



International Oil Pollution
Compensation Funds

2024

1992 Fund

Financial Review

Financial Statements for the year ending
31 December 2024 and Auditor's Report and Opinion





2024 Financial Statements and Auditor's Report and Opinion

International Oil Pollution Compensation Fund, 1992

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SECTION ONE

DIRECTOR'S COMMENTS ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 1 JANUARY TO 31 DECEMBER 2024

1 Introduction

- 1.1 The International Oil Pollution Compensation Funds (IOPC Funds) are intergovernmental organisations that provide compensation for oil pollution damage resulting from spills of persistent oil from tankers. The International Oil Pollution Compensation Fund 1992 (1992 Fund) was set up under the 1992 Fund Convention, which entered into force on 30 May 1996, and is the second tier in the international civil liability and compensation regime.
- 1.2 The first tier is the 1992 Civil Liability Convention (CLC), which lays down the principle of strict liability of shipowners for oil pollution damage and creates a system of compulsory liability insurance. The shipowner is normally entitled to limit their liability to an amount that is linked to the tonnage of the ship. The 1992 Fund Convention establishes a regime for compensating victims when the compensation available under the 1992 CLC is inadequate, and forms the second tier of compensation. Any State Party to the 1992 CLC may become Party to the 1992 Fund Convention and thereby become a Member of the 1992 Fund.
- 1.3 A Protocol to the 1992 Fund Convention adopted in 2003 resulted in the establishment of the International Oil Pollution Compensation Supplementary Fund (Supplementary Fund), which provides an optional third tier of compensation. The Supplementary Fund is a related party to the 1992 Fund.
- 1.4 The maximum amount of compensation payable under the 1992 Conventions for any one incident is SDR 135 million^{<1>} in respect of incidents occurring before 1 November 2003 and SDR 203 million for incidents occurring after that date. These amounts, which at 31 December 2024 corresponded to some £140 million and £211 million, respectively, include the sum which may be attributed to the shipowner or their insurer (Protection and Indemnity Club (P&I Club)).
- 1.5 The 1992 Fund has an Assembly composed of all Member States and an Executive Committee of 15 Member States elected by the Assembly. The Assembly is the supreme governing body of the organisation, having, *inter alia*, responsibility for financial matters. The main function of the Executive Committee is to approve the settlement of claims for compensation when either the Director is not authorised to make settlements or when the Director seeks policy approval on specific aspects of a claim.
- 1.6 The 1992 Fund is financed by contributions paid by any person who has received in the relevant calendar year in excess of 150 000 tonnes of crude oil or heavy fuel oil (contributing oil) in ports or terminal installations in a Member State after carriage by sea. The levy of contributions is based on reports of oil receipts in respect of individual contributors, which are submitted to the Secretariat by governments of Member States.

<1> The SDR (Special Drawing Right), the unit of account used in the Conventions, is valued on the basis of a basket of key international currencies and serves as the unit of account of the International Monetary Fund and a number of other intergovernmental organisations. The conversion rate on 31 December 2024 was SDR 1 = £1.03952, as published on the International Monetary Fund website, www.imf.org.

- 1.7 At its February/March 2006 session, the 1992 Fund Assembly took note of a voluntary agreement between owners of small tankers and their insurers, the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006, under which the shipowner/P&I Clubs would reimburse the 1992 Fund for part of the compensation payable by the Fund under the 1992 Fund Convention. The effect of STOPIA 2006 is that the maximum amount of compensation payable by owners of all ships of 29 548 gross tonnage or less, which are insured and reinsured through the pooling arrangements of the International Group of P&I Associations, is SDR 20 million. STOPIA 2006 was amended in 2017 and since then the agreement has been known as STOPIA 2006 (as amended 2017). STOPIA 2006 is applicable to the *Solar 1* incident, which occurred in 2006 and the *Haekup Pacific* incident which occurred in 2013. STOPIA 2006 (as amended 2017) is applicable to the *Bow Jubail* incident, which occurred in 2018, the *Princess Empress* incident in 2023 and the *Terranova* incident in 2024.
- 1.8 As at 31 December 2024, the 1992 Fund had 122 States Parties. A full list of current Member States of the 1992 Fund can be found in the Membership section of the IOPC Funds website: www.iopcfunds.org.

