Education Grant advances are paid annually to eligible staff and are amortized over the academic year for expenditure recognition purposes.

73 Service incurred injuries are medical costs advanced to staff due to workplace injury, which are recoverable from the insurance provider.

74 Eligible staff are entitled to home leave once every two years for which the costs are spread over that two-year period.

75 Taxes recoverable are value-added tax, airport tax, insurance premium tax and environment tax, which are recoverable from the government of the host country under the terms of the relevant host country agreement. An allowance was provided for congestion charge taxes as these amounts are unlikely to be recovered.

76 Advances to vendors are for payments in advance of goods and service delivery.

77 Fellowships are due at the start of the school term upon arrival and confirmation of the physical presence of the student.

78 The miscellaneous category includes, inter alia, amounts due under sub-letting agreements (where IMO manages the office space and recovers from third parties), cafeteria functions receivable, and travel recoverable from sponsors. Miscellaneous receivables are reported net of £25,135, an estimated allowance for irrecoverable amounts.

## Note 2.6: Investments

79 As at 31 December 2023, IMO did not hold investments. The consolidated total value of investments of £10,219,773 (2022: £5,375,628) represents £7,935,133 (2022: £4,031,108) held by WMU and £2,284,640 (2022: £1,344,520) held by IMLI.

80 At its thirty-first session in March 2021, the WMU Executive Board approved the selection of LGT Liechtenstein as the investment bank for WMU funds, noting that the bank had a strong record of environmental, social, and corporate governance (ESG) and corporate social responsibility which aligns well with WMU's mission, as well as a broad-based investment strategy. To date, \$9,851,119 was invested with LGT Bank Ltd. The value of the funds invested had increased by \$283,474 to \$10,134,593 as at 31 December 2023.

**Note 2.7: Property, Plant and Equipment****Asset category – IMO**

GBP	Communication & IT equipment	Conference equipment	Vehicles	Furniture & fixtures	Leased equipment	Miscellaneous	Total
<b>Cost</b>							
Opening Balance	2,829,201	2,788,193	123,291	610,525	608,570	154,218	7,113,998
Additions	67,568	153,980	-	24,800	-	45,724	292,072
Disposals	(179,315)	(1,207)	-	(29,117)	-	(10,398)	(220,037)
<b>Closing Balance</b>	<b>2,717,454</b>	<b>2,940,966</b>	<b>123,291</b>	<b>606,208</b>	<b>608,570</b>	<b>189,544</b>	<b>7,186,033</b>
<b>Accumulated Depreciation</b>							
Opening Balance	2,680,671	1,573,673	100,191	592,511	608,570	100,028	5,655,644
Depreciation	91,160	266,724	14,756	9,127	-	23,365	405,132
Disposals	(178,758)	(1,207)	-	(29,103)	-	(10,398)	(219,466)
<b>Closing Balance</b>	<b>2,593,073</b>	<b>1,839,190</b>	<b>114,947</b>	<b>572,535</b>	<b>608,570</b>	<b>112,995</b>	<b>5,841,310</b>
<b>Net Book Value</b>							
Opening Balance	148,530	1,214,520	23,100	18,014	-	54,190	1,458,354
<b>CLOSING BALANCE</b>	<b>124,381</b>	<b>1,101,776</b>	<b>8,344</b>	<b>33,673</b>	<b>-</b>	<b>76,549</b>	<b>1,344,723</b>

81 Property, plant and equipment are capitalized if their cost is greater than or equal to the threshold limit set at £500. The assets value, less any estimated disposal price, is depreciated over the assets' estimated useful life using the straight-line method.

82 The IMO Headquarters building is not part of property, plant and equipment as IMO is a tenant in the building under a lease which is deemed to be an operating lease under the provisions of IPSAS 13 – “Leases”. Further disclosures on the treatment of this lease are provided in Note 2.12.2.

83 Assets are reviewed annually for impairment. During 2023, 240 obsolete items of property, plant and equipment with a total purchase value of £220,037 were disposed of or de-recognized. IMO incurred a loss of £571 at the time of disposal.



## Asset category – Consolidated

GBP	Communication & IT equipment	Conference equipment	Vehicles	Furniture & fixtures	Leased equipment	Miscellaneous	Total
<b>Cost</b>							
Opening Balance	3,858,457	2,788,193	286,650	1,050,106	608,570	404,739	8,996,715
Additions	211,492	153,980	-	94,607	-	53,356	513,435
Disposals	(186,157)	(1,207)	-	(49,261)	-	(10,982)	(247,607)
Exchange Rate Movement Differences	(4,594)	-	(2,278)	(4,374)	-	(3,914)	(15,160)
<b>Closing Balance</b>	<b>3,879,198</b>	<b>2,940,966</b>	<b>284,372</b>	<b>1,091,078</b>	<b>608,570</b>	<b>443,199</b>	<b>9,247,383</b>
<b>Accumulated Depreciation</b>							
Opening Balance	3,434,568	1,573,673	211,055	917,611	608,570	309,097	7,054,574
Depreciation	218,762	266,724	39,408	54,509	-	45,042	624,445
Disposals	(183,346)	(1,207)	-	(49,247)	-	(10,982)	(244,782)
Exchange Rate Movement Differences	(2,731)	-	(1,028)	(2,190)	-	(3,146)	(9,095)
<b>Closing Balance</b>	<b>3,467,253</b>	<b>1,839,190</b>	<b>249,435</b>	<b>920,683</b>	<b>608,570</b>	<b>340,011</b>	<b>7,425,142</b>
<b>Net Book Value</b>							
Opening Balance	423,889	1,214,520	75,595	132,495	-	95,642	1,942,141
<b>CLOSING BALANCE</b>	<b>411,945</b>	<b>1,101,776</b>	<b>34,937</b>	<b>170,395</b>	<b>-</b>	<b>103,188</b>	<b>1,822,241</b>

84 The net value reported under "Miscellaneous" as at 31 December 2023 includes the reference library of £12,754 (2022: £23,079) held by IMLI, with additional reference texts being capitalized and depreciated over three years.

85 This note includes the effect of the revaluation of the property, plant and equipment held by WMU and IMLI with a net impact of £6,065 (2022: £5,815) resulting from the change in the value of the Swedish Krona and Euro respectively from 1 January to 31 December 2023. Opening balances are presented at the exchange rate applicable on 1 January 2023 and closing balances at the rate applicable on 31 December 2023, while depreciation charges, additions, and disposals for the year are shown at the average rate of exchange, consistent with Statement I and Statement II, respectively.

86 The City of Malmö provides leasing free of rent and maintenance for the WMU teaching and administration building. In-kind contributions of services are not recognized in WMU's financial statements. The buildings used by IMLI are not included as the Institute has the bare use of the premises. The University of Malta and the Government of Malta have made the building available for use by the Institute for 15 years under the terms of an agreement dated 26 May 1988. The Government of Malta has since extended the period for a further 25 years and it reimburses the repair and maintenance costs up to approximately €9,000 (£7,831) (2022: £7,690).

## Note 2.8: Intangible Assets

GBP	Externally purchased software	
	IMO	Consolidated
<b>Cost</b>		
Opening Balance	3,602,896	3,784,291
Additions	-	-
Exchange Rate Movement Differences	-	(1,572)
<b>Closing Balance</b>	<b>3,602,896</b>	<b>3,782,719</b>
<b>Accumulated Amortization</b>		
Opening Balance	3,507,758	3,684,491
Amortization charge for the year	14,337	18,793
Exchange Rate Movement Differences	-	(1,366)
<b>Closing Balance</b>	<b>3,522,095</b>	<b>3,701,918</b>
<b>Net Book Value</b>		
Opening Balance	95,138	99,800
<b>CLOSING BALANCE</b>	<b>80,801</b>	<b>80,801</b>

87 Purchased intangible assets are capitalized if their cost is greater than or equal to the threshold of £500, with the exception of internally developed software where the threshold is £50,000 in view of the complexity in accurately assigning costs for development projects below this amount. The capitalized value of the internally developed software excludes those costs related to research and maintenance.

88 This note includes the effect of the revaluation of the Intangible Assets held by WMU with a net impact of £206 (2022: £719) resulting from the change in the value of the Swedish krona from 1 January to 31 December 2023. Opening balances are presented at the exchange rate applicable on 1 January 2023 and closing balances at the rate applicable on 31 December 2023, while depreciation charges and additions for the year are shown at the average rate of exchange, consistent with Statement I and Statement II, respectively.

## Note 2.9: Payables and Accruals

	IMO		Consolidated	
	2023	2022	2023	2022
	GBP	GBP	GBP	GBP
Accruals	2,616,993	1,512,835	2,846,801	1,730,884
Advances from customers	462,773	339,514	554,722	426,613
Fellowships	-	-	4,502,990	3,899,293
Deferred revenue	656,984	1,455,040	656,984	1,455,040
Condition on donor contributions	2,770,255	-	2,770,255	-
Advance contributions	2,494,125	3,774,085	3,637,246	4,845,619
Contributions Incentive Scheme	358,567	39,452	358,567	39,452
Refundable to donors	80,473	198,294	80,473	230,596
Other	-	-	60,590	101,259
<b>TOTAL PAYABLES AND ACCRUALS</b>	<b>9,440,170</b>	<b>7,319,220</b>	<b>15,468,628</b>	<b>12,728,756</b>

89 Accruals represent amounts due to vendors and staff for goods or services received or expenses incurred but not yet paid. For those items, which have not yet been invoiced and for which the cost is not yet certain, the accrued amount is based on the best estimate, most notably the provision of utilities and services delivered through the UNDP Service Clearing Account (SCA), sub-contractors, and implementing partners.

