

**INTERNATIONAL SEABED AUTHORITY**

**YEAR ENDED DECEMBER 31, 2024**

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## **INDEPENDENT AUDITORS' REPORT**

**To the members of**

### **INTERNATIONAL SEABED AUTHORITY**

#### **Report on the financial statements**

We have audited the financial statements of International Seabed Authority (the "Authority"), set out on Pages 2 to 30, which comprise the statement of financial position as at December 31, 2024, the statements of financial performance, changes in net assets, cash flows and comparison of budget to actual amounts for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Authority as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards ("IPSAS") and the Financial Regulations and Legislative Authority.

#### ***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 Authority in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 of financial statements that give a true and fair view 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 Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

**Report on the financial statements (Cont'd)*****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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on additional matters as required by the Authority's Financial Regulations**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, transactions are in accordance with the Financial Regulations and Legislative Authority.



Chartered Accountants

Kingston, Jamaica

May 27, 2025

## INTERNATIONAL SEABED AUTHORITY

## STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2024

	Notes	2024 \$	2023 \$
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash and cash equivalents	4	14,383,711	13,806,789
Members assessed contributions receivable	5	560,604	682,027
Other receivables	6	111,038	293,984
Advances to staff	7	<u>151,509</u>	<u>139,975</u>
<b>Total current assets</b>		<u>15,206,862</u>	<u>14,922,775</u>
<b>Non-current assets</b>			
Property and equipment	8	149,688	215,907
Intangible assets	9	<u>-</u>	<u>6,766</u>
<b>Total non-current assets</b>		<u>149,688</u>	<u>222,673</u>
<b>Total assets</b>		<u>15,356,550</u>	<u>15,145,448</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b>Current liabilities</b>			
Payable and accruals	10	1,093,343	864,437
Other provisions	11	1,031,133	868,216
Advance contributions	12	1,871,634	2,450,698
Repatriation benefits	13	<u>93,821</u>	<u>19,917</u>
<b>Total current liabilities</b>		<u>4,089,931</u>	<u>4,203,268</u>
<b>Non-current liabilities</b>			
Repatriation benefits	13	261,066	282,538
After service health insurance defined benefit	14	<u>1,891,000</u>	<u>1,914,000</u>
<b>Total non-current liabilities</b>		<u>2,152,066</u>	<u>2,196,538</u>
<b>Net Assets</b>			
Accumulated surplus: General Administration Fund (GAF)		4,182,879	3,992,543
Accumulated surplus: Non-general Administration Fund (Non-GAF)		6,822,674	6,667,099
Other reserve	14	<u>(1,891,000)</u>	<u>(1,914,000)</u>
<b>Total net assets</b>		<u>9,114,553</u>	<u>8,745,642</u>
<b>Total liabilities and net assets</b>		<u>15,356,550</u>	<u>15,145,448</u>

The Notes on Pages 10 to 30 form an integral part of the Financial Statements.

The financial statements on Pages 2 to 30 were approved and authorized for issue on 27/5/2025 and are signed on its behalf by:

.....  
Secretary-General

## INTERNATIONAL SEABED AUTHORITY

## STATEMENT OF FINANCIAL PERFORMANCE

## YEAR ENDED DECEMBER 31, 2024

	<u>Notes</u>	<u>2024</u> \$	<u>2023</u> \$
<b>REVENUE</b>			
Contributions:			
Assessed contributions	15	8,553,812	8,393,495
Voluntary contributions		1,017,442	657,141
Assessed working capital	25 (a)	23,924	23,925
The Enterprise	16	306,240	150,700
Overhead charges	17	<u>2,400,000</u>	<u>2,400,000</u>
Total contributions and other budgeted income		<u>12,301,418</u>	<u>11,625,261</u>
Other income:			
Interest income	18	399,648	327,412
Miscellaneous income	19	73,977	262,034
Cost recovery charges	25 (e)	<u>171,134</u>	<u>250,650</u>
Total other income		<u>644,759</u>	<u>840,096</u>
<b>Total revenue</b>		<u>12,946,177</u>	<u>12,465,357</u>
<b>EXPENSES</b>			
Administrative expenditure of the secretariat (Section 1)	20	7,775,943	7,605,966
Cost of conference services (Section 2)	21	1,037,540	1,671,080
Cost of programmes (Sections 3 - 5)	22	2,440,591	1,900,779
Voluntary Trust Fund expenditure	25 (c)	186,399	212,900
Support Trust Fund expenditure	25 (d)	524,254	488,414
Cost Recovery expenditure	25 (e)	147,331	187,601
ISA Partnership Fund expenditure	25 (f)	435,033	30,000
Depreciation and amortization	8,9	72,985	134,719
Change in provision for uncollected contribution	5	( 19,810)	( 26,664)
After service health insurance benefit charge	14, 20	<u>94,000</u>	<u>109,000</u>
<b>Total expenses</b>		<u>12,694,266</u>	<u>12,313,795</u>
<b>SURPLUS FOR THE YEAR</b>		<u>251,911</u>	<u>151,562</u>
<b>Classified as:</b>			
Surplus/(Deficit) for the year: GAF		190,336	( 99,163)
Surplus for the year: Non GAF		155,575	359,725
Other reserves		( 94,000)	( 109,000)
		<u>251,911</u>	<u>151,562</u>

The Notes on Pages 10 to 30 form an integral part of the Financial Statements.

## INTERNATIONAL SEABED AUTHORITY

## STATEMENT OF CHANGES IN NET ASSETS

## YEAR ENDED DECEMBER 31, 2024

	Accumulated Surplus: GAF \$	Accumulated Surplus: Non-GAF \$	Other Reserve \$	Total \$
Balance at January 1, 2023	4,091,706	6,307,374	( 1,684,000)	8,715,080
Remeasurement losses on after service health benefit	-	-	( 121,000)	( 121,000)
(Deficit)/Surplus for the year	( 99,163)	359,725	( 109,000)	151,562
Balance at December 31, 2023	3,992,543	6,667,099	( 1,914,000)	8,745,642
Remeasurement losses on after service health benefit	-	-	117,000	117,000
Surplus/(Deficit) for the year	190,336	155,575	( 94,000)	251,911
Balance at December 31, 2024	<u>4,182,879</u>	<u>6,822,674</u>	<u>( 1,891,000)</u>	<u>9,114,553</u>

The Notes on Pages 10 to 30 form an integral part of the Financial Statements.

## INTERNATIONAL SEABED AUTHORITY

## STATEMENT OF CASH FLOWS

## YEAR ENDED DECEMBER 31, 2024

	<u>Note</u>	<u>2024</u> \$	<u>2023</u> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		251,911	151,562
Adjustments for:			
Charge recognised in respect of after service health insurance		192,000	204,000
Depreciation and amortization		72,985	134,719
Expected credit loss recognised on contributions receivable		( 19,810)	( 26,664)
Operating cash flows before movement in working capital		497,086	463,617
Movement in working capital:			
Decrease in contributions receivable		141,233	556,523
Decrease/(Increase) in other receivables		182,946	( 4,477)
(Increase)/Decrease in advances to staff		( 11,534)	7,669
Increase/(Decrease) in other provisions		162,917	( 583,060)
Increase in advance contributions		( 579,064)	242,785
Increase/(Decrease) in repatriation benefits		52,432	63,916
Increase/(Decrease) in payables and accruals		228,906	( 129,230)
Contributions paid		( 98,000)	( 95,000)
Net cash generated from operating activities		<u>576,922</u>	<u>522,743</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		-	( 62,672)
Cash used in investing activities		-	( 62,672)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		576,922	460,071
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<u>13,806,789</u>	<u>13,346,718</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u>14,383,711</u>	<u>13,806,789</u>

The Notes on Pages 10 to 30 form an integral part of the Financial Statements.