2 Secretariat

- 2.1 The 1992 Fund has a Secretariat, headed by a Director, based in London, United Kingdom (UK). The relationship between the 1992 Fund and the Host State is governed by a Headquarters Agreement between the UK Government and the 1992 Fund. It defines the status, privileges and immunities of the 1992 Fund and persons connected with it to enable the 1992 Fund to fully and efficiently discharge its responsibilities and fulfil its purposes and functions. The 1992 Fund Secretariat also administers the Supplementary Fund. As at 31 December 2024, the Secretariat had 36 established posts.
- 2.2 The Director of the 1992 Fund is *ex officio* also the Director of the Supplementary Fund and is assisted by a Management Team in the day-to-day running of the joint Secretariat.
- 2.3 The Management Team consists of the Director, the Deputy Director/Head of the Claims Department and the Head of the Administration Department. Related party disclosures in line with the International Public Sector Accounting Standards (IPSAS) requirements are included in the notes to the Financial Statements.
- 2.4 The 1992 Fund uses external consultants to provide advice on legal and technical matters as well as on matters relating to management.
- 2.5 A local claims focal point was appointed at the end of 2021 to facilitate the efficient handling of claims and provide assistance to claimants with respect to the Incident in Israel. In March 2023, the 1992 Fund and the Shipowners' P&I Club opened a claims submission office (CSO) in Calapan, Oriental Mindoro, the Philippines, to facilitate the submission of claims in respect of the *Princess Empress* incident. In April 2024, a local claims focal point was appointed in Trinidad to assist and deal with claims arising from the *Gulfstream* incident. In July 2024, a CSO was opened in Singapore to deal with claims arising from the *Marine Honour* incident. Towards the end of 2024, two CSOs were opened in the Philippines to assist with claims arising from the *Terranova* incident.
- 2.6 A summary of the incidents involving the 1992 Fund is set out in paragraph 7.6.

3 Governance

3.1 Audit Body

- 3.1.1 The governing bodies of the IOPC Funds have established a joint Audit Body for the two Funds composed of seven members elected by the 1992 Fund Assembly: six named individuals, nominated by 1992 Fund Member States, and one external expert with experience in audit matters, nominated by the Chair of the 1992 Fund Assembly. The Chair and Vice-Chair of the Audit Body are elected by the 1992 Fund Assembly on the proposal by the Chair of the 1992 Fund Assembly from six elected individuals nominated by Member States.
- 3.1.2 In November 2023, the 1992 Fund Assembly elected an Audit Body of six members for a three-year term. At its session in November 2024, the Assembly re-elected the external expert to serve a further three years from 1 January 2025.
- 3.1.3 The Audit Body normally meets three times a year. In 2024, it met on three occasions in April, July and December.

3.2 Investment Advisory Body

- 3.2.1 The governing bodies of the IOPC Funds have established a joint Investment Advisory Body (IAB), consisting of three experts with specialist knowledge in investment matters, appointed by the 1992 Fund Assembly to advise the Director on the Funds' investments.
- 3.2.2 At its session in November 2023, the 1992 Fund Assembly decided to reappoint the three members of the IAB for a further term of three years.
- 3.2.3 The IAB normally meets four times a year, and in 2024 it met in March, June, September and December.

3.3 Financial risk management

- 3.3.1 The IOPC Funds maintain a risk register consisting of two categories: operational risk and institutional risk. Operational risk has been sub-divided into five areas: finance and contributions; governance and management; compensation; safety and security; and communications and publications. For each of these areas, sub-risks have been identified, and the processes and procedures for their management have been mapped, assessed and documented. The Secretariat conducts an annual review to prioritise key risks and ensure they are adequately mitigated. The key risks are reviewed at least annually by the Audit Body, and the Audit Body and the Director jointly identify areas of risk requiring more in-depth analysis.
- 3.3.2 The 1992 Fund has established a framework on internal control as set out in the Statement on Internal Control (see paragraphs 12-16).
- 3.3.3 The 1992 Fund's financial risk management policies focus on securing the Fund's assets, maintaining sufficient liquid assets for the operation of the Fund, avoiding undue currency risks and obtaining a reasonable return. Financial risk is managed using the Internal Investment and Hedging Guidelines approved by the Director, which have been developed in accordance with advice from the IAB. Established policies cover areas of financial risk such as foreign exchange, interest rate and credit risk, the use of financial instruments and the investing of liquid funds.
- 3.3.4 The 1992 Fund's credit risk is spread as widely as possible. Its investment policy limits the amount of credit exposure to any one counterparty and includes minimum credit quality guidelines.