90 Advances from customers reflect payments received prior to the delivery of goods and services.

91 Fellowships and donations received and accrued for the academic year 2023/2024 relating to WMU and IMLI are apportioned over the academic year. The amounts received or accrued in respect of that part of the academic year falling in 2024 are disclosed as advance receipts.

92 Deferred revenue relates to amounts received in the year for which the services have not been provided, as at the reporting date.

93 The Organization recognizes as a liability conditions attached to certain voluntary contributions. Conditions may be imposed by donors on the use of contributions and include both a performance obligation to use the donation in a specified manner and an enforceable return obligation to return the donation if it is not used in the specified manner. The amount recognized as a liability is the best estimate of the amount that would be required to settle the obligation at the reporting date. As IMO satisfies the conditions on voluntary contributions through performance in the specified manner, the carrying amount of the liability is reduced and an amount of revenue equal to that reduction is recognized. The breakdown of the total value of the condition on donor contributions, as at 31 December 2023 is shown below:

	IMO		Consolidated	
	2023	2022	2023	2022
Condition on donor contributions	GBP	GBP	GBP	GBP
European Commission - Capacity-Building for Climate Mitigation in the Maritime Shipping Industry	2,770,255	-	2,770,255	-
<b>TOTAL</b>	<b>2,770,255</b>	<b>-</b>	<b>2,770,255</b>	<b>-</b>

94 Advance contributions reflect balances received from Member States during 2023 towards the 2024 assessed contributions and beyond.

95 Under the Contributions Incentive Scheme (CIS), a part of the interest earned on the General Fund is returned to the Member States, and the allocation is based on a points system reflecting the timing and amount of the receipt of their current year assessments. The accumulated CIS liability up to 2023 totalled £358,567 to be distributed during 2024.

96 Refundable to donors represents the balance of unspent contributions for projects pending refund.

**Note 2.10: Provisions for Warranties**

	IMO		Consolidated	
	2023	2022	2023	2022
	GBP	GBP	GBP	GBP
Publication sales warranties	39,533	60,773	39,533	60,773
<b>TOTAL PROVISIONS FOR WARRANTIES</b>	<b>39,533</b>	<b>60,773</b>	<b>39,533</b>	<b>60,773</b>

	Opening Balance	Utilization	Increase / (Decrease)	Closing Balance
	GBP	GBP	GBP	GBP
IMO Publications	60,609	(3,850)	(17,306)	39,453
Model Courses	164	(292)	207	80
<b>TOTAL ALLOWANCE</b>	<b>60,773</b>	<b>(4,142)</b>	<b>(17,098)</b>	<b>39,533</b>

97 In line with the IMO policy a warranty provision has been established to reflect possible returns which is estimated using a percentage based on the previous five years' sales and experience of return levels. The organization's practice changed in 2021 and credits are no longer provided on sales of new titles. The warranty provision represents historical obligations under this scheme and will reduce over time.

**Note 2.11: Employee Benefits**

	IMO		Consolidated	
	2023	2022	2023	2022
	GBP	GBP	GBP	GBP
<b>Current Liabilities</b>				
Short-term employee benefits	121,923	159,579	202,819	249,027
Termination benefits	200,000	70,274	200,000	70,274
<b>Total Current Employee Benefits</b>	<b>321,923</b>	<b>229,853</b>	<b>402,819</b>	<b>319,301</b>
<b>Non-Current Liabilities</b>				
Post-employment benefits				
After-service health insurance	31,481,256	44,603,198	31,481,256	44,603,198
Repatriation	3,970,727	4,454,975	5,288,815	5,809,420
Accrued Annual Leave	2,492,947	3,434,769	3,097,434	4,062,584
<b>Total Non-Current Employee Benefits</b>	<b>37,944,930</b>	<b>52,492,942</b>	<b>39,867,505</b>	<b>54,475,202</b>
<b>TOTAL EMPLOYEE BENEFITS LIABILITIES</b>	<b>38,266,853</b>	<b>52,722,795</b>	<b>40,270,324</b>	<b>54,794,503</b>

**2.11.1: Valuation of Employee Benefits Liabilities**

98 Current employee benefits are calculated by IMO based on personnel data and past payment experience. Non-Current employee benefits liabilities are determined by professional actuaries. As at 31 December 2023, total employee benefits liabilities amounted to £38,266,853 (2022: £52,722,795). As described in note 2.11.6, non-current employee benefits are subject to actuarial valuation, with the most recent valuation taking place at 31 December 2023. The reduction in non-current employee benefits liabilities is mainly driven by changes in the assumptions made by the actuary in conducting this exercise rather than in any underlying changes in the scheme or its costs. The most significant change in assumptions related to an increase in the rate used to discount future cash flows from the scheme, which in turn reflects increasing market interest rates. This in turn offset increasing assumptions on medical insurance inflation.

99 In determining its post-employment liabilities, WMU eligible staff members are entitled to the payment of repatriation grant, repatriation travel and shipment of household goods, and unused annual leave up to the maximum of 60 days. In determining the liability for such costs as at the

reporting date, the University uses the following basis: home leave – the cost of a return trip to home country for the staff member and eligible dependants spread over two years; accrued annual leave - based on the balance of unused annual leave days and the current monthly salary rate plus post adjustment; repatriation grant – number of years in-service and current monthly salary rate; and repatriation travel - prevailing market prices from the duty station to the home country to which the staff member and eligible dependents; and repatriation shipment cost – based on the lump sum amount for staff with spouse and single status, if any are entitled to return.

### 2.11.2: Short-Term Employee Benefits

100 Short-term employee benefits comprise mainly of wages and payroll-related allowances, first time employee benefits, education grant-related benefits, and other benefits such as home leave and paid annual leave, and sick leave.

101 Short-term employee benefits are expected to be settled within 12 months after the end of the period in which the employees render the related service and are measured at their nominal values based on past payment experience.

102 There was an increase in short-term employee benefit liabilities of £92,070 from £229,853 to £321,923 for IMO. This is mainly due to an outstanding payment related to agreed termination benefits which was not settled until 2024.

### 2.11.3: Post-Employment Benefits

103 Arrangements relating to the United Nations Joint Staff Pension Fund (UNJSPF) are set out in Note 2.11.7.

104 After Service Health Insurance (ASHI) is a plan that allows eligible retirees and their eligible family members to continue to participate in the Cigna Medical Scheme for 50% of the cost of the contribution of active staff members for the defined type of coverage. The Organization funds the remaining amount of the premium to be paid to the third-party insurer. Membership of Cigna is compulsory for all new employees, although participation in the ASHI scheme after retirement is voluntary and requires retiring employees to have a minimum of ten years service at IMO or other UN system organization. Cigna is the main third-party insurance provider for ASHI benefits; however, there are still a small number of retirees covered by the former insurer, BUPA. (British United Provident Association).

105 Repatriation benefits consist of a repatriation grant lump sum, travel of the staff member and eligible dependants and shipment of their personal effects. The repatriation benefit relating to the shipment of personal effects may be taken as a lump sum payment. The Organization pays the amounts due for repatriation grants, travel and relocation expenses for entitled staff members.

106 The liabilities include the current service costs and the interest costs for 2023, less benefit payments made and, where applicable, plan participants' contributions in addition to the impact of the actuarial gains for 2023.

### 2.11.4: Other Long-Term Employee Benefits

107 Although annual leave is a short-term employee benefit, the right to receive payment for unused annual leave and, consequently, the Organization's liability for this balance, is shown as a long-term employee benefit as that right only crystallizes on separation, typically more than 12 months from the reporting date.

### 2.11.5: Termination Employee Benefits

108 Termination Employee Benefits represent a liability to staff members who separated prior to 31 December 2023 and are entitled to a termination indemnity payment in accordance with IMO's established Staff Regulations and Staff Rules.



**2.11.6: Actuarial Valuations of Post-Employment and Other Separation Related Benefits**

109 Liabilities arising from post-employment benefits and other long-term employee benefits (i.e., accrued unused annual leave) are determined by consulting actuaries using the Projected Unit Credit Method. These employee benefits are established for those staff members who are entitled to such benefits under the IMO Staff Regulations and Staff Rules. Actuarial valuations are typically undertaken every two years, and the most recent valuation was conducted as at 31 December 2023.

## 2.11.6.1: Actuarial Assumptions and Methods

110 IMO and the actuary review and select assumptions that will be used by the actuaries to estimate the post-employment and accrued unused annual leave employee liabilities for IMO, as at 31 December 2023, based on the expenditure projections for the reporting period.