## INTERNATIONAL SEABED AUTHORITY

## STATEMENT OF COMPARISON OF BUDGET TO ACTUAL AMOUNTS

YEAR ENDED DECEMBER 31, 2024

Budget line	<i>Adjustments to IPSAS</i>			<i>Cash Based Figures</i>		<i>Actual</i>	<i>Balance</i>
	<u>Original Budget</u>	<u>Actual</u>	<u>Balance</u>	<u>Amount</u>	<u>Comments</u>		
	\$	\$	\$	\$		\$	\$
<b>Section 1. Administrative expenditures of the secretariat</b>							
Established posts	3,985,000	4,079,620	( 94,620)	10,442	Provision	4,069,178	( 84,178)
Common staff costs	1,975,000	2,531,457	(556,457)	197,900	Provision	2,333,557	( 358,557)
General Temporary Assistance	21,000	23,610	( 2,610)	489	Provision	23,121	( 2,121)
Overtime	14,000	15,742	( 1,742)	747	Provision	14,995	( 995)
Consultants (non-programme)	18,000	12,855	5,145	-		12,855	5,145
Training	67,000	59,665	7,335	51,415	Provision	8,250	58,750
Official Travel (non-programme)	105,000	127,782	( 22,782)	-		127,782	( 22,782)
Communications	96,000	64,733	31,267	3,650	Provision	61,083	34,917
Library books and supplies	70,000	51,491	18,509	-		51,491	18,509
External Printing (20 percent non-programme)	5,000	235	4,765	-		235	4,765
Supplies and Materials	65,000	61,207	3,793	2,343	Provision	58,864	6,136
Official Hospitality	7,000	1,231	5,769	-		1,231	5,769
Information Technology	62,000	69,956	( 7,956)	4,189	Provision	65,767	( 3,767)
Acquisition of equipment and furniture and others	67,000	52,642	14,358	7,747	Provision	44,895	22,105
Rental & maintenance of equipment and furniture	23,000	9,454	13,546	449	Provision	9,005	13,995
United Nations common system	125,000	112,875	12,125	41,809	Provision	71,066	53,934
Miscellaneous services and costs	91,000	45,464	45,536	39	Provision	45,425	45,575
Audit fees	25,000	19,288	5,712	19,288	Provision	-	25,000
Building Management	425,000	492,265	( 67,265)	102,829	Provision	389,436	35,564
International Public Sector Accounting Standards/Enterprise Resource Planning (IPAS/ERP)	<u>30,000</u>	<u>38,371</u>	<u>( 8,371)</u>	<u>-</u>		<u>38,371</u>	<u>( 8,371)</u>
<b>Total: Administrative expenditures of the Secretariat</b>	<u>7,276,000</u>	<u>7,869,943</u>	<u>( 593,943)</u>	<u>443,336</u>		<u>7,426,607</u>	<u>( 150,607)</u>



## INTERNATIONAL SEABED AUTHORITY

## STATEMENT OF COMPARISON OF BUDGET TO ACTUAL AMOUNTS (Cont'd)

YEAR ENDED DECEMBER 31, 2024

Budget line	<u>Adjustments to IPSAS</u>			<u>Cash Based Figures</u>			Balance
	<u>Original Budget</u>	<u>Actual</u>	<u>Balance</u>	<u>Amount</u>	<u>Comments</u>	<u>Actual</u>	
	\$	\$	\$	\$		\$	\$
<b>Section 2. Conference Services</b>							
Printing and supplies	1,250	869	381			869	381
Miscellaneous Conference service costs	95,000	95,982	( 982)	17,070	Provision	78,912	16,088
Rental of Jamaica Conference Centre	80,000	104,602	( 24,602)	8,100	Provision	96,502	( 16,502)
Temporary assistance (meetings)	50,000	59,326	( 9,326)	-		59,326	( 9,326)
Rental of Equipment	28,750	1,701	27,049	-		1,701	27,049
Local Transportation	6,500	8,333	( 1,833)	-		8,333	( 1,833)
Interpretation services	735,000	429,331	305,669	-		429,331	305,669
Documentation	700,000	319,618	380,382	767	Provision	318,851	381,149
Reception	<u>13,500</u>	<u>17,778</u>	<u>( 4,278)</u>	<u>-</u>		<u>17,778</u>	<u>( 4,278)</u>
<b>Total: Cost of conference services</b>	<u>1,710,000</u>	<u>1,037,540</u>	<u>672,460</u>	<u>25,937</u>		<u>1,011,603</u>	<u>698,397</u>
<b>Section 3. Programme expenditures</b>							
<b>Programme 3.1 Development of the regulatory framework of activities in the Area</b>							
Consultants	120,000	154,308	( 34,308)	-		154,308	( 34,308)
External Printing	5,000	475	4,525	65	Provision	410	4,590
Travel	34,000	38,881	( 4,881)	-		38,881	( 4,881)
Workshops	<u>65,000</u>	<u>40,289</u>	<u>24,711</u>	<u>-</u>		<u>40,289</u>	<u>24,711</u>
<b>Subtotal: Programme 3.1</b>	<u>224,000</u>	<u>233,953</u>	<u>( 9,953)</u>	<u>65</u>		<u>233,888</u>	<u>( 9,888)</u>
<b>Programme 3.2 Protection of the marine environment</b>							
Consultants	150,000	111,000	39,000	84,000	Provision	27,000	123,000
External Printing	10,000	-	10,000	-		-	10,000
Travel	55,000	59,377	( 4,377)	-		59,377	( 4,377)
Workshops	<u>95,000</u>	<u>83,108</u>	<u>11,892</u>	<u>-</u>		<u>83,108</u>	<u>11,892</u>
<b>Subtotal: Programme 3.2</b>	<u>310,000</u>	<u>253,485</u>	<u>56,515</u>	<u>84,000</u>		<u>169,485</u>	<u>140,515</u>

INTERNATIONAL SEABED AUTHORITY

STATEMENT OF COMPARISON OF BUDGET TO ACTUAL AMOUNTS (Cont'd)

YEAR ENDED DECEMBER 31, 2024

Budget line	<u>Adjustments to IPSAS</u>			<u>Cash Based Figures</u>		<u>Actual</u>	<u>Balance</u>
	<u>Original Budget</u>	<u>Actual</u>	<u>Balance</u>	<u>Amount</u>	<u>Comments</u>		
	\$	\$	\$	\$		\$	\$
<b>Programme 3.3 Management of contracts</b>	-	-	-	-		-	-
<b>Programme 3.4 Data management (resource and environment)</b>							
Consultants	75,000	44,329	30,671	24,000	Provision	20,329	54,671
External printing	5,000	-	5,000	-		-	5,000
Travel	25,000	-	25,000	-		-	25,000
Workshops	65,000	-	65,000	-		-	65,000
Information Technology	10,000	27,559	( 17,559)	-		27,559	( 17,559)
Maintenance and Support	<u>75,000</u>	<u>182,190</u>	<u>(107,190)</u>	<u>153,994</u>	Provision	<u>28,196</u>	<u>46,804</u>
<b>Subtotal: Programme 3.4</b>	<u>255,000</u>	<u>254,078</u>	<u>922</u>	<u>177,994</u>		<u>76,084</u>	<u>178,916</u>
<b>Programme 3.5 Promotion and encouragement of marine scientific research in the Area</b>							
Consultants	70,000	98,315	( 28,315)	9,000	Provision	89,315	( 19,315)
External Printing	8,000	9,733	( 1,733)	270	Provision	9,463	( 1,463)
Travel	40,000	33,351	6,649	843	Provision	32,508	7,492
Workshops	<u>75,000</u>	<u>22,610</u>	<u>52,390</u>	<u>21,098</u>	Provision	<u>1,512</u>	<u>73,488</u>
<b>Subtotal: Programme 3.5</b>	<u>193,000</u>	<u>164,009</u>	<u>28,991</u>	<u>31,211</u>		<u>132,798</u>	<u>60,202</u>
<b>Programme 3.6 Outreach Activities</b>							
Consultants	52,000	37,667	14,333	610	Provision	37,057	14,943
External printing	22,500	17,627	4,873	6,516	Provision	11,111	11,389
Travel	32,000	36,467	( 4,467)	-		36,467	( 4,467)
Workshops	3,000	3,050	( 50)	-		3,050	( 50)
Equipment	8,000	2,368	5,632	-		2,368	5,632
Training	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>		<u>-</u>	<u>5,000</u>
<b>Subtotal: Programme 3.6</b>	<u>122,500</u>	<u>97,179</u>	<u>25,321</u>	<u>7,126</u>		<u>90,053</u>	<u>32,447</u>