4 Financial highlights for 2024

- 4.1 In accordance with IPSAS, the Financial Statements for the 1992 Fund are produced on an entity basis. The 1992 Fund classifies its activities into the General Fund and Major Claims Funds, and segment reporting of financial position and financial performance is provided in Note 25. Major Claims Funds are set up for incidents where expenditure for the incident exceeds SDR 4 million. In 2024 there were ten Major Claims Funds in place, namely for the *Prestige*, *Hebei Spirit*, *Alfa I*, *Nesa R3*, *Agia Zoni II*, Incident in Israel, *Bow Jubail*, *Princess Empress*, *Gulfstream* and *Marine Honour* incidents.
- 4.2 At an entity level, the closing net asset position presented in Statement I amounted to £56.4 million (2023: £40.0 million). This represents an increase of £16.4 million from the opening balance on 1 January 2024 due largely to income from 2023 levies exceeding compensation expense, claims related expenditure and administrative expenditure. The working capital for 2024 was maintained at £15 million, in line with the decision made by the 1992 Fund Assembly in October 2019 (see document [IOPC/OCT19/11/1](#), paragraph 9.1.14) as set out in paragraph 7.1 of this document.
- 4.3 In 2024, the total revenue was £46.9 million (2023: £13.4 million) comprising £39.2 million generated from 2023 levies. Reimbursement of £4.0 million was received for compensation paid in respect of the *Bow Jubail* incident, in accordance with STOPIA 2006 (as amended 2017). Total expenditure was £30.5 million (2023: £32.5 million) comprised of £21.8 million in compensation, £2.7 million in claims related expenditure and £5.3 million in administrative expenditure.
- 4.4 At the end of 2024, the 1992 Fund's cash, cash equivalent and term deposit assets, amounting to some £72.9 million (2023: £59.2 million), were held in pounds sterling (43%) and US dollars (18%) in respect of the General Fund and euros (33%) in respect of the *Prestige*, *Agia Zoni II* and *Bow Jubail* incidents. Israeli shekels (6%) were held in respect of the Incident in Israel.
- 4.5 In November 2023, the 1992 Fund Assembly decided to levy £10 million to the General Fund, £20 million to the *Bow Jubail* Major Claims Fund and £10 million to the *Princess Empress* Major Claims Fund, all payable by 1 March 2024.
- 4.6 As at 31 December 2024, outstanding contributions due to the 1992 Fund totalled £2.3 million (£2.5 million less a provision for contributions that may not be received). The Secretariat continues to work with authorities in Member States where contributions remain outstanding.
- 4.7 Other receivables amounting to £2.3 million include taxes such as VAT, recoverable from the UK Government, accrued interest on investments, accrued interest on overdue contributions, and accrued income due from P&I Clubs in relation to incident joint costs.
- 4.8 In 2024, contributions-in-kind of £206 400 were received from the UK Government as reimbursement towards the rental costs of the Secretariat offices in the International Maritime Organization (IMO) building.
- 4.9 In 2024, compensation expenditure not previously provided for amounted to some £21.8 million with a further £11.5 million paid against claims which had been approved and provided for in a previous year. Compensation paid in respect of the *Bow Jubail* incident was recovered from the relevant P&I Club, to the maximum amount available under STOPIA 2006 (as amended 2017) (£4.0 million).
- 4.10 Claims-related expenditure incurred in 2024 amounted to £2.7 million. Under the Memorandum of Understanding (MoU) with the International Group of P&I Associations, the relevant P&I Clubs' share of joint costs in 2024 amounted to £1 044 in respect of the *Hebei Spirit* incident, £576 487 in respect of the *Princess Empress* incident and £35 089 in respect of the *Marine Honour* incident. These amounts have been offset against claims-related expenditure.

5 Secretariat budget

5.1 The budget for the running of the Secretariat is prepared on a modified cash basis. Expenses for running the Secretariat were made under six chapters (Statement of Comparison of Budget and Actual Amounts — Statement V) as set out in the table below:

Chapter	2024 budget appropriations	2024 budget out-turn	Underspend/(overspend) as % of original budget appropriations
	£	£	
I Personnel	3 813 519	3 616 778	5.2%
II General services	839 499	814 053	3.0%
III Meetings	112 000	122 350	(9.2%)
IV Travel	150 000	76 285	49.1%
V Other expenditure	407 000	355 836	12.6%
VI Unforeseen expenditure	60 000	-	100.0%
TOTAL	5 382 018	4 985 302	7.4%

5.2 The total Secretariat expenses (excluding external audit fees) amounted to £4 985 302 (2023: £4 629 690). This is £396 716 or 7.4% less than the 2024 budget appropriation of £5 382 018.