	31 December 2023	31 December 2021
<b>General assumptions</b>		
<b>Discount rate</b>	4.8% p.a.	2.0% p.a.
<b>General inflation for salary increases</b>	2.6% p.a.	2.9% p.a.
<b>Mortality</b>	95% of S3PA tables	95% of S3PA tables
<b>Mortality improvements</b>	CMI_2022 core model projections with a long-term improvement rate of 1.25% pa, an initial addition parameter of 0% and a 0% 2020 and 2021 data weighting and a 25% 2022 data weighting	CMI_2020 core model projections with a long-term improvement rate of 1.25% pa, an initial addition parameter of 0% and a 0% 2020 data weighting
<b>Withdrawal rates</b>	3.25% pa fixed for all ages	
<b>Retirement rates</b>	All members retire at their Normal Retirement Age	
<b>Assumptions used to value ASHI benefits</b>		
<b>Participation after retirement</b>	95% of eligible members are assumed to continue coverage after retirement. It is assumed that coverage will not be dropped once elected.	
<b>Spouses</b>	For current employees it is assumed that 60% will elect for coverage for their spouse at retirement. Males are assumed to be three years older than their spouse.	
<b>Medical inflation - healthcare trend increases</b>	4.75% p.a. fixed	4.25% p.a. fixed
<b>Medical inflation - Ageing increases</b>	3.5% p.a. for those under 65, 2.5% p.a. for those between 65 and 70 reducing in five-year age bands to nil for those over age 90.	
<b>Assumptions used to value repatriation benefits</b>		
<b>Participation</b>	All eligible employees will receive the benefit on separation from service subject to completing five years' service.	
<b>Age-related salary scale</b>	General inflation plus an age-related scale of 6.1% pa at age 20 reducing on a straight-line basis to 1.0% at age 60 for professional staff, and from 3.9% at 20 to 1.0% at age 65 for general staff.	
<b>Increases in repatriation travel costs</b>	In line with general inflation.	
<b>Assumptions used to value annual leave plan</b>		
<b>Participation</b>	All eligible employees will receive the benefit on separation from service.	
<b>Age-related salary scale</b>	As for repatriation benefit.	
<b>Increases in annual leave balance</b>	Based on completed service – 10.9% pa in years 1 to 3, 1.0% p.a. for years 4 to 8 of service and 0.5% pa thereafter.	

**2.11.6.2: Reconciliation of Defined Benefit Obligation**

IMO	After-Service Health Insurance Plan GBP	Repatriation Benefit Plan GBP	Accrued Annual Leave Plan GBP	Total GBP
Defined Benefit Obligation as at 01.01.2023	44,603,198	4,454,975	3,434,769	52,492,942
Service cost for 2023	2,364,527	198,457	44,879	2,607,863
Interest cost for 2023	884,429	87,158	64,851	1,036,438
Actual benefit payments for 2023	(763,503)	(194,103)	(384,477)	(1,342,083)
Actuarial (gain) / loss	(15,607,395)	(575,760)	(667,075)	(16,850,230)
<b>DEFINED BENEFIT OBLIGATION AS AT 31.12.2023</b>	<b>31,481,256</b>	<b>3,970,727</b>	<b>2,492,947</b>	<b>37,944,930</b>

111 Service costs and interest costs are included as part of "Staff and Other Personnel Costs" in the Statement of Financial Performance.

112 The service and interest costs are based on the actuarial valuation that was carried out for the 2023 reporting year.

113 None of the employee benefit liabilities associated with WMU and IMLI have been subject to actuarial estimate, and consequently, the table above reflects both IMO and consolidated positions.

**2.11.6.3: Summary of Prior Year Amounts**

114 The breakdown of the cumulative amounts of the net actuarial (gains)/losses up to 2023 are presented below:

IMO	After-Service Health Insurance Plan GBP	Repatriation Benefit Plan GBP	Accrued Annual Leave Plan GBP	Total GBP
Accumulated actuarial loss as at 01.01.2023	5,880,764	981,162	3,077,674	9,939,600
Actuarial (gain) in 2023	(15,607,395)	(575,760)	(667,075)	(16,850,230)
<b>ACCUMULATED ACTUARIAL (GAIN) / LOSS AS AT 31.12.2023</b>	<b>(9,726,631)</b>	<b>405,402</b>	<b>2,410,599</b>	<b>(6,910,630)</b>

IMO	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
	GBP	GBP	GBP	GBP	GBP
<b>ASHI</b>					
Present Value of Defined Benefit Obligation	31,481,256	44,603,198	42,559,760	43,962,547	41,740,761
Experience (gain)/loss on Scheme Liabilities	4,418,492	-	(6,378,282)	-	(6,519,900)
(Gain)/Loss on changes in assumptions used to value Scheme liabilities	(20,025,887)	-	3,056,369	-	6,211,743
<b>Repatriation</b>					
Present Value of Defined Benefit Obligation	3,970,727	4,454,975	4,612,147	4,622,360	4,560,544
Experience (gain)/loss on Scheme Liabilities	456,054	-	(405,547)	-	894,872
(Gain)/Loss on changes in assumptions used to value Scheme liabilities	(1,031,814)	-	262,716	-	359,368
<b>Annual Leave</b>					
Present Value of Defined Benefit Obligation	2,492,947	3,434,769	3,485,790	2,475,977	2,518,334
Experience loss on Scheme Liabilities	147,765	-	864,843	-	141,648
(Gain)/Loss on changes in assumptions used to value Scheme liabilities	(814,840)	-	288,706	-	199,187
<b>Total (ASHI, REP, AL)</b>					
Present Value of Defined Benefit Obligation	37,944,930	52,492,942	50,657,697	51,060,884	48,819,639
Experience (gain)/loss on Scheme Liabilities	5,022,311	-	(5,918,986)	-	(5,483,380)
(Gain)/loss on changes in assumptions used to value Scheme liabilities	(21,872,541)	-	3,607,791	-	6,770,298

#### 2.11.6.4: Expected Costs during 2024

115 The expected contribution of IMO in 2024 to the Termination Benefit Fund is £1,330,000 (2023 estimate: £1,272,000). This has been derived from the 2023 actual costs, with ASHI payments remaining unchanged for 2024 and the repatriation and annual leave payments increasing in line with general inflation, adjusted for expected rates of separation.

#### 2.11.7: United Nations Joint Staff Pension Fund

116 IMO is a member organization participating in the United Nations Joint Staff Pension Fund (the "Fund"), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified in Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

117 The Fund exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. The Organizations and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify the Organization's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, the Organization has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39, Employee Benefits. The Organization's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

118 The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities.

119 The Organization's financial obligation to the Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9% for participants and 15.8% for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

120 The latest actuarial valuation for the Fund was completed as of 31 December 2021, and the valuation as of 31 December 2023 is currently being performed. A roll forward of the participation data as of 31 December 2021 to 31 December 2022 was used by the Fund for its 2022 financial statements.

121 The actuarial valuation as of 31 December 2021 resulted in a funded ratio of actuarial assets to actuarial liabilities of 117.0%. The funded ratio was 158.2% when the current system of pension adjustments was not taken into account.

122 After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2021, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

123 Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2020, 2021, and 2022) amounted to \$8,937.68 million, of which 0.37% was contributed by the Organization.

124 During 2023, contributions paid to the Fund amounted to \$11.51 million (2022: \$10.74 million). Expected contributions due in 2024 are approximately \$11.65 million.

125 Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the United Nations Joint Staff Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities are included in the amount.

126 The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund publishes quarterly reports on its investments, and these can be viewed by visiting the Fund at [www.unjspf.org](http://www.unjspf.org).



## Note 2.12: Leases

### 2.12.1: Finance Leases

127 The Organization does not have any leases that could be considered as finance leases in 2023.

### 2.12.2: Operating Leases

128 The operational leases are for the Organization's Headquarters building, the rental of coffee machines, and the multifunctional office photocopiers/printers. The estimated future minimum lease payments under these leases are set out in the table below:

	IMO		Consolidated	
	2023	2022	2023	2022
Estimated future minimum Lease Payments	GBP	GBP	GBP	GBP
Not later than one year	1,241,277	1,237,626	1,241,277	1,237,626
Later than one year and not later than five years	6,000,991	5,995,850	6,000,991	5,995,850
Later than five years	3,587,253	4,783,004	3,587,253	4,783,004
<b>TOTAL ESTIMATED FUTURE MINIMUM LEASE PAYMENTS</b>	<b>10,829,521</b>	<b>12,016,480</b>	<b>10,829,521</b>	<b>12,016,480</b>

129 The lease costs will be spread over the term of the lease on a straight-line basis.

130 The building lease is with the United Kingdom government. This lease expires on 28 October 2032 and does not contain a break clause, nor does it contain renewal or purchase options. The significant lease arrangements are highlighted below:

- Alterations: The Organization is not entitled to make alterations or additions affecting the structure or the main services of the premises without written approval of the Landlord, the United Kingdom government.
- Under-letting: When under-letting the building, the Organization must first offer to underlet to the landlord.
- Letting out of conference facilities: When letting out conference facilities for commercial purposes, the Organization is required to "consider as a priority any request given with adequate prior notice by the Landlord"; and
- Sharing of income and expenses: The lease agreement requires the sharing of all income from 'Net Rental' and all costs of "Major Repairs" on an 80:20 basis between the Government of the United Kingdom and the Organization.