## INTERNATIONAL SEABED AUTHORITY

## STATEMENT OF COMPARISON OF BUDGET TO ACTUAL AMOUNTS (Cont'd)

YEAR ENDED DECEMBER 31, 2024

Budget line	<i>Adjustments to IPSAS</i>			<i>Cash Based Figures</i>		Actual	Balance
	<u>Original Budget</u>	<u>Actual</u>	<u>Balance</u>	<u>Amount</u>	<u>Comments</u>	<u>\$</u>	<u>\$</u>
	\$	\$	\$	\$			
<b>Programme 3.7 Capacity development and technical cooperation management</b>							
Consultants	10,000	9,895	105			9,895	105
External Printing	15,000	400	14,600	400	Provision	-	15,000
Travel	50,000	52,270	( 2,270)	-		52,270	( 2,270)
Workshops	<u>38,000</u>	<u>28,887</u>	<u>9,113</u>	<u>-</u>		<u>28,887</u>	<u>9,113</u>
<b>Subtotal: Programme 3.7</b>	<u>113,000</u>	<u>91,452</u>	<u>21,548</u>	<u>400</u>		<u>91,052</u>	<u>21,948</u>
<b>Programme 3.8 Mineral resources and mining technologies</b>							
Consultants	65,000	32,006	32,994	22,291	Provision	9,715	55,285
External printing	5,000	960	4,040	-		960	4,040
Travel	30,000	41,345	( 11,345)	-		41,345	( 11,345)
Workshops	<u>95,000</u>	<u>101,255</u>	<u>( 6,255)</u>	<u>915</u>	Provision	<u>100,340</u>	<u>( 5,340)</u>
<b>Subtotal: Programme 3.8</b>	<u>195,000</u>	<u>175,566</u>	<u>19,434</u>	<u>23,206</u>		<u>152,360</u>	<u>42,640</u>
<b>Total: Section 3 Programme expenditures</b>	<u>1,412,500</u>	<u>1,269,722</u>	<u>142,778</u>	<u>324,002</u>		<u>945,720</u>	<u>466,780</u>
<b>Section 4. Compliance Assurance and Regulatory Management Unit</b>							
Salaries	465,000	429,316	35,684	-		429,316	35,684
Common staff costs	215,000	336,551	(121,551)	899	Provision	335,652	( 120,652)
Travel	18,000	12,212	5,788	-		12,212	5,788
Workshops	15,000	36,624	( 21,624)	-		36,624	( 21,624)
Consultants	40,000	-	40,000	-		-	40,000
Equipment and printing	<u>25,000</u>	<u>12,893</u>	<u>12,107</u>	<u>-</u>		<u>12,893</u>	<u>12,107</u>
<b>Total: Section 4</b>	<u>778,000</u>	<u>827,596</u>	<u>( 49,596)</u>	<u>899</u>		<u>826,697</u>	<u>( 48,697)</u>
<b>Section 5. The Enterprise</b>	<u>306,240</u>	<u>343,273</u>	<u>( 37,033)</u>	<u>35,908</u>	Provision	<u>307,365</u>	<u>( 1,125)</u>
<b>Total expenditures</b>	<u>11,482,740</u>	<u>11,348,074</u>	<u>134,666</u>	<u>830,082</u>		<u>10,517,992</u>	<u>964,748</u>

The Notes on Pages 10 to 30 form an integral part of the Financial Statements.

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

## 1 IDENTIFICATION

- (a) The International Seabed Authority (the "Authority") is an intergovernmental organization. It is established by the 1982 United Nations Convention on the Law of the Sea and the 1994 Agreement relating to the implementation of Part XI of the Convention and came into existence on 16 November 1994. The Authority has 169 members as at December 31, 2024 (2023: 169 members).
- (b) The Authority has its headquarters in Kingston, Jamaica. The governing bodies of the Authority are the Assembly, which comprises all members of the Authority, and the Council, which consists of 36 members elected for a term of four years on a rotational basis. The Finance Committee is a subsidiary body of the Assembly. It has 15 elected members, which must include representatives of the five largest contributors to the administrative budget. A Legal and Technical Commission, currently consisting of 30 elected members, acts as a subsidiary body to the Council. The secretariat, which is based in Kingston, consists of a Secretary-General, elected for a period of four years, and administrative and technical staff. The current approved establishment of the secretariat is 55 Posts (2023: 52 Posts).
- (c) The Assembly and Council meet once per year in Kingston. The Legal and Technical Commission meets twice per year. The organs of the Authority operate in the six official languages of the United Nations (Arabic, Chinese, English, French, Russian and Spanish). Translation of official documentation and interpretation services are provided, on a cost reimbursement basis, by the United Nations under a relationship agreement between the Authority and the United Nations signed in 1997. The working languages of the Secretariat are English and French.
- (d) The primary function of the Authority is to manage deep seabed mining in the international seabed area (the subsoil beyond the limits of national jurisdiction). It does this through issuing contracts to qualified entities allowing them to explore for or exploit seabed mineral resources. The regulatory framework for these activities is laid down in the 1982 Convention, the 1994 Agreement and in regulations of the International Seabed Authority. The Authority had approved 30 contracts for exploration as of December 31, 2024 (2023: 30 contracts). The contracts are issued following approval by the Council of the International Seabed Authority, based on the recommendations of the Legal and Technical Commission. Exploration contracts last for 15 years, with the possibility of extensions for periods of five years each. Seabed mineral exploitation has not yet commenced, primarily owing to technical and financial challenges, as well as the lack of a regulatory framework. The Council has determined that the development of a regulatory framework for exploitation, including financial terms and standards for the protection of the marine environment, should be a priority for the Authority.
- (e) Until such time as deep seabed mining commences, the income of the Authority shall be from assessed contributions by member states. The scale of contributions is based on the scale of contributions of the United Nations, adjusted for difference in membership. Limited cost recovery takes place through the imposition of application fees for new contracts and an annual overhead charge for existing contracts. Once deep seabed mining begins, the Authority will collect revenue from contractors in the form of royalties or other payments. Such income will be allocated to meet the administrative expenses of the Authority, with the surplus to be distributed to member states on the basis of equitable sharing criteria, with priority going to the least developed and landlocked States. The financial terms of contracts and criteria for sharing financial and economic benefits from deep seabed mining are yet to be developed.
- (f) In support of its primary function, the Authority is also required to promote and encourage the conduct of marine scientific research in the international seabed area. This is achieved through conducting technical studies and workshops, collaboration in international scientific research programmes and administration of an Endowment Fund for Marine Scientific Research through which grants may be awarded to scientists from developing countries for scientific research and training.