5.3 In November 2023, the 1992 Fund Assembly approved the 2024 budget appropriation of £5 382 018 for Chapters I–VI and £74 290 for Chapter VII, giving a total of £5 456 308 (see document [IOPC/NOV23/11/1](#), paragraph 9.1.14).

5.4 Chapter I — Personnel

5.4.1 Expenditure under Personnel totalled £3 616 778 and covered salaries, separation/recruitment, staff benefits/allowances and training. The provision for employee benefits (as set out in paragraph 6.2) is not included in the budget out-turn figure.

5.4.2 Costs under this chapter make up 73% of the total administrative expenditure.

5.5 Chapter II — General services

5.5.1 Of the £814 053 spent within this chapter, some 25% related to office accommodation, 54% to IT (hardware, software, maintenance and connectivity) and 10% to public information (including website and publications costs).

5.5.2 The 1992 Fund Secretariat relocated to the IMO headquarters building in 2016. The term of the lease entered into with IMO runs from 1 March 2016 and will expire on 25 October 2032. The rent was fixed at £258 000 per annum until the break point on 31 October 2024. From 1 November 2024, IMO charged £375 000 per annum, fixed for the remainder of the lease. The UK Government usually meets 80% of the costs related to the rental space of the Secretariat offices in the IMO headquarters building, although this was capped at £206 400 for 2024.

5.5.3 The budget out-turn includes the cost of purchase of fixed assets amounting to £22 656, whereas the Statement of Financial Performance (Statement II) instead includes the depreciation and amortisation cost of £20 323, in line with IPSAS requirements.

5.5.4 Costs under this chapter make up some 16% of the total administrative expenditure.

5.6 Chapter III — Meetings

- 5.6.1 In 2024, meetings of the IOPC Funds' governing bodies were held in April and November.
- 5.6.2 Costs under this chapter amounted to £122 350. This is £10 350 more than the budget appropriation of £112 000.
- 5.6.3 Costs under this chapter make up some 2.5% of the total administrative expenditure.

5.7 Chapter IV — Travel

- 5.7.1 Where possible, travel for conferences, seminars and missions is combined with travel in relation to incidents and the costs are shared.
- 5.7.2 Costs under this chapter were £76 285 which was £73 715 less than the budget appropriation of £150 000.
- 5.7.3 Costs under this chapter make up some 1.5% of the total administrative expenditure.

5.8 Chapter V — Other expenditure

- 5.8.1 Expenses under this chapter include consultants' fees amounting to £41 821. Consultants' fees cover non-incident related studies, non-incident related legal fees and internal audit fees.
- 5.8.2 Other costs under this chapter relate to the Audit Body and Investment Advisory Body amounting to £218 212 and £95 803, respectively.
- 5.8.3 Costs under this chapter make up some 7% of the total administrative expenditure.

5.9 Chapter VI — Unforeseen expenditure

There was no expenditure under this chapter for 2024, resulting in an underspend of £60 000.

5.10 Chapter VII — External audit fees (1992 Fund expense only)

- 5.10.1 At its October 2022 session, the governing bodies decided to reappoint BDO International LLP (BDO) to audit the Financial Statements for a further two years, i.e. for the financial years 2024–2025 (document [IOPC/OCT22/11/1](#), paragraph 6.3.23). The fee for the audit of the 1992 Fund 2024 Financial Statements (£74 235) was based on the 2023 fee of £67 515 plus an uplift for inflation.
- 5.10.2 The expenses included in the Statement of Financial Performance (Statement II) are based on the requirements of the accounting standards. Total administrative expenses for 2024 were £5 308 081 (2023: £4 976 171), made up of staff and other personnel costs of £3 698 570 (2023: £3 383 303), and other administrative costs of £1 609 511 (2023: £1 592 868).