## Note 2.13: Fund Balances and Reserves

IMO	Opening Balance	Operating Surplus /	Other	Closing
	01.01.2023	(Deficit)	Movements	Balance
	GBP	for the Period	GBP	31.12.2023
	GBP	GBP	GBP	GBP
General Fund	18,834,912	407,852	-	19,242,764
Working Capital Fund	1,304,981	(590,272)	-	714,709
Trading Fund	8,390,795	(121,696)	-	8,269,099
Termination Benefit Fund	(36,456,220)	(1,424,404)	16,850,230	(21,030,394)
Headquarters Capital Fund	4,066,610	407,723	-	4,474,333
Technical Cooperation Fund	17,377,215	108,578	-	17,485,793
<b>Bilateral Operations and Multi-Donor Trust Funds<sup>2</sup>:</b>				
Government of Norway	9,028,551	(1,062,466)	-	7,966,085
Delivering Strategy and Reform – Voyage Together	6,247,078	(606,415)	-	5,640,663
Government of the Republic of Korea	607,830	2,570,513	-	3,178,343
United Nations Office on Drugs and Crime	2,531,557	(313,467)	-	2,218,090
International Maritime Security Trust (IMST) Fund	1,202,064	657,907	-	1,859,971
Member States Professionals under the Senior Professional Officer and Junior Professional Officer schemes	1,267,607	71,405	-	1,339,012
Government of China	1,370,294	(81,360)	-	1,288,934
Model Courses Development Trust Fund	1,428,290	(193,042)	-	1,235,248
GHG Trust Fund	937,527	204,844	-	1,142,371
GESAMP Trust Fund	1,137,047	(218,285)	-	918,762
Kingdom of Saudi Arabia	267,018	623,049	-	890,067
United Nations Environment Programme (REMPEC)	562,485	133,304	-	695,789
Other Bilateral Operations and Multi-Donor Trust Funds <sup>3</sup>	6,265,108	(672,475)	-	5,592,633
<b>TOTAL</b>	<b>46,370,749</b>	<b>(98,707)</b>	<b>16,850,230</b>	<b>63,122,272</b>

Consolidated	Opening Balance	Operating Surplus	Actuarial	Closing
	01.01.2023	(Deficit)	Gain and	Balance
	(restated)	for the Period	Other	31.12.2023
	GBP	GBP	Movements	GBP
<b>TOTAL</b>	<b>66,491,475</b>	<b>1,489,090</b>	<b>16,640,524</b>	<b>84,621,089</b>

131 The Organization maintains separate accounts for each Fund, which are combined into seven groups for reporting purposes as set out above.

132 The General Fund was established for the purpose of accounting for the expenditure of the Organization. A Special Contingency Account in the General Fund was established by Assembly resolution A.1063(28). The initial funding of the Account was set at £2 million, secured from the

<sup>2</sup> All funds and bilateral agreements with closing balances in excess of £500,000 are disclosed separately, with other funds being aggregated under 'Other Bilateral Operations and Multi-Donor Trust Funds'.

<sup>3</sup> Governments of Australia, Belgium, Canada, Egypt, Finland, Germany, Ghana, Italy, Malaysia, Netherlands, Nigeria, Oman, United Arab Emirates, United Kingdom, European Commission, Food and Agriculture Organization (FAO), International Transport Workers Federation, Union of Greek Ship-owners, United Nations Development Programme (UNDP), World Meteorological Organization (WMO), BallastWater TV Documentary, Djibouti Code of Conduct Trust Fund, Facilitate the participation of developing countries, especially SIDS and LDCs to attend meetings of the MEPC and ISWG-GHG, Global Industry Alliance Fund (GloFouling and GloMEEP), Goal-Based Ship Construction Standards (GBS) Trust Fund, IMO Malacca and Singapore Straits Trust Fund, IMO West and Central Africa Maritime Security Trust Fund, IMO/REMPEC Trust Fund, International Search & Research Fund (SAR), International Ship Recycling Trust Fund, London Convention-Protocol TC Trust Fund, Marine Pollution Response Fund, Research and Development Fund, Revision of the STCW Convention, Seminars and Workshops and Tsunami Relief Fund.

expenditure savings generated in the regular budget in the 2012-2013 biennium. The Special Contingency Account was established to offset or reduce any forecast overrun in such appropriations on a pay rise decided by the International Civil Service Commission (ICSC) and has not been used since its inception.

133 The Working Capital Fund was originally established as a US dollar-based Fund by Assembly resolution A.19(I) and was converted to sterling with effect from 1 January 1988 by Assembly resolution A.633(15)B. The purpose of the Fund is to make advances, if necessary, to finance the budgetary appropriations of the Regular Budget to cover temporary cash flow deficits. Assembly resolution A.1039(27) further authorized the Secretary-General to use the fund as a reserve to account for currency gains or losses in the regular budget arising from differences between the United Nations operational rate of exchange and the rate against the pound sterling adopted for calculation of the appropriation. It also authorizes the Secretary-General to advance such sums from the Working Capital Fund as may be necessary to meet unforeseen or extraordinary expenses arising during the biennium, with the prior agreement of the Council, provided that such expenses are of a clearly exceptional nature and relate specifically to the Strategic and High-level Action plans of the Organization and that the Council is assured that the relevant expenditure cannot be met by appropriate transfer action within the total budget approved for a calendar year.

134 The Printing Fund was established with effect from 1 January 1966 by Assembly resolution A.100(IV) to provide for the production and sales of IMO publications, being subsequently replaced by the Trading Fund through Assembly resolution A.1014(26), broadening its terms of reference to encompass the Organization's current commercial activities.

135 The Termination Benefit Fund was established with effect from 1 January 1996 by Assembly resolution A.837(19) at an initial level of £900,000 to meet the costs associated with termination benefits to staff of the Organization. The fund covers the termination benefits, repatriation costs (including grants, shipment, and travel), and financing and accounting of the liabilities related to the costs of accrued annual leave and after-service health insurance (ASHI) as per Assembly resolution A 31/Res.1132.

136 The Technical Cooperation Fund was originally established with effect from 1 January 1986 by Assembly resolution A.593(14) as a US dollar-based fund, the interest income from which was used to assist the Technical Cooperation Programme of the Organization in accordance with the proposal supported by the Assembly in biennial budgets. The Fund was converted to a sterling-based fund with effect from 1 January 1996 by Assembly resolution A.837(19). By that resolution, the scope of the Fund was widened to enable funds to be drawn down and applied to technical cooperation activities.

137 The Headquarters Capital Fund was established with effect from 1 January 1994 by Assembly resolution A.778(18) to meet the capital expenditure necessary for the efficient operation of the Organization and for fulfilling the Organization's liabilities under the terms of the Lease for the Headquarters building between the Organization and the Government of the United Kingdom. The scope of the Headquarters Capital Fund was widened to include expenditure on the design, installation and implementation of information technology systems, including training on these systems.

138 Trust Funds are established to account for the expenditures related to the activities financed from the respective donors. Fund balances represent the unexpended portion of contributions that are intended to be utilized in future operational requirements consistent with the Terms of Reference of the Fund. These constitute IMO's residual interest in the assets after deducting all its liabilities.

## NOTE 3: REVENUE

### Note 3.1: Assessed Contributions

139 Total assessed contributions for 2023 amounted to £33,920,000 (2022: £33,616,000) from 175 Member States and 3 Associate Members, with the Organization's 10 largest contributors are shown below. Assessed contributions are based on a flat base rate with additional components based on economic factors and merchant fleet tonnage. WMU and IMLI do not receive assessed contributions.

IMO	Member States	Amount GBP	% of total assessment
1	The Republic of Panama	4,812,643	14.2
2	The Republic of Liberia	4,497,594	13.3
3	The Republic of the Marshall Islands	3,716,522	11.0
4	The Republic of Singapore	1,852,410	5.5
5	The People's Republic of China	1,847,116	5.4
6	The Republic of Malta	1,734,531	5.1
7	Hong Kong, China	1,314,273	3.9
8	The Commonwealth of the Bahamas	1,217,549	3.6
9	The United Kingdom of Great Britain and Northern Ireland	955,672	2.8
10	Japan	873,094	2.6
<b>TOTAL</b>		<b>22,821,404</b>	<b>67.4</b>

140 In determining each Member's assessment, the formula established by Assembly resolution A.726(17) has been applied. This provides for: (1) a minimum assessment, calculated at 2.94% of the total assessment divided equally between Member States and 50% for Associate Members; (2) a basic assessment, calculated at 12.5% of the total assessment less the minimum assessment. The United Nations General Assembly seventy-sixth session scale of assessments for 2022-2024 has been applied in determining the basic assessment; and (3) a tonnage assessment, calculated at 87.5% of the total assessment less the minimum assessment and is determined by the gross registered tonnage attributable to Member States, as provided by S&P Global (formerly IHS Markit Maritime & Trade), following the procedures established in Circular letter No. 3347.

### Note 3.2: Donor Contributions

141 Contributions through donor agreements are recognized as revenue at the point of signature, except to the extent that such agreements contain a condition within the meaning of IPSAS 23 – "Revenue from Non-Exchange Transactions" such that the contributions must be returned if the condition is not met. For agreements that do contain such a condition, revenue is recognized as the project is delivered.