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

## 1 IDENTIFICATION (Cont'd)

(g) In addition to the above, the Authority is currently concentrating on the following activities:

1. Providing secretariat support to the organs of the Authority;
2. Preparing draft regulations for seabed mineral exploitation for consideration by the Legal and Technical Commission and the Council, including preparing studies on key issues, convening workshops and technical meetings and legal drafting;
3. Processing new applications for exploration contracts;
4. Administering existing contracts for exploration, including reviewing annual reports of contractors, analyzing data submitted by contractors and managing training programmes;
5. Building and maintaining a database on deep seabed minerals and related environmental characteristics, and managing access to data;
6. Developing regional environmental management plans to ensure the protection of the marine environment from the harmful effects of deep seabed mining; and
7. Publishing technical reports, studies and briefings on issues of interest to member states.
8. Capacity development and technical cooperation.
9. Mineral resources and mining technologies.

## 2 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

***Standards adopted during the year***

The Authority recognizes the effect of changes in the accounting policy retrospectively. The effect of changes in accounting policy are applied prospectively if retrospective application is impractical. There were no Standards that were applied in the year that affected the reported financial performance and/or financial position presentation and disclosures in the current period in these financial statements.

***Standards in issue not yet effective***

At the date of authorization of these financial statements, the following Standards were in issue but not effective or early adopted for the financial period being reported on:

<u>New and Revised Standards</u>		<u>Effective for annual periods beginning on or after</u>
IPSAS 12	Inventories	
	- Amendments to include guidance for stripping costs in the production phase of a surface mine	January 1, 2027
IPSAS 43	Leases	January 1, 2025
IPSAS 44	Non-current Assets Held for Sale and Discontinued Operations	January 1, 2025
IPSAS 45	Property, Plant and Equipment	January 1, 2025
IPSAS 46	Measurement	January 1, 2025
IPSAS 47	Revenue	January 1, 2026
IPSAS 48	Transfer Expenses	January 1, 2026
IPSAS 49	Retirement Benefit Plans	January 1, 2026
IPSAS 50	Exploration for and Evaluation of Mineral Resources	January 1, 2027

The Authority will assess the relevant Standards and consider for implementation at their effective dates.

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

## 3 SIGNIFICANT ACCOUNTING POLICIES

**Basis of preparation**

## (a) Accounting convention

The financial statements have been prepared on the accrual basis of accounting in accordance with the Financial Regulations (ISBA/6/A/3) and Financial Rules (ST/SGB/2008/02) of the Authority, and the International Public Sector Accounting Standards (IPSAS) developed and published by the international Public Sector Accounting Standards Board (IPSASB).

The financial statements have been prepared using the historical cost measurement basis and on a going concern basis.

Up to 2019, the financial statements reflected the assets, liabilities, and transactions relating to the General Administrative Fund only. The Authority also administers the following funds:

- Working Capital Fund
- Endowment Fund
- Voluntary Trust Fund
- Support Trust Fund
- Cost Recovery Fund
- ISA Partnership Fund

Following the implementation of Enterprise Reporting System (ERP) in 2020, the above funds were incorporated in the Authority's accounting records. Accordingly, the bank accounts related to these funds were also captured in the accounting records. The status of these funds is set out in Note 25.

## (b) Use of estimates and assumptions

The financial statements necessarily include amounts based on judgements, estimates and assumptions by management. Estimates include but are not limited to recoverability of accounts receivable; accrued charges; contingent assets and liabilities; and degree of impairment on property and equipment. Material changes in estimates are reflected in the period in which they become known.

As disclosed in Note 14, the Authority operates provides post-retirement medical benefits. The amounts shown in the statement of financial position as a liability of approximately \$1.891 million (2023: \$1.914 million) in respect of the post-retirement medical benefit are subject to estimates in respect of periodic costs which net costs would be dependent on inflation rates and rates of increases in medical costs for the post-retirement medical plan. External actuaries are contracted by the Authority in this regard.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. The assumptions are reviewed at each reporting date.

The discount rates which are used to determine the present value of estimated cash outflows expected to be required to settle any future medical obligation are determined at the end of each reporting period by the contracted external actuaries. The Authority's defined benefit obligation is discounted at a rate set by reference to long term yields at the end of the reporting period on high quality corporate bonds or, in their absence, certain Government securities. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of the bonds include the issue size of the bonds and the quality of the bonds.

Judgement is also exercised in determining the proportionate share of the health obligation and cost as well as the extent that the surplus or deficit in the plan may affect the future contributions to the plan. Details of sensitivity analyses in respect of the post-retirement medical benefits are disclosed at Note 14(f).

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

**Functional and presentation currency**

The financial statements are presented in United States dollars, which is the functional currency of the Authority, unless otherwise stated.

**Foreign currencies**

In preparing the financial statements of the Authority, transactions in currencies other than the Authority's functional currency, are reported at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated using the United Nations Operational Rate of Exchange (UNORE) rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences are recognised in the statement of financial performance in the period in which they arise.

**Presentation of budget information**

The Authority prepares its annual financial statements on a full accrual basis, while its budget is prepared annually on a modified accrual basis.

Due to the different bases of budgets and financial statements, Statement 5 - Comparison of budget and actual amounts, as required under IPSAS 24 - Presentation of Budget Information in Financial Statements, is presented with explanations and clarifications of material variances between budget and actual data.

**Financial Instruments**Initial recognition and measurement

Contributions receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Authority becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTSD, transaction costs that are directly attributable to its acquisition or issue. At initial recognition, the Authority measures receivables and payables at the original invoice amount if the effect of discounting is immaterial.

Classification and subsequent measurement*Financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost or fair value through surplus or deficit (FVTSD).

Financial assets are not reclassified subsequent to their initial recognition unless the Authority changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

**Financial Instruments (Cont'd)*****Financial assets (Cont'd)***Management model assessment

The Authority makes an assessment of the objective of the management model in which a financial asset is held at a portfolio level because this best reflects the way the organization is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Authority's management;
- the risks that affect the performance of the management model (and the financial assets held within that management model) and how those risks are managed;

Subsequent measurement and gains and losses

*Financial assets at fair value through surplus or deficit* – These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit

*Financial assets at amortised cost* – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.

***Financial liabilities***Classification, subsequent measurement and gains and losses

Financial liabilities are classified as financial liabilities at fair value through surplus or loss or amortised cost. The Authority determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and plus directly attributable transaction costs (where applicable).

The Authority's financial liabilities include payables and advanced contributions. Any gain or loss on derecognition is also recognised in surplus or deficit.

Derecognition***Financial assets***

The Authority derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Authority neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Authority enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

***Financial liabilities***

The Authority derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Authority also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.



## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

## Financial Instruments (Cont'd)

*Financial assets (Cont'd)*Impairment of financial assets

The Authority recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Authority measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Authority applies a simplified approach in calculating ECLs. Therefore, the Authority does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Authority has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Authority expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Authority assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

**Property and equipment**

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the PE items.

Subsequent costs, for which asset recognition criteria are met, are included in the asset's carrying amount only when they improve the condition of the fixed asset and extend the asset's useful life.

Property and equipment are recognized from the time they first become available for use by the Authority. A capitalization threshold of US\$3,000 has been set for property and equipment items other than leasehold improvements. For leasehold improvements, the threshold is set at US\$50,000.