Expenses included	£
Statement of Financial Performance (Statement II)	5 308 081
Less:	
In accordance with IPSAS	
Accommodation costs reimbursed by the United Kingdom Government	(206 400)
Depreciation and amortisation	(20 323)
Adjustment to provision for employee benefits	(81 792)
1992 Fund expense only	
External audit fees – Chapter VII	(74 235)
Add:	
Fixed asset purchase – Chapter II	22 656
Inter-fund loan interest	37 315
Joint Secretariat expenses Chapters I-VI on budget basis (paragraph 5.1)	4 985 302

6 Other assets and liabilities

6.1 At its first session, the 1992 Fund Assembly instructed the Director to carry out the tasks necessary for the setting up of the International Hazardous and Noxious Substances Fund (HNS Fund) as requested by the HNS International Conference on the basis that any related expenses would be treated as loans from the 1992 Fund. An amount of £884 528 (2023: £631 095), including interest of £112 898, is due from the HNS Fund when it is established. It can be reasonably expected that this balance will be recovered due to progress towards entry into force of the 2010 HNS Convention.

6.2 Provision for employee benefits (short-term and long-term) of £744 358 (2023: £662 566) has been made for accrued annual leave and separation benefits.

6.3 The 1992 Fund maintains a Contributors' Account with a balance of £411 052 (2023: £969 423) made up of reimbursement of contributions in accordance with the 1992 Fund Assembly's decisions plus net overpayments by contributors. Contributors have been informed by the Secretariat of their credit balances, but some contributors have decided to retain the amounts with the 1992 Fund to be offset against the future levy of contributions.

6.4 The staff Provident Fund is made up of two elements, namely Provident Fund 1 (PF1), which is invested with the 1992 Fund assets and Provident Fund 2 (PF2), which is managed by an independent investment manager in the name of the 1992 Fund. Participation in PF2 is entirely voluntary and new staff members can only participate in PF2 after completing one year of service in the Secretariat. Investing in PF2 is to be made only from the cash balance available in PF1. There is no possibility of investing private funds in PF2. All fees paid by those participating in PF2 are based on the proportion of their investment in PF2.

6.5 As at 31 December 2024, PF1 had a balance of £6 539 366 (2023: £6 395 226) on the accounts of staff members. This balance reflects contributions to the Provident Fund during the financial year (£1 088 641), transfers from PF2 (a net amount of £239 623) and interest earned (£368 250) on the investment of the assets of the Provident Fund (see Section 3, Note 14 to the Financial Statements). Withdrawals were made upon separation (£1 296 516) and as housing loans (£255 858).

6.6 A net transfer of £239 623 was made by staff members from PF2 to PF1 in 2024. As at 31 December 2024, the value of the funds in PF2 was £378 512 (2023: £574 407).

7 General Fund and Major Claims Funds' balances

7.1 The General Fund balance on 31 December 2024 was £13 506 864 (2023: £15 517 244), showing a decrease of £2.0 million. The General Fund balance is lower than the working capital of £15 million set by the 1992 Fund Assembly at its October 2019 session due to unforeseen expenditure on new incidents, namely *Gulfstream* and *Marine Honour*. The working capital will be replenished through the 2024 General Fund levy, payable in 2025. A third incident, *Terranova*, occurred in 2024 but this incident incurred minimal expenditure in 2024 due to all compensation payments being made by the shipowner's insurer. The working capital is established to ensure that the 1992 Fund is able to meet compensation and claims-related expenses which have not been foreseen and occur between the regular sessions of the governing bodies.

7.2 The balances on the respective Major Claims Funds on 31 December 2024 were as follows:

Balances on Major Claims Funds	£
<i>Prestige</i> Major Claims Fund	356 013
<i>Alfa I</i> Major Claims Fund	65 871
<i>Agia Zoni II</i> Major Claims Fund	27 068 889
<i>Nesa R3</i> Major Claims Fund	319 290
Incident in Israel Major Claims Fund	6 754 407
<i>Bow Jubail</i> Major Claims Fund	19 538 840
<i>Princess Empress</i> Major Claims Fund	(5 763 128)
<i>Gulfstream</i> Major Claims Fund	-
<i>Marine Honour</i> Major Claims Fund	(5 437 124)

7.3 The contingent liabilities as at 31 December 2024 were estimated at some £141 million (2023: £87 million) in respect of 13 incidents (2023: 12 incidents). Further details on the incidents are provided in Section 3, Note 26.

7.4 A schedule of compensation and claims-related expenditure incurred in respect of open incidents involving the 1992 Fund is provided at paragraph 10.1.