142 Revenue from contributions received from donors during the reporting period amounted to £14,435,077 (2022: £13,161,091) and the Organization's 10 largest contributors for 2023 are shown below:

IMO	Donor	Amount GBP	% of total donor revenue
1	Government of the Republic of Korea	5,612,386	38.9
2	United Nations Environment Programme (UNEP)	1,408,218	9.8
3	United Nations Office on Drugs and Crime (UNODC)	1,284,872	8.9
4	Government of the Kingdom of Saudi Arabia	1,174,252	8.1
5	Government of Norway	1,141,208	7.9
6	Government of the United Kingdom	980,789	6.8
7	Government of Japan	409,879	2.8
8	United Nations Development Programme (UNDP)	362,479	2.5
9	United States of America	340,000	2.4
10	Government of Belgium	264,549	1.8
<b>TOTAL</b>		<b>12,978,632</b>	<b>89.9</b>

143 Donor contributions fluctuate year to year due to the timing of the recognition of revenue.

144 The consolidated revenue received from donor contributions amounted to £21,397,192 (2022: £19,506,795). The 10 largest contributors to donor revenue in 2023 are shown below:

Consolidated	Donor	Amount GBP	% of total donor revenue
1	Government of the Republic of Korea	5,779,741	27.0
2	The Nippon Foundation	2,954,274	13.8
3	Government of Sweden	2,307,766	10.8
4	United Nations Environment Programme (UNEP)	1,408,218	6.6
5	Government of the Kingdom of Saudi Arabia	1,345,312	6.3
6	United Nations Office on Drugs and Crime (UNODC)	1,284,872	6.0
7	Government of Norway	1,141,208	5.3
8	Government of the United Kingdom	980,789	4.6
9	International Transport Workers Federation (ITF)	451,199	2.1
10	Government of Japan	428,729	2.0
<b>TOTAL</b>		<b>18,082,108</b>	<b>84.5</b>

### Note 3.3: Commercial Activities

145 Key commercial revenue streams for the Organization and the consolidated group are shown below:

	IMO		Consolidated	
	2023 GBP	2022 GBP	2023 GBP	2022 GBP
Publication Sales	13,598,880	13,417,769	13,598,543	13,417,346
Cafeteria Sales	1,469,368	529,894	1,469,368	529,894
Assessment, membership, and verification audit fees	323,715	702,197	323,715	702,197
Letting of conference facilities and other commercial revenue	610,373	447,381	2,883,687	2,321,799
<b>TOTAL</b>	<b>16,002,336</b>	<b>15,097,241</b>	<b>18,275,313</b>	<b>16,971,236</b>



146 The major components of IMO Publication Sales are shown below:

	2023 GBP	2022 GBP
Sale of physical publications	8,008,084	8,794,849
Electronic publications	2,943,522	2,250,887
Royalties	2,387,815	2,088,960
Subscriptions	236,282	238,144
Model Courses	20,446	41,889
Other publications	2,731	3,040
<b>TOTAL PUBLICATION SALES</b>	<b>13,598,880</b>	<b>13,417,769</b>

147 Revenue from publication sales totalling £13.6m (2022: £13.4m) has increased by 1% from 2022, with the majority of revenue coming from new editions of major titles, such as the IMDG Code and the IMDG Code Supplement. The sale of physical publications accounted for the majority of publication sales (59%). In 2023, the sale of digital offerings, consisting of electronic publications, royalties, and subscriptions, has increased to 41% of total publications sales (2022: 34%).

### Note 3.4: Fellowships

148 Both WMU and IMLI receive funds for fellowships to support students. IMO does not receive such revenue, and consequently, only the consolidated figures are shown, which amounted to £6,287,790 for 2023 (2022: £6,157,231). The five largest aggregate contributors are listed below:

Sponsors	Amount GBP	% of total donor revenue
1 The Nippon Foundation	1,881,489	29.9
2 Nigerian Maritime Administration and Safety Agency (NIMASA)	574,646	9.1
3 International Transport Workers' Federation (ITF)	416,008	6.6
4 Government of the Republic of Korea	385,648	6.1
5 Orient's Fund	282,169	4.5
<b>TOTAL</b>	<b>3,539,960</b>	<b>56.3</b>

### Note 3.5: Other Revenue

149 The most significant sources of other revenue are set out below:

	IMO		Consolidated	
	2023 GBP	2022 GBP	2023 GBP	2022 GBP
Interest earned	3,931,908	932,177	4,878,355	1,121,164
Other revenue	38,528	103,146	537,854	276,648
<b>TOTAL</b>	<b>3,970,436</b>	<b>1,035,323</b>	<b>5,416,209</b>	<b>1,397,812</b>

150 The increase in other revenue is mainly attributable to higher interest earned in 2023 as interest rates have risen globally with Bank of England base rates rising to 5.25%.

## NOTE 4: EXPENSES

	IMO		Consolidated	
	2023	2022	2023	2022
	GBP	GBP	GBP	GBP
<b>4.1: Staff and Other Personnel Costs</b>				
Professional and General Service staff, experts	32,710,676	30,289,335	41,447,452	38,536,786
Appointment and separation	3,496,692	3,162,534	3,517,224	3,307,391
Termination benefit	357,510	307,763	357,510	307,763
Consultants	3,179,383	3,794,993	4,355,562	4,847,345
Temporary assistance	2,336,000	1,546,133	2,345,374	1,555,654
Meetings personnel (interpreters, translators, temporary employees)	1,185,306	1,058,678	1,185,306	1,058,678
<b>Total Staff and Other Personnel Costs</b>	<b>43,265,567</b>	<b>40,159,436</b>	<b>53,208,428</b>	<b>49,613,617</b>
<b>4.2: Travel Expenses</b>				
Fares	1,768,248	1,110,017	2,398,427	1,500,436
Daily Subsistence Allowance and other expenses	1,267,118	799,801	1,670,998	1,048,682
<b>Total Travel Expenses</b>	<b>3,035,366</b>	<b>1,909,818</b>	<b>4,069,425</b>	<b>2,549,118</b>
<b>4.3: Supplies, Consumables and Other Running Costs</b>				
Office supplies and consumables	129,243	54,955	153,407	85,016
Telecommunications and information technology	2,093,448	1,686,729	2,288,752	1,867,410
Rent, rates and insurance	1,449,077	1,451,067	1,522,474	1,479,173
Utilities	2,139,362	1,054,048	2,168,449	1,078,462
Medical costs	22,840	16,218	22,840	16,218
Library books, magazines, subscriptions	18,060	16,159	272,739	217,230
Hospitality	22,804	967	194,506	84,271
Vehicle, local transport and hotel accommodation	37,912	19,981	46,373	28,053
Postage, telephone and freight	412,370	460,960	474,554	526,184
Equipment, furniture and local procurement	1,146,779	717,562	847,298	659,832
Building maintenance	2,437,004	2,047,958	2,545,793	2,079,486
Other operational costs	-	-	559,692	394,166
<b>Total Supplies, Consumables and Other Running Costs</b>	<b>9,908,899</b>	<b>7,526,604</b>	<b>11,096,877</b>	<b>8,515,501</b>
<b>4.4: Costs Related to Trading Activities</b>				
Cost of Sales IMO Publications	892,634	858,316	892,634	858,316
Cost of Sales Model courses	1,831	5,486	1,831	5,486
Loss/(gain) on Physical Inventory	469	(4,482)	469	(3,485)
Publications issued free of charge	9,525	23,936	9,525	23,936
Provision for return of obsolete publications	(17,098)	12,002	(17,098)	12,002
Printing (contract - out)	36,126	4,371	36,126	4,371
Electronic publishing (IMO/Vega)	155,489	157,562	155,489	157,562
Catering food and supplies	1,038,764	501,305	1,038,764	501,305
Public relations articles held by WMU	-	-	16,406	10,963
<b>Total Costs Related to Trading Activities</b>	<b>2,117,740</b>	<b>1,558,496</b>	<b>2,134,146</b>	<b>1,570,456</b>

	IMO		Consolidated	
	2023 GBP	2022 GBP	2023 GBP	2022 GBP
<b>4.5: Outsourced Services</b>				
Security services	54,925	33,417	96,473	76,950
Cleaning services	-	799	169,735	194,361
Telecommunications/IT related services	-	-	74,784	52,660
Catering services	-	-	124,901	132,412
Leases	61,853	46,338	61,853	46,338
Sub-contract delivery of Technical Cooperation activities	713,106	645,469	662,520	645,469
<b>Total Outsourced Services</b>	<b>829,884</b>	<b>726,023</b>	<b>1,190,266</b>	<b>1,148,190</b>
<b>4.6: Training and Development</b>				
Staff training	23,752	31,550	75,378	44,535
Fellowships	1,720,285	1,449,063	2,664,849	2,518,356
Group training including participant travel	3,426,587	2,522,008	3,426,587	2,513,368
Student costs	-	-	509,246	206,393
<b>Total Training and Development</b>	<b>5,170,624</b>	<b>4,002,621</b>	<b>6,676,060</b>	<b>5,282,652</b>
<b>4.7: Depreciation, Amortization and Impairment</b>				
Depreciation of property, plant and equipment	405,132	485,987	624,445	674,264
(Gain)/loss on disposal of property, plant and equipment	571	-	1,957	3,024
Amortization of intangible assets	14,337	6,764	18,793	35,982
Impairment of IMO publications	16,260	5,529	16,260	5,529
<b>Total Depreciation, Amortization and Impairment</b>	<b>436,300</b>	<b>498,280</b>	<b>661,455</b>	<b>718,799</b>
<b>4.8: Return of Unspent Funds</b>	<b>17,874</b>	<b>43,723</b>	<b>17,874</b>	<b>43,723</b>
<b>4.9: Other Expenses</b>				
Jointly financed UN bodies	119,487	104,596	119,487	104,596
Bank charges	178,371	190,141	208,205	220,595
External audit	56,608	56,716	93,127	95,209
Other miscellaneous expenses	467,374	580,885	790,060	767,218
<b>Total Other Expenses</b>	<b>821,840</b>	<b>932,338</b>	<b>1,210,879</b>	<b>1,187,618</b>
<b>4.10: Currency Exchange (Loss) / Gain</b>	<b>(2,822,462)</b>	<b>3,494,668</b>	<b>(3,542,004)</b>	<b>5,471,752</b>

151 Staff and Other Personnel Costs include salaries, fees, employee benefits, and other costs associated with staff, project experts and support personnel, consultants, temporary assistance, and meeting personnel (interpreters, translators, and temporary employees) of all headquarters and field staff employed by IMO.