Depreciation is calculated using the straight-line method in order to spread the expenses over the estimated useful life. The basis for depreciation is the acquisition cost less the estimated residual value. The estimated useful lives for each class of property and equipment are as follows:

Computer equipment	2- 4 Years
Office equipment	5 Years
Motor vehicles	5 Years
Furniture and Fixtures	5 Years
Leasehold improvements	10 Years

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

**3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Property and equipment (Cont'd)**

Depreciation is charged on a monthly basis. Residual values of items of property and equipment are reviewed at each annual reporting date. In practice the residual value is set at nil. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are disclosed under other revenue or expenses in the statement of financial performance.

**Intangible assets**

Intangible assets (software, licenses, trademark) are reported for the first time in the financial statements for the year ended December 31, 2018. They are recorded on a prospective basis only, i.e. items qualified as intangible assets but acquired before 1 January 2018 were all expensed.

Intangible assets are capitalized if their costs meet the threshold of US\$5,000, except for internally developed software, for which the capitalization threshold is US\$100,000.

Intangible assets are recorded from the time they first become available for use by the Authority. Intangible assets are stated at historical cost less accumulated amortization and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or development of the intangible assets.

Useful life for intangible assets is set at five (5) years. Amortization is calculated using the straight-line method to spread the expenses over the estimated useful life.

**Impairment of tangible and intangible assets**

At the end of each reporting date, the Authority reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the statement of financial performance.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

**Provision and contingent liabilities**

Provisions for liabilities and charges are recognized when the Authority has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

The amount of the provision is the best estimate of the expenditure required to settle the present obligation as at the reporting date. The estimate is discounted when the effect of the time value of money is material.

Contingent liabilities for which the possible obligation is uncertain, or for which it is yet to be confirmed whether the Authority has a present obligation that could lead to an outflow of resources, or obligations that do not meet the recognition criteria here above (as per IPSAS 19), are disclosed.

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

**Employee benefits**

Employees are defined as staff members, within the meaning of Article 167 of the United Nations Convention on the Law of the Sea, whose employment and contractual relationship is defined by a letter of appointment, subject to the regulations promulgated by the Assembly of the Authority pursuant to Article 167, paragraph 3, of the Convention. In practice, this means those persons with a temporary, fixed-term or permanent contract.

Obligations for new employees are recognized from the date they report to their duty station.

The Authority's employee benefits are classified into short-term and post-employment benefits.

## (a) Short-term employee benefits

Short-term employee benefits are employee entitlements that are due to be settled within 12 months after the end of the reporting period in which the employee renders the related service. These benefits include annual and home leave.

Annual leave is an accumulating compensated absence. Employees are entitled to monetary settlement of the accrued annual leave balance upon separation from service, up to a maximum of 60 days. The organization therefore recognizes liability for the value of the total accumulated leave days of all staff members as of the reporting date.

Home leave travel is available to eligible staff and dependents. The liability represents the expected travel cost of the next home leave entitlement for qualifying staff, as adjusted for the proportion of service yet to be performed until the benefit is vested.

Owing to the short-term nature of these entitlements, the liability is not discounted for the time value of money.

## (b) Post-employment employee benefits

Post-employment benefits provided by the Authority are:

- (i) After-service health insurance, which provides worldwide coverage for necessary medical expenses of eligible former staff members and their dependents. The after-service health insurance liability represents the present value of the share of the Authority's medical insurance costs for retirees and the post-retirement benefit accrued to date by active staff;
- (ii) End-of-service entitlements, which comprise the repatriation grant, shipping costs and travel expenses. A liability is recognized from when the staff member joins the Authority.

## (c) United Nations Joint Staff Pension Fund (UNJSPF or the "Pension Fund")

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

The Pension Fund exposes participating organization to actuarial risks associated with the current and former employees of other participating organizations, 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 plan. The Authority and the Pension Fund, in line with the other participating organizations, are not in a position to identify the Authority's proportionate share of the defined benefit obligations, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Therefore, the Authority has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39. The Authority's contributions to the Pension Fund during the financial period are recognized as expenses in the statement of financial performance. The pension and health benefits are categorized as defined benefit plans.

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

## Employee benefits (Cont'd)

## (c) United Nations Joint Staff Pension Fund (UNJSPF or the "Pension Fund") (Cont'd)

Defined benefit plans are those where the obligation of the Authority is to provide agreed benefits and therefore the Authority bears the actuarial risk, that is, that the benefits will cost more or less than expected.

The liability for defined benefit plans is measured at the present value of the defined benefit obligation net of the fair value of the plan assets. Movements in the liability from the actuarial gains and losses are recognized in statement of financial position. All other changes in the liability are recognized in the statement of financial performance in the period in which they occur.

## Related parties

The Authority regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority. Members of key management are regarded as related parties which comprise of the Secretary General.

## Revenue

## (a) Revenue from non-exchange transactions

The Authority's revenue from non-exchange transactions such as assessed contributions from Member states is recognized to the extent that the transaction creates an asset without a corresponding deferred revenue liability. When the transaction has stipulations that amount to conditions attached, revenue is recognized only to the extent that any corresponding asset exceeds the liability.

The Authority recognises loss allowances for expected credit losses (ECLs) are recognized on receivables relating to non-exchange revenue. All contributions receivables are presented in statement of financial position net of these allowances.

The Authority has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Authority recognizes revenue under exchange transactions when it is probable that future economic benefits or service potential will flow to the Authority and those benefits can be measured reliably. No revenue is recognized unless these two primary conditions are met. Interest income is accrued on a time-apportionment basis by reference to the principal sum outstanding and the effective interest rate applicable.

## (a) Goods-in-kind contributions

Goods-in-kind contributions are recognized at their fair value, and goods and corresponding revenue are recognized immediately if no conditions are attached. If conditions are attached, a liability is recognized until such conditions are met and the present obligation is satisfied. Revenue is recognized at fair value, measured as at the date the donated assets are acquired.

## (b) Services-in-kind contributions

Services-in-kind contributions are not recognized in the financial statements as revenue. The nature and type of service are disclosed in the notes to the financial statements.

The Authority receives service-in-kind contribution from the Government of Jamaica in the form of free rental space for its Headquarters premises in Jamaica Conference Center, Kingston. The approximate value of this in-kind contribution amounts to US\$292,088 (or JM\$45,404,203) (2023: US\$327,936 (or J\$50,671,000)) for the space of 35,181 square feet, currently used by the Authority.

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2024

## 4 CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents include cash on hand and in bank and short-term investments, net of outstanding bank overdraft. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the statement of financial position as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Cash and bank balances (Note 4(a))	7,835,032	7,417,839
Other funds administered by the Authority (Note 4(b))	<u>6,548,679</u>	<u>6,388,950</u>
	<u>14,383,711</u>	<u>13,806,789</u>

(a) Cash at banks earn interest at floating rates based on the daily bank deposit rates.

(b) These funds are in respect of other funds administered by the Authority and comprise:

	<u>2024</u>	<u>2023</u>
	\$	\$
Working capital fund (Note 25 (a))	745,712	721,788
Endowment fund (Note 25 (b))	4,726,582	4,494,986
Voluntary trust funds (Note 25 (c))	97,731	71,645
Support trust fund (Note 25 (d))	443,130	407,050
Cost recovery fund (Note 25 (e))	342,917	319,114
ISA Partnership fund (Note 25 (f))	<u>192,607</u>	<u>374,367</u>
	<u>6,548,679</u>	<u>6,388,950</u>

## 5 MEMBERS ASSESSED CONTRIBUTIONS RECEIVABLE

	<u>2024</u>	<u>2023</u>
	\$	\$
Current year's assessment	398,396	333,712
Prior year's assessment	365,696	416,966
Contractor	493	155,140
Less: Expected credit loss for uncollected receivables for the current year	( 6,828)	( 7,431)
Less: Expected credit loss for uncollected receivables for the previous years	<u>(197,153)</u>	<u>(216,360)</u>
	<u>560,604</u>	<u>682,027</u>

Movement in expected credit loss for contributions receivable

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance at beginning of the year	223,791	250,455
Net re-measurement in provision	<u>( 19,810)</u>	<u>( 26,664)</u>
Balance at the end of the year	<u>203,981</u>	<u>223,791</u>

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2024

## 5 MEMBERS ASSESSED CONTRIBUTIONS RECEIVABLE (Cont'd)

Ageing analysis of the members associated contribution receivables

	<u>2024</u>	<u>2023</u>
	\$	\$
Current	398,396	333,712
< 2 years	99,277	197,694
2 to 5 years	158,637	112,420
Over 5 years	<u>107,782</u>	<u>106,852</u>
Gross contributions receivable	<u>764,092</u>	<u>750,678</u>

- (a) Seventy-eight member states had not fully paid their 2024 assessed contribution amounts as of December 31, 2024 (Seventy-seven member states had not fully paid their 2023 assessed contribution).
- (b) Thirty-eight member states have not fully paid their 1998-2022 assessed contribution amounts as of December 31, 2024 (forty-two member states in 2023 have not fully paid their 1998-2021 assessed contribution amounts).

## 6 OTHER RECEIVABLE

The analysis of other receivables is as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Supplier advances	90,292	244,005
Prepaid insurance	4,607	4,631
Other	<u>16,139</u>	<u>45,348</u>
	<u>111,038</u>	<u>293,984</u>

## 7 ADVANCES TO STAFF

	<u>2024</u>	<u>2023</u>
	\$	\$
J\$ payments due from staff	-	109
Other advances	<u>151,509</u>	<u>139,866</u>
	<u>151,509</u>	<u>139,975</u>

Advances to staff include both normal advance payments to staff, and advance payments for employee benefits such as home leave, education grants. Based on IPSAS delivery principle, these payments remain as advances for the proportion of service yet to be performed by the concerned staff member until the benefit is vested.

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

## 8 PROPERTY AND EQUIPMENT

	<u>Motor Vehicles</u> \$	<u>Computer Equipment</u> \$	<u>Furniture and Fixtures</u> \$	<u>Office Equipment</u> \$	<u>Leasehold Improvements</u> \$	<u>Total</u> \$
<b>At cost</b>						
January 1, 2023	172,591	277,023	504,133	247,164	216,049	1,416,960
Additions	<u>-</u>	<u>23,602</u>	<u>-</u>	<u>39,070</u>	<u>-</u>	<u>62,672</u>
December 31, 2023	172,591	300,625	504,133	286,234	216,049	1,479,632
Adjustments	<u>-</u>	<u>( 3,088)</u>	<u>( 4,460)</u>	<u>572</u>	<u>-</u>	<u>( 6,976)</u>
December 31, 2024	<u>172,591</u>	<u>297,537</u>	<u>499,673</u>	<u>286,806</u>	<u>216,049</u>	<u>1,472,656</u>
<b>Depreciation</b>						
January 1, 2023	111,132	265,370	440,856	235,898	86,439	1,139,695
Charge for year	<u>24,810</u>	<u>10,436</u>	<u>52,763</u>	<u>14,408</u>	<u>21,613</u>	<u>124,030</u>
December 31, 2023	135,942	275,806	493,619	250,306	108,052	1,263,725
Adjustments	<u>-</u>	<u>( 3,088)</u>	<u>( 4,460)</u>	<u>572</u>	<u>-</u>	<u>( 6,976)</u>
Charge for year	<u>19,128</u>	<u>7,612</u>	<u>8,622</u>	<u>9,245</u>	<u>21,612</u>	<u>66,219</u>
December 31, 2024	<u>155,070</u>	<u>280,330</u>	<u>497,781</u>	<u>260,123</u>	<u>129,664</u>	<u>1,322,968</u>
<b>Net Book Value</b>						
December 31, 2024	<u>17,521</u>	<u>17,207</u>	<u>1,892</u>	<u>26,683</u>	<u>86,385</u>	<u>149,688</u>
December 31, 2023	<u>36,649</u>	<u>24,819</u>	<u>10,514</u>	<u>35,928</u>	<u>107,997</u>	<u>215,907</u>

## 9 INTANGIBLE ASSETS

	<u>Software, Licenses and Trademarks</u> \$
<b>Cost</b>	
January 1, 2023, December 31, 2023 and December 31, 2024	<u>76,431</u>
<b>Amortization</b>	
January 1, 2023	58,976
Amortization for year	<u>10,689</u>
December 31, 2023	69,665
Amortization for year	<u>6,766</u>
December 31, 2024	<u>76,431</u>
<b>Net Book Value</b>	
December 31, 2024	<u>-</u>
December 31, 2023	<u>6,766</u>

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2024

## 10 PAYABLES AND ACCRUALS

	<u>2024</u>	<u>2023</u>
	\$	\$
Annual leave liability	520,554	510,954
Accrued home leave	205,088	295,693
Application fees payable	371,527	-
Other accounts payable and accruals	( 3,826)	57,790
	<u>1,093,343</u>	<u>864,437</u>

## 11 OTHER PROVISIONS

These are services rendered and provided for by the reporting date for which the related invoices had not been received as of that date

## 12 ADVANCE CONTRIBUTIONS

These amounts represent the following year's assessed contributions amount received during the year

## 13 REPATRIATION BENEFITS

Repatriation benefits include repatriation grant, travel and removal costs on staff member's separation from service, the provisions made annually to be paid upon separation of staff members.

	<u>2024</u>	<u>2023</u>
	\$	\$
Current entitlements	93,821	19,917
Non-current entitlements	<u>261,066</u>	<u>282,538</u>
	<u>354,887</u>	<u>302,455</u>

## 14 AFTER SERVICE HEALTH INSURANCE BENEFIT

The Authority sponsors an insured health plan covering its full-time employees and retirees. The most recent valuation at December 31, 2024 (2023: December 31, 2023), was carried out on February 19, 2025 (2023: February 28, 2024), by Corrinne Bellamy (Sagicor Employee Benefit Administrator Limited), Fellow of the Society of Actuaries.

(a) Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages)

	<u>2024</u>	<u>2023</u>
	%	%
<b><u>Financial</u></b>		
Discount rate	7	7.5
Price inflation (CPI)	2.5	2.5
Medical claims growth	4.5	4.5



## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2024

## 14 AFTER SERVICE HEALTH INSURANCE BENEFIT (Cont'd)

- (a) Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages) (Cont'd)

**Demographic**

Men and women are expected to retire in line with normal retirement ages of the UNSPF pension regulations which stipulates:

<b>Date of hire</b>	<b>NRA (years)</b>
Before 1 January 1990	60
On 1 January 1990 and before 1 January 2014	62
On and after 1 January 2014	65

\*No allowances were made for exits before retirement.