152 Travel includes the cost of the fares, Daily Subsistence Allowance (DSA), and other associated expenses of the mission of staff members, project experts, and consultants. The costs of home leave travel, recruitment travel, and repatriation travel are reported under 4.1 – Staff and Other Personnel Costs and the students' travel and field trips costs are accounted for under 4.6 – Training and Development.

153 Supplies, Consumables and Other Running Costs primarily include the cost of running the headquarters and field office buildings, including rent paid under the building lease with the Government of the United Kingdom of £1,195,751 (2022: £1,195,751).

154 Costs Related to Trading Activities include the cost of all commercial sales within the meaning of IPSAS 9 – "Revenue from Exchange Transactions" but excludes staff costs and common overhead costs.

155 Outsourced Services include the costs of the most significant outsourcing arrangements in place, namely those for the provision of security, and the sub-contracts under the technical cooperation and extrabudgetary activities are also reported under this expense category.

156 Training and Development include the cost of staff training incurred under the regular budget, and the fellowship and group training costs incurred under the Technical Cooperation Fund and various donor trust Funds.

157 Return of Unspent Funds represents the refund of the remaining balances of contributions after the financial closure of the related projects or activities as agreed with the donor.

158 Other Expenses include shared costs of jointly financed UN bodies, public information (including IMO News and publicity), bank charges and external audit fees.

## **NOTE 5: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

159 Explanations of material differences between the original budget and the final budget as well as between the final budget and the actual amounts are presented under the Financial and Budget Performance Highlights section of the Secretary-General's Statement.

160 The Organization's budget and accounts are prepared on different bases. The Statement of Financial Performance (Statement II) is prepared on a full accrual basis using a classification based on the nature of expenses, whereas the Statement of Comparison of Budget and Actual Amounts (Statement V) is prepared on a modified accrual basis. In this respect, it is required under IPSAS 24 – "Presentation of Budget Information in Financial Statements" that actual amounts presented in Statement V should be reconciled to the actual amounts presented in the financial statements, specifically the net cash flows from operating activities, investing activities, and financing activities, derived by identifying differences relating to basis, presentation and entity.

161 Basis differences occur when the approved budget is prepared on a basis other than the accounting basis. For IMO, the budget is prepared on a modified accruals basis and the financial statements are prepared on a full accruals basis in accordance with IPSAS, and as a result basis differences arise in particular for long-term assets and liabilities. One example is Property, Plant and Equipment, where budget expenditure is recognized on the purchase of a new asset while the IPSAS-based expenditure recognized in Statement II shows depreciation over the life of the asset.

162 Entity differences occur when the budget omits programmes or entities that are part of the entity for which the financial statements are prepared. For IMO, the Organization's extrabudgetary and donor-funded programmes are not a part of the budgetary approval process of the Assembly and the Council and so are not included in Statement V, and consequently, the revenue and expenses relating to such programmes are an entity difference.

163 Presentation differences occur as a result of differences in the format and classification schemes adopted for the presentation of the Statement of Cash Flow and the Statement of Comparison of Budget and Actual Amounts, in particular in relation to the reflection of transfers from the surplus of the Trading Fund which then forms the basis for a proportion of the approved budget of other Funds. These amounts are shown separately for budget comparison purposes but are eliminated when preparing the overall IMO position shown in Statements II and IV.

164 Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There is no timing difference for IMO, for the purposes of comparison between budget and actual amounts.

165 The reconciliation between the actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) and the actual amounts in the Statement of Cash Flow (Statement IV) for the year ended 31 December 2023 is shown below. Budget amounts have been presented on a functional classification basis in accordance with the approved budget for 2023, which presents a breakdown of the budget for purposes of the above comparison. The amount of budgetary surplus of £325,863 for 2023 shown in Statement V for IMO only, has been reconciled to the net increase in cash and cash equivalents of £5,304,921 presented in Statement IV (IMO 2023), and the details of the reconciliation are presented in the table below. Operating activities in the table below include the positive effect of exchange rate changes on cash and cash equivalents of £903,464.

Adjustments pertaining to cash flows from: IMO		Operating activities GBP	Investing activities GBP	Financing activities GBP	Total GBP
<b>Actual amounts on a comparable basis as presented in the Budget and Actual Comparative Statement</b>	<b>A</b>	<b>325,863</b>	-	-	<b>325,863</b>
Basis differences	(a)	(4,682,688)	(124,210)	-	(4,806,898)
Entity differences	(b)	(2,170,764)	(167,862)	-	(2,338,626)
Presentation differences	(c)	12,124,582	-	-	12,124,582
<b>Total Differences</b>	<b>B=a+b+c</b>	<b>5,271,130</b>	<b>(292,072)</b>	-	<b>4,979,058</b>
<b>ACTUAL AMOUNTS IN THE STATEMENT OF CASH FLOWS</b>	<b>C=A+B</b>	<b>5,596,993</b>	<b>(292,072)</b>	-	<b>5,304,921</b>

166 The reconciliation of the amount of the consolidated surplus of £2,518,123 shown in Statement V for the consolidated entity including WMU and IMLI, has also been made to the net increase in cash and cash equivalents of £1,292,043 indicated in Statement IV (Consolidated 2023), as shown in the table below. While IMO's budget is approved by the IMO Assembly, the budgets of WMU and IMLI are approved by their separate governing bodies – the Board of Governors (WMU) and the Governing Board (IMLI). As neither WMU nor IMLI's budgets are approved by IMO's governing body, the IMO Assembly, both are treated as part of the entity differences in the reconciliation table shown below with a total amount of £8,543,764 for both WMU and IMLI.

Adjustments pertaining to cash flows from: Consolidated		Operating activities GBP	Investing activities GBP	Financing activities GBP	Total GBP
<b>Actual amounts on a comparable basis as presented in the Budget and Actual Comparative Statement</b>	<b>A</b>	<b>2,518,123</b>			<b>2,518,123</b>
Basis differences	(a)	(4,682,688)	(124,210)	-	(4,806,898)
Entity differences	(b)	(3,327,126)	(5,216,638)	-	(8,543,764)
Presentation differences	(c)	12,124,582	-	-	12,124,582
<b>Total Differences</b>	<b>B=a+b+c</b>	<b>4,114,768</b>	<b>(5,340,848)</b>	-	<b>(1,226,080)</b>
<b>ACTUAL AMOUNTS IN THE STATEMENT OF CASH FLOWS</b>	<b>C=A+B</b>	<b>6,632,891</b>	<b>(5,340,848)</b>	-	<b>1,292,043</b>

167 As noted in paragraph 160, IMO's budget is prepared on a 'modified accruals' basis, while both WMU and IMLI budget on a full accrual basis.

**NOTE 6: SEGMENT REPORTING****Note 6.1: Segmental Statements of Financial Position as at 31 December 2023****Note 6.1.1: Statement of Financial Position by Segment – IMO**

	Core Programme Management	Trading and Business Activities	Technical Cooperation Activities and Trust Fund	Elimination	Grand Total
	GBP	GBP	GBP	GBP	GBP
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	41,965,800	7,881,087	53,360,085	-	103,206,972
Contributions Receivable	812,286	-	285,699	-	1,097,985
Inventories	-	566,730	-	-	566,730
Advances to Sub-contractors and Partners	-	-	663,707	(2,788)	660,919
Inter-segment Sums Receivable	580,644	377,620	1,187,063	(2,145,327)	-
Other Receivables and Prepayments	2,155,623	407,401	1,347,674	-	3,910,698
<b>Total Current Assets</b>	<b>45,514,353</b>	<b>9,232,838</b>	<b>56,844,228</b>	<b>(2,148,115)</b>	<b>109,443,304</b>
<b>Non-Current Assets</b>					
Property, Plant and Equipment	1,264,358	54,291	26,074	-	1,344,723
Intangible Assets	80,801	-	-	-	80,801
<b>Total Non-Current Assets</b>	<b>1,345,159</b>	<b>54,291</b>	<b>26,074</b>	<b>-</b>	<b>1,425,524</b>
<b>TOTAL ASSETS</b>	<b>46,859,512</b>	<b>9,287,129</b>	<b>56,870,302</b>	<b>(2,148,115)</b>	<b>110,868,828</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Payables and Accruals	4,701,128	863,149	3,878,681	(2,788)	9,440,170
Provisions for Warranties	-	39,533	-	-	39,533
Inter-segment Sums Payable	496,500	115,348	1,533,479	(2,145,327)	-
Employee Benefits	315,542	-	6,381	-	321,923
<b>Total Current Liabilities</b>	<b>5,513,170</b>	<b>1,018,030</b>	<b>5,418,541</b>	<b>(2,148,115)</b>	<b>9,801,626</b>
<b>Non-Current Liabilities</b>					
Employee Benefits	37,944,930	-	-	-	37,944,930
<b>Total Non-Current Liabilities</b>	<b>37,944,930</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,944,930</b>
<b>TOTAL LIABILITIES</b>	<b>43,458,100</b>	<b>1,018,030</b>	<b>5,418,541</b>	<b>(2,148,115)</b>	<b>47,746,556</b>
<b>NET ASSETS</b>	<b>3,401,412</b>	<b>8,269,099</b>	<b>51,451,761</b>	<b>-</b>	<b>63,122,272</b>
<b>FUND BALANCES AND RESERVES</b>					
Fund Balances and Reserves	4,600,513	8,390,794	50,229,672	-	63,220,979
Surplus/(Deficit) for the year	(1,199,101)	(121,695)	1,222,089	-	(98,707)
<b>TOTAL FUND BALANCES AND RESERVES</b>	<b>3,401,412</b>	<b>8,269,099</b>	<b>51,451,761</b>	<b>-</b>	<b>63,122,272</b>