**Mortality**

RP-2014 Employee and Healthy Annuitant Mortality Rates projected to the measurement date, using the American 1994 Group Annuitant Mortality static (GAM94S) with a 5-year Mortality

**Other**

	<b><u>2024</u></b>	<b><u>2023</u></b>
	<b>Years</b>	<b>Years</b>
<b><u>Average liability duration</u></b>		
All participants	22	22

- (b) Post-employment medical benefits

	<b><u>2024</u></b>	<b><u>2023</u></b>
	<b>\$</b>	<b>\$</b>
Present value of the obligation and liability recognised in statement of financial position	<u>1,891,000</u>	<u>1,914,000</u>

- (c) Movements in post-employment medical benefits

	<b><u>2024</u></b>	<b><u>2023</u></b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	1,914,000	1,684,000
Contributions paid	( 98,000)	( 95,000)
Authority's expense	192,000	204,000
Net expense recognised in net assets	<u>( 117,000)</u>	<u>121,000</u>
Balance at end of year	<u>1,891,000</u>	<u>1,914,000</u>

- (d) Expense recognised in the statement of financial performance

	<b><u>2024</u></b>	<b><u>2023</u></b>
	<b>\$</b>	<b>\$</b>
Current service cost	52,000	40,000
Interest cost on obligation	<u>140,000</u>	<u>164,000</u>
Net expense included in surplus	<u>192,000</u>	<u>204,000</u>
Items recognised in net asset:		
Remeasurement loss on obligation	<u>( 117,000)</u>	<u>121,000</u>
	<u>75,000</u>	<u>325,000</u>

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2024

## 14 AFTER SERVICE HEALTH INSURANCE BENEFIT (Cont'd)

(e) Changes in the present value of the defined benefit obligation are as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Opening defined benefit obligation	1,914,000	1,684,000
Service cost	52,000	40,000
Interest cost on obligation	140,000	164,000
Remeasurement loss/(gain) on obligation due to:		
- Experience adjustments	( 236,000)	( 506,000)
- Financial assumptions	119,000	627,000
Benefits paid	( 98,000)	( 95,000)
Closing present value of the defined benefit obligation	<u>1,891,000</u>	<u>1,914,000</u>

(f) A quantitative sensitivity analyses for significant assumptions at the end of the reporting period is shown below:

<u>2024</u>				
<u>Assumptions</u>	Sensitivity Level Increase	Impact on Defined Benefits Obligation \$	Sensitivity Level Decrease	Benefits Obligations \$
<i>Financial</i>				
Discount rate	-1%/+1%	258,000	1%	(209,000)
Medical claims growth	-1%/+1%	(215,000)	1%	258,000
<i>Demographic</i>				
Life expectancy	-1yr/+1yr	(61,000)	1 year	60,000
<u>2023</u>				
<u>Assumptions</u>	Sensitivity Level Increase	Impact on Defined Benefits Obligation \$	Sensitivity Level Decrease	Impact on Defined Benefits Obligations \$
<i>Financial</i>				
Discount rate	-1%/+1%	245,000	1%	(201,000)
Medical claims growth	-1%/+1%	(208,000)	1%	245,000
<i>Demographic</i>				
Life expectancy	-1yr/+1yr	( 57,000)	1 year	56,000

(g) Post-employment medical obligation benefit

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Present value of the post-employment benefit obligation in the Plan	<u>1,891,000</u>	<u>1,914,000</u>	<u>1,684,000</u>	<u>2,361,000</u>
Experience adjustments arising on plan liabilities – (Gain)/Loss	( 236,000)	( 506,000)	<u>176,000</u>	( 54,000)

(h) The Authority's estimated net expense for 2025 is \$0.195 million (2023: 2024 is \$0.199 million)

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

## 15 ASSESSED CONTRIBUTIONS INCOME

The amount represents the net assessed contributions from member states.

## 16 THE ENTERPRISE

This amount represents the net assessed contributions from member states.

## 17 OVERHEAD CHARGES

These amounts represent the annual charge of US\$80,000 per contractor for 30 (2023: 30) contractors.

## 18 INTEREST INCOME

	<u>2024</u>	<u>2023</u>
	\$	\$
Interest income from:		
Other General Administrative Fund bank accounts	165,799	88,717
Interest Income from Non-General Administrative Fund (Note 25)	<u>233,849</u>	<u>238,695</u>
	<u>399,648</u>	<u>327,412</u>

## 19 MISCELLANEOUS INCOME

Miscellaneous income include income from mineral research and development.

## 20 ADMINISTRATIVE EXPENDITURE OF THE SECRETARIAT (SECTION 1)

These comprise all costs related staff as well as the costs relating to the substantive areas of the Authority's work.

	<u>2024</u>	<u>2023</u>
	\$	\$
Established posts	4,079,620	3,997,337
Common Staff Costs	2,531,457	2,495,725
General Temporary Assistance	23,610	21,770
Overtime	15,742	8,857
Consultants (non-programme)	12,855	7,616
Training	59,665	19,628
Official travel (non-programme)	127,782	91,364
Communications	64,733	67,246
Library books and supplies	51,491	76,143
External Printing (20 percent non-programme)	235	1,634
Supplies and materials	61,207	61,148
Official Hospitality	1,231	7,265
Information Technology	69,956	82,134
Acquisition of equipment and furniture and others	52,642	80,433
Rental & maintenance of equipment and furniture	9,454	5,206
United Nations common system	112,875	138,868
Miscellaneous services and costs	45,464	86,315
Audit fees	19,288	20,219
Building management	492,265	446,058
IPSAS/ERP related	<u>38,371</u>	<u>-</u>
	<u>7,869,943</u>	<u>7,714,966</u>

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

## 21 CONFERENCE SERVICING COSTS (SECTION 2)

	<u>2024</u>	<u>2023</u>
	\$	\$
Printing and supplies	869	3,623
General Temporary Assistant	59,326	69,271
Rental of Conference Centre	104,602	117,133
Local transportation	8,333	8,146
Miscellaneous conference service costs	95,982	87,353
Rental of equipment	1,701	31,199
Interpretation services	429,331	956,204
Documentation	319,618	390,356
Reception	<u>17,778</u>	<u>7,795</u>
	<u>1,037,540</u>	<u>1,671,080</u>

## 22 COST OF PROGRAMMES (SECTIONS 3 - 5)

	<u>2024</u>	<u>2023</u>
	\$	\$
Development of the regulatory framework for activities in the Area (Programme 3.1)	233,953	296,929
Protection of the marine environment (Programme 3.2)	253,485	229,326
Data management (resource and environment) (Programme 3.4)	254,078	193,542
Promotion and encouragement of marine scientific research in the Area (Programme 3.5)	164,009	169,172
Outreach activities (Programme 3.6)	97,179	122,617
Capacity development and technical cooperation (Programme 3.7)	91,452	197,499
Mineral resources and mining technologies (Programme 3.8)	175,566	135,662
Compliance Assurance and Regulatory Management Unit (Section 4)	827,596	516,766
The Enterprise expenditure (Section 5)	<u>343,273</u>	<u>39,266</u>
	<u>2,440,591</u>	<u>1,900,779</u>

## 23 RELATED PARTY TRANSACTIONS

Related parties to the Authority with the ability to exercise significant influence over the Authority's financial and operating decisions. For the Authority, these include: key management personnel and close members of the family of key management personnel, identified as the Secretary General and members of the ISA Senior Management Group, namely Legal Counsel; Director of Office of Environmental Management and Mineral Resources; Chief of Staff and Head of the Strategic Planning Unit and Director of Office for Administrative Services. The total remuneration, the number of individuals and any loans are as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Compensation and post adjustments	1,108,663	1,198,572
Other entitlements	95,711	99,018
Pension plan and health benefits	<u>226,445</u>	<u>231,598</u>
Total remuneration	<u>1,430,819</u>	<u>1,529,188</u>
Number of individuals	5	5

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2024

## 24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

The Authority's principal financial instruments comprise contributions receivable, cash and short-term deposits and other payables. The main risks arising from the Authority's financial instruments are credit risk, liquidity risk, foreign currency risk and interest rate risk. Those charged with governance are responsible for managing the risks summarized below:

**Credit risk**

Credit risk is the risk of financial loss to the Authority if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the Authority's members assessed contribution receivables, other receivables and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk as at December 31, was:

	<u>2024</u>	<u>2023</u>
	\$	\$
- Members assessed contributions receivable	560,604	682,027
- Other receivables	16,139	45,348
- Advances to staff	-	109
- Cash and cash equivalents	<u>14,383,711</u>	<u>13,806,789</u>
	<u>14,960,454</u>	<u>14,534,273</u>

The Authority does not have credit risk associated with exchange transactions. Receivables represent the unpaid contributions or unpaid part of contributions from the member states which is governed by the membership rules. Expected credit loss recognised on contributions receivable are detailed in Note 5. The Authority believes that as these are sovereign debt, the amounts are collectible.