## Note 6.1.2: Statement of Financial Position by Segment – Consolidated (GBP)

	Core Programme Management	Trading and Business Activities	Technical Cooperation Activities and Trust Fund	Education and Research	Elimination	Grand Total
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	41,965,800	7,881,087	53,360,085	17,542,315	-	120,749,287
Contributions Receivable	812,286	-	285,699	-	-	1,097,985
Inventories	-	566,730	-	69,148	-	635,878
Advances to Sub-contractors and Partners	-	-	663,707	-	(2,788)	660,919
Inter-segment Sums Receivable	580,644	377,620	1,187,063	-	(2,145,327)	-
Other Receivables and Prepayments	2,155,623	407,401	1,347,674	2,286,848	(1,064,856)	5,132,690
<b>Total Current Assets</b>	<b>45,514,353</b>	<b>9,232,838</b>	<b>56,844,228</b>	<b>19,898,311</b>	<b>(3,212,971)</b>	<b>128,276,759</b>
<b>Non-Current Assets</b>						
Investments	-	-	-	10,219,773	-	10,219,773
Property, Plant and Equipment	1,264,358	54,291	26,074	477,518	-	1,822,241
Intangible Assets	80,801	-	-	-	-	80,801
<b>Total Non-Current Assets</b>	<b>1,345,159</b>	<b>54,291</b>	<b>26,074</b>	<b>10,697,291</b>	<b>-</b>	<b>12,122,815</b>
<b>TOTAL ASSETS</b>	<b>46,859,512</b>	<b>9,287,129</b>	<b>56,870,302</b>	<b>30,595,602</b>	<b>(3,212,971)</b>	<b>140,399,574</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables and Accruals	4,701,128	863,149	3,878,681	7,093,314	(1,067,644)	15,468,628
Provisions for Warranties	-	39,533	-	-	-	39,533
Inter-segment Sums Payable	496,500	115,348	1,533,479	-	(2,145,327)	-
Employee Benefits	315,542	-	6,381	80,896	-	402,819
<b>Total Current Liabilities</b>	<b>5,513,170</b>	<b>1,018,030</b>	<b>5,418,541</b>	<b>7,174,210</b>	<b>(3,212,971)</b>	<b>15,910,980</b>
<b>Non-Current Liabilities</b>						
Employee Benefits	37,944,930	-	-	1,922,575	-	39,867,505
<b>Total Non-Current Liabilities</b>	<b>37,944,930</b>	<b>-</b>	<b>-</b>	<b>1,922,575</b>	<b>-</b>	<b>39,867,505</b>
<b>TOTAL LIABILITIES</b>	<b>43,458,100</b>	<b>1,018,030</b>	<b>5,418,541</b>	<b>9,096,785</b>	<b>(3,212,971)</b>	<b>55,778,485</b>
<b>NET ASSETS</b>	<b>3,401,412</b>	<b>8,269,099</b>	<b>51,451,761</b>	<b>21,498,817</b>	<b>-</b>	<b>84,621,089</b>
<b>FUND BALANCES AND RESERVES</b>						
Fund Balances and Reserves	4,600,513	8,390,794	50,229,672	19,911,020	-	83,131,999
Surplus/(Deficit) for the year	(1,199,101)	(121,695)	1,222,089	1,587,797	-	1,489,090
<b>TOTAL FUND BALANCES AND RESERVES</b>	<b>3,401,412</b>	<b>8,269,099</b>	<b>51,451,761</b>	<b>21,498,817</b>	<b>-</b>	<b>84,621,089</b>

## Note 6.2: Segmental Statements of Financial Performance for the year ended 31 December 2023

### Note 6.2.1: Statement of Financial Performance by Segment – IMO

	Core Programme Management	Trading and Business Activities	Technical Cooperation Activities and Trust Fund	Elimination	Grand Total
	GBP	GBP	GBP	GBP	GBP
<b>Revenue</b>					
Assessed Contributions	33,920,000	-	-	-	33,920,000
Donor Contributions	-	-	14,435,077	-	14,435,077
Commercial Activities	610,372	15,433,462	391,116	(432,614)	16,002,336
Other Revenue	1,618,216	264,444	2,087,776	-	3,970,436
Support Costs Earned	2,274,344	-	-	(2,274,344)	-
Inter-segment Transfers	4,103,274	-	5,852,870	(9,956,144)	-
<b>TOTAL REVENUE</b>	<b>42,526,206</b>	<b>15,697,906</b>	<b>22,766,839</b>	<b>(12,663,102)</b>	<b>68,327,849</b>
<b>Expenses</b>					
Staff and Other Personnel Costs	33,605,911	2,598,624	7,212,819	(151,787)	43,265,567
Travel Expenses	750,736	15,006	2,269,624	-	3,035,366
Supplies, Consumables and Other Running Costs	6,463,719	2,385,486	1,145,953	(86,259)	9,908,899
Cost Related to Trading Activities	-	2,117,740	-	-	2,117,740
Outsourced Services	91,907	24,871	713,106	-	829,884
Training and Development	23,753	-	5,158,097	(11,226)	5,170,624
Support Costs Charged	-	968,793	1,305,551	(2,274,344)	-
Depreciation, Amortization and Impairment	390,735	33,220	12,345	-	436,300
Return of Unspent Funds	-	-	17,874	-	17,874
Other Expenses	234,399	121,757	649,026	(183,342)	821,840
Inter-segment Transfers	1,992,093	7,539,631	424,420	(9,956,144)	-
<b>TOTAL EXPENSES</b>	<b>43,553,253</b>	<b>15,805,128</b>	<b>18,908,815</b>	<b>(12,663,102)</b>	<b>65,604,094</b>
<b>OPERATING SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>(1,027,047)</b>	<b>(107,222)</b>	<b>3,858,024</b>	<b>-</b>	<b>2,723,755</b>
Currency Exchange Gain / (Loss)	(172,054)	(14,473)	(2,635,935)	-	(2,822,462)
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>(1,199,101)</b>	<b>(121,695)</b>	<b>1,222,089</b>	<b>-</b>	<b>(98,707)</b>

**Note 6.2.2: Statement of Financial Performance by Segment – Consolidated (GBP)**

	Core Programme Management	Trading and Business Activities	Technical Cooperation Activities and Trust Fund	Education and Research	Elimination	Grand Total
<b>Revenue</b>						
Assessed Contributions	33,920,000	-	-	-	-	33,920,000
Donor Contributions	-	-	14,435,077	7,403,011	(440,896)	21,397,192
Commercial Activities	610,372	15,433,462	391,116	2,459,866	(619,503)	18,275,313
Fellowship	-	-	-	7,723,958	(1,436,168)	6,287,790
Other Revenue	1,618,216	264,444	2,087,776	1,510,544	(64,771)	5,416,209
Support Costs Earned	2,274,344	-	-	-	(2,274,344)	-
Inter-segment Transfers	4,103,274	-	5,852,870	-	(9,956,144)	-
<b>TOTAL REVENUE</b>	<b>42,526,206</b>	<b>15,697,906</b>	<b>22,766,839</b>	<b>19,097,379</b>	<b>(14,791,826)</b>	<b>85,296,504</b>
<b>Expenses</b>						
Staff and Other Personnel Costs	33,605,911	2,598,624	7,212,819	10,098,685	(307,611)	53,208,428
Travel Expenses	750,736	15,006	2,269,624	1,035,169	(1,110)	4,069,425
Supplies, Consumables and Other Running Costs	6,463,719	2,385,486	1,145,953	1,605,567	(503,848)	11,096,877
Cost Related to Trading Activities	-	2,117,740	-	16,406	-	2,134,146
Outsourced Services	91,907	24,871	713,106	410,969	(50,587)	1,190,266
Training and Development	23,753	-	5,158,097	2,987,162	(1,492,952)	6,676,060
Support Costs Charged	-	968,793	1,305,551	-	(2,274,344)	-
Depreciation, Amortization and Impairment	390,735	33,220	12,345	225,155	-	661,455
Return of Unspent Funds	-	-	17,874	-	-	17,874
Other Expenses	234,399	121,757	649,026	389,442	(183,745)	1,210,879
Inter-segment Transfers	1,992,093	7,539,631	424,420	-	(9,956,144)	-
<b>TOTAL EXPENSES</b>	<b>43,553,253</b>	<b>15,805,128</b>	<b>18,908,815</b>	<b>16,768,555</b>	<b>(14,770,341)</b>	<b>80,265,410</b>
<b>OPERATING SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>(1,027,047)</b>	<b>(107,222)</b>	<b>3,858,024</b>	<b>2,328,824</b>	<b>(21,485)</b>	<b>5,031,094</b>
Currency Exchange Gain / (Loss)	(172,054)	(14,473)	(2,635,935)	(741,027)	21,485	(3,542,004)
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>(1,199,101)</b>	<b>(121,695)</b>	<b>1,222,089</b>	<b>1,587,797</b>	<b>-</b>	<b>1,489,090</b>

168 Some internal activities result in accounting transactions that create inter-segment revenue and expense balances in the financial statements. Inter-segment transactions are reflected in the above statements to accurately present these financial statements, the most significant examples of which are the Council-mandated transfers from the Trading Fund to other organizational funds. The aggregate amount was £7,515,000 of which £5,711,400 was to the Technical Cooperation Fund and £1,803,600 was to the Core Programme. In addition, there are support costs totalling £1,305,551 charged on extra-budgetary activities and £968,793 charged to the Trading Activities to reimburse costs incurred by the Core Programme.

169 IMO provides funding support to WMU and IMLI to finance their fellowship and related programmes, which is recognized as expenditure by IMO and as revenue by WMU and IMLI. These transactions, which are eliminated in arriving at the consolidated position, amount to £870,417 between IMO and WMU, and £565,751 between IMO and IMLI.

170 A summary of the goods and services provided under each segment, and their objectives, is set out in Note 1, under section Fund Accounting and Segment Reporting.

**NOTE 7: COMMITMENTS AND CONTINGENCIES****Note 7.1: Commitments**

171 As at 31 December 2023, IMO had commitments for goods and services including consultancy contracted but not delivered as follows:

	2023 Commitments GBP
Regular budget strategic results	153,854
Trading activities	149,565
Termination benefit	20,002
Headquarters Capital Fund	236,378
Technical Cooperation (TC Fund)	932,810
<b>Subtotal</b>	<b>1,492,609</b>
Technical Cooperation (Donor Funds)	1,213,680
<b>TOTAL</b>	<b>2,706,289</b>

172 The actual discharge of the 2022 commitments in 2023 is £2,731,189 the breakdown of which is shown below:

	2022 Commitments GBP	2023 Discharge GBP
Regular budget strategic results	399,103	297,268
Trading activities	42,252	38,772
Headquarters Capital Fund	218,723	218,723
Technical Cooperation (TC Fund)	1,800,454	1,541,592
<b>Subtotal</b>	<b>2,460,532</b>	<b>2,096,355</b>
Technical Cooperation (Donor Funds)	1,139,818	634,834
<b>TOTAL</b>	<b>3,600,350</b>	<b>2,731,189</b>

173 Neither WMU nor IMLI has commitments or contingencies at year-end and consequently the figures shown above reflect the consolidated position as well.

**Note 7.2: Contingent Liabilities and Contingent Assets**

174 As at 31 December 2023, the Organization has no contingent liabilities arising from legal actions and claims that are likely to result in significant financial obligations to IMO or to the consolidated group.

175 The Organization, in conjunction with UNDP, conducted a review of all historical balances under the UNDP Service Clearing Account (SCA), and its predecessor the Inter-office Voucher (IOV) scheme, under which UNDP provides services to other UN system organizations, and the Project Clearing Account (PCA), through which UNDP acts as a donor for IMO extrabudgetary activities. While the Organization's financial statements reflect amendments arising as a result of that review, there remains a net difference on the PCA accounts of \$596,357, as at 31 December 2023, between IMO and UNDP. Discussions between IMO and UNDP on an agreeable resolution of this difference is currently ongoing.

**NOTE 8: LOSSES, EX-GRATIA PAYMENTS, WRITE-OFFS, AND CASES OF FRAUD**

176 Financial Regulation 10.3 provides that "The Secretary-General may make such ex-gratia payments as he deems to be necessary in the interest of the Organization, provided that a statement of such payments shall be submitted to the Assembly with the financial statements". During 2023, no ex-gratia payments were made.

177 Financial Regulation 10.4 provides that "The Secretary-General may, after full investigation, authorize the writing off of losses of cash, stores, and other assets, provided that a statement of all such amounts written off shall be submitted to the External Auditor with the financial statements". During 2023, IMO wrote off uncollectible receivables amounting to £3,366 and disposed obsolete items of property, plant and equipment with a residual value of £571 at the time of disposal.

178 During 2023, no case of fraud or presumptive fraud was identified.

179 WMU reported a disposal of SEK 90,129 (£6,842) of IT equipment with a residual value of SEK 29,685 (£2,254). WMU and IMLI did not report any cases of ex-gratia payments, fraud, and presumptive fraud in 2023.

**NOTE 9: RELATED PARTIES AND KEY MANAGEMENT PERSONNEL****Note 9.1: Key Management Personnel**

Number of individuals (Full-Time Equivalent)	Compensation and post adjustment	Entitlements	Pension and health plans	Total remuneration 2023	Outstanding Loans and Advances against entitlements 31.12.2023
	GBP	GBP	GBP	GBP	GBP
IMO	1,768,040	165,963	441,430	2,375,433	36,923
<b>10</b>					
Consolidated	2,149,789	304,026	533,330	2,987,145	36,923
<b>12</b>					

180 Key management personnel of IMO are the Secretary-General, six Divisional Directors and three Departmental Chiefs/Heads. Key management personnel of the consolidated group include the President of the WMU and the Director of the IMLI, as they have the authority and responsibility for planning, directing, and controlling the activities of the consolidated group.

181 The aggregate remuneration paid to key management personnel includes net salaries, post adjustment, entitlements (such as representation allowance and other allowances); assignment and other grants; rental subsidy; personal effects shipment costs; employer pension; and current health insurance contributions. The outstanding advance represents the amount paid against the education grant entitlement to one key management personnel which is available to all professional staff. No close family member of the key management personnel was employed by the Organization during the year.

182 Key management personnel are also qualified for post-employment benefits (Note 2.11) at the same level as other employees. Key management personnel of IMO are participants of UNJSPF.

**Note 9.2: Related Parties**

183 Within the context of IPSAS 20 – "Related Party Disclosures", the UN International Computing Centre (ICC) was identified as a related party.

184 The ICC was established in January 1971 pursuant to Resolution 2741 (XXV) of the United Nations General Assembly. The ICC provides Information Technology and Communications services to Partners and Users in the United Nations system. As a Partner bound by the Mandate of the ICC, IMO would be proportionately responsible for any third-party claim or liability arising from or related to service activities of the ICC as specified in the ICC Mandate. As at 31 December 2023, there are no known claims that impact IMO. Ownership of assets is with the ICC until dissolution. Upon dissolution, the division of all assets and liabilities amongst Partner Organizations shall be agreed by the Management Committee by a formula defined at that time.

**NOTE 10: THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES**

185 An exchange rate difference arose due to converting the opening assets and liabilities of WMU and IMLI, whose functional currencies are the Swedish krona and Euro respectively, at the 2023 closing rate which differs from the 2022 closing rate, and the resulting differences are presented as a separate component of net assets/equity in accordance with IPSAS 4 – "The Effects of Changes in Foreign Exchange Rates".

	WMU GBP	IMLI GBP	TOTAL GBP
Closing balance as at 31.12.2022 exchange rate	16,345,936	3,774,790	20,120,726
Opening balance as at 01.01.2023 revalued at 31.12.2023 exchange rate	16,204,242	3,706,778	19,911,020
<b>TOTAL</b>	<b>(141,694)</b>	<b>(68,012)</b>	<b>(209,706)</b>

**NOTE 11: FINANCIAL INSTRUMENTS**

186 The Organization measures the Financial Instruments as follows:

Financial Instruments	Category
Cash and Cash Equivalents (including short term deposits)	Amortized cost
Contributions Receivable	Amortized cost
Other Receivables	Amortized cost
Payables and Accruals	Amortized cost

187 The IMO budget is funded by assessed contributions in Pound Sterling (GBP), the functional and reporting currency of the Organization. As of 31 December 2023, 62% of the total cash balance of 103.21 million was held in GBP and 35% was held in USD. The remaining 3% was held in other currencies. The USD balance is mainly maintained for the Bilateral Operations and Multi-Donor Trust Funds that are budgeted in USD. The use of these funds is governed by the respective donor's contractual agreement, and consequently is not available for the Organization's general use. To minimize the risk of currency fluctuations, the Organization maintains a USD-GBP cash mix that aligns with the outlays in the currency required for the delivery of IMO activities.



188 The value and percentage of currencies held by IMO as at 31 December 2023 are presented in the table below in GBP equivalent:

Currency	Balance	Equivalent GBP	Percentage
GBP	64,142,866	64,142,866	62%
USD	45,938,532	35,969,848	35%
EUR	3,507,072	3,047,770	3%
PHP	3,168,285	44,721	0%
BDT	247,173	1,767	0%
<b>TOTAL</b>		<b>103,206,972</b>	<b>100%</b>

## NOTE 12: EVENTS AFTER REPORTING DATE

189 IMO's reporting date is 31 December 2023. On the date of the signing of the Financial Statements, there had been no material events, favourable or unfavourable, incurred between the balance sheet date and the date when the financial statements were authorized for issue that would have impacted these statements.

## ANNEX

	Name	Address
IMO	International Maritime Organization	4 Albert Embankment London, SE1 7SR United Kingdom
General Counsel Director, Legal Affairs and External Relations Division	Mrs. D. Lost-Sieminska	4 Albert Embankment London, SE1 7SR United Kingdom
Actuary	Barnett Waddingham LLP	2 London Wall Place 123 London Wall London, EC2Y 5AU United Kingdom
Principal Banker	J.P. Morgan Chase	JP Morgan Chase Bank N.A. 25 Bank Street, Canary Wharf London, E14 5JP United Kingdom
External Auditor	Chair, The Audit Board of the Republic of Indonesia	The Audit Board of the Republic of Indonesia Jalan Gatot Subroto No. 31, Jakarta – Indonesia