**Liquidity risk**

Liquidity risk is the risk that the entity will encounter difficulty in raising funds to meet its commitments. The Authority's activities are funded by the contributions received by its member states. The compliance rate is usually adequate to meet the funding needs of the Authority and as a result liquidity risk is considered low.

**Foreign currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Authority had no significant foreign currency exposure and an insignificant portion of its expenses are in Jamaican dollars. Contributions and other relevant activities are incurred in US Dollars. Jamaican Dollars (JMD) for payment of local staff salaries and other local purchases. The US Dollars held are converted to JMD on an as-needed basis, therefore exchange rate risk is minimal.

**Interest rate risk**

Interest rate risk is risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At the statement of financial position date, the Authority had no significant exposure to interest rate risk as the cash and cash equivalents held bear minimal interest rates and the Authority has no borrowings.

**Fair value**

The following methods and assumptions have been used in determining the fair values of financial assets and financial liabilities:

- The carrying amounts included in the financial statements for cash and cash equivalents, members assessed contribution receivable, advances to staff and other receivables and other payables are assumed to approximate their fair values due to the short-term maturity of these instruments.

Fair value measurements recognized in the Statement of Financial Position:

There were no financial instruments that were measured subsequent to initial recognition at fair value or for which fair value disclosures are required that would be significant to the financial instruments held by the Authority.

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2024

## 25 OTHER FUNDS

## (a) Working Capital Fund

Accumulated contributions to the Authority's Working Capital Fund as at December 31, 2024 totaled US\$745,712 (2023: US\$721,788) with a movement of US\$23,924 (2023: US\$23,925) for the year. The authorized ceiling of this fund was increased from US\$660,000 to US\$750,000 in 2024 (ISBA/25/A/14). Outstanding contributions totaled the amount of US\$4,288 (2023: US\$5,712). No funds were drawn from the Working Capital Fund for operational purposes in 2024.

## (b) Endowment Fund

The Assembly at the 12th Session of the Authority requested the Secretary-General to establish a general account to be known as the Endowment Fund for Marine Scientific Research in the Area. It was also decided that the initial capital of the fund should consist of the balance remaining as at 18 August 2006 from the application fees paid by the registered Pioneer Investors together with interest accrued thereon. On 25 September 2009, the FDR Germany approved the transfer of the fees paid on 20 December 2005 plus interest accrued thereon to the Endowment Fund.

	<u>2024</u>	<u>2023</u>
	\$	\$
Opening balance	4,494,986	4,259,516
Contributions	-	-
Interest income (Note 18)	231,596	235,470
Less: expenses	<u>-</u>	<u>-</u>
Closing balance	<u>4,726,582</u>	<u>4,494,986</u>

## (c) Voluntary Trust Funds

The Voluntary Trust Fund (VTF) consists of three funds. The first fund was established in 2002 for the purposes of defraying the cost of participation of members of the Legal and Technical Commission (LTC) and the Finance Committee from developing countries in meetings of the Commission and the Committee.

The movement of the first Voluntary Fund during the year:

	<u>2024</u>	<u>2023</u>
	\$	\$
Opening balance	46,526	135,749
Contributions	184,852	55,500
Interest income (Note 18)	2,253	3,225
Less: expenses	<u>(148,200)</u>	<u>(147,948)</u>
Closing balance	<u>85,431</u>	<u>46,526</u>

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2024

## 25 OTHER FUNDS (Cont'd)

## (c) Voluntary Trust Funds (cont'd)

The second Voluntary Trust Fund was established in 2017 for the purposes of defraying the cost of participation of members of the Council in their meetings.

The movement of the second Voluntary Trust Fund during the year:

	<u>2024</u>	<u>2023</u>
	\$	\$
Opening balance	36,710	12,407
Contribution	16,730	72,334
Transfer from Voluntary Trust Fund 3	7,528	-
Less: expenses	(38,199)	(48,031)
Closing balance	<u>22,769</u>	<u>36,710</u>

The third Voluntary Trust Fund was established in 2019 for the purpose of providing the requisite funds related to the work of the Special Representative of the Secretary-General for the Enterprise (ISBA/25/C/16).

	<u>2024</u>	<u>2023</u>
	\$	\$
Opening balance	7,528	16,949
Contribution	-	7,500
Transfer to Voluntary Trust Fund 2	(7,528)	-
Less: expenses	<u>-</u>	<u>(16,921)</u>
Closing balance	<u>-</u>	<u>7,528</u>
	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Reconciliation</u>		
Voluntary Trust Fund 1	85,431	46,526
Voluntary Trust Fund 2	22,769	36,710
Voluntary Trust Fund 3	<u>-</u>	<u>7,528</u>
	108,200	90,764
Refund to be credited to GAF	(10,469)	(19,119)
Balance in bank account	<u>97,731</u>	<u>71,645</u>

## INTERNATIONAL SEABED AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2024

## 25 OTHER FUNDS (Cont'd)

## (d) Support Trust Fund

The Support Trust Fund was established in 2018 for the purpose of collecting donations meant to fund various activities in support of the implementation of ISA's mandates.

Movements of the Support Trust Fund during the year:

	<u>2024</u>	<u>2023</u>
	\$	\$
Opening balance	407,050	649,124
Contributions	612,863	246,340
Transfer to Partnership Fund	( 52,529)	-
Less: expenses	<u>(524,254)</u>	<u>(488,414)</u>
Closing balance	<u>443,130</u>	<u>407,050</u>

## (e) Cost Recovery Fund

The Cost Recovery Fund was established in 2020 for the purpose of fairly compensating the Authority's resources consumed by receiving the indirect cost charges and direct cost recoveries, considered as spendable income, related to extra-budgetary and voluntary contributions. These chargers aim to ensure that the additional costs of supporting extra-budgetary activities are not financed by the General Administrative Budget (ISBA/ST/SGB/2020/2).

Movements of the Cost Recovery Fund during the year:

	<u>2024</u>	<u>2023</u>
	\$	\$
Opening balance	319,114	256,065
Contributions	171,134	250,650
Less: expenses	<u>(147,331)</u>	<u>(187,601)</u>
Closing balance	<u>342,917</u>	<u>319,114</u>

## (f) ISA Partnership Fund

The Partnership Fund was established in line with the decision of the Assembly during the 27th session, in 2022, as a multi-donor trust fund pursuant to regulation 5.5 of the Financial Regulations of the International Seabed Authority. The objectives of the Partnership Fund are to: (a) Promote and encourage the conduct of marine scientific research in the Area for the benefit of humankind as a whole. (b) Provide qualified scientists and technical personnel from developing States with opportunities to participate in international marine scientific research programmes, including through training, technical assistance and scientific cooperation programmes (ISBA/27/A/L.2).

Movements of the Partnership Fund during the year:

	<u>2024</u>	<u>2023</u>
	\$	\$
Opening balance	374,367	132,124
Contributions	200,744	272,243
Transfer from Support Trust Fund	52,529	-
Less: expenses	<u>(435,033)</u>	<u>( 30,000)</u>
Closing balance	<u>192,607</u>	<u>374,367</u>