7.5 The 1992 Fund receives contributions income in pounds sterling and converts this to other currencies for the purpose of paying compensation. At 31 December 2024, the 1992 Fund held £31.3 million in pounds sterling and an equivalent of £41.6 million in other currencies. A breakdown of currencies held can be found in Section 3, paragraph 2.4, and the Fund's approach to foreign exchange risk is explained in Section 3, Note 16.

7.6 A summary of the total compensation and claims-related expenditure, on a cash basis (i.e. excluding provision), from both the General Fund (up to SDR 4 million) and, where established, the relevant Major Claims Fund is as follows:

Incident	Date of incident	Compensation £	Claims-related expenses £	Total £
<i>Prestige</i>	13/11/2002	106 621 900	24 826 635	131 448 535
<i>Solar 1*</i>	11/08/2006	8 096 211	463 695	8 559 906
<i>Hebei Spirit</i>	07/12/2007	119 575 604	37 691 882	157 267 486
<i>Redferry</i>	30/03/2009	-	103 641	103 641
<i>Haekup Pacific*</i>	20/04/2010	-	38 791	38 791
<i>Alfa I</i>	05/03/2012	10 856 126	1 016 373	11 872 499
<i>Nesa R3</i>	19/06/2013	6 703 800	504 819	7 208 619
<i>Nathan E. Stewart</i> (Incident in Canada)	13/10/2016	-	18 444	18 444
<i>Agia Zoni II</i>	10/09/2017	14 876 636	4 637 007	19 513 643
<i>Bow Jubail**</i>	23/06/2018	8 194 980	486 112	8 681 092
Incident in Israel	17/02/2021	2 142 438	486 907	2 629 345
<i>Princess Empress**</i>	28/02/2023	24 970 221	2 103 537	27 073 758
<i>Gulfstream</i>	06/02/2024	15 412	273 797	289 209
<i>Marine Honour</i>	14/06/2024	18 406	528 202	546 608
<i>Terranova**</i>	25/07/2024	-	6 367	6 367

* Under STOPIA 2006.

** Under STOPIA 2006 (as amended 2017).

7.7 A detailed breakdown by year is provided at paragraph 10.1.

8 Sustainability

8.1 The 1992 Fund Convention provides the 1992 Fund Assembly with authority to levy contributions that may be required to balance the payments to be made by the 1992 Fund. It also places an obligation on the contributors to make payment by a due date or bear interest on any arrears.

8.2 Based on the net assets held at the end of the period and the generally high percentage of receipt of the contributions levied by the due date, the going concern basis has been adopted in preparing the 1992 Fund's Financial Statements.

9 External Auditor's recommendations from previous financial years and for 2024

9.1 The External Auditor made one internal control recommendation in 2024. The Director's response is set out in paragraph 11.2.

9.2 There are no outstanding recommendations from previous financial years.

Gaute Sivertsen
Director
13 May 2025

10 Claims and claims-related expenditure on a cash basis as at 31 December 2024 (figures in pounds sterling)

10.1 Cumulative expenditure for incidents open in 2024:

Incident	Year	Compensation £	Legal fees £	Technical fees £	Various fees £	Other £	Total £
<i>Prestige^{<2>}, 13 November 2002</i>							
	2024	-	53 779	-	-	-	53 779
	2023	-	86 264	-	-	-	86 264
	2022	-	67 553	-	-	293	67 846
	2021	-	46 383	-	6 836	44	53 263
	2020	-	39 049	-	27 130	29	66 208
	2019	23 502 518	226 241	150 801	36 133	9 862	23 925 555
Reimbursement from P&I Club	2019	-	-	(20 027)	-	-	(20 027)
Reimbursement from P&I Club	2018	-	361 941	146 719	27 339	7 337	543 336
Reimbursement from P&I Club	2018	-	-	(19 484)	-	-	(19 484)
Reimbursement from P&I Club	2017	-	375 037	175 527	34 033	3 912	588 509
Reimbursement from P&I Club	2017	-	-	(23 310)	-	-	(23 310)
Reimbursement from P&I Club	2016	45 229	234 346	145 060	34 392	27 326	486 353
Reimbursement from P&I Club	2016	-	-	(19 264)	-	-	(19 264)
Reimbursement from P&I Club	2015	238	66 242	42 733	28 238	6 732	144 183
Reimbursement from P&I Club	2015	-	-	(5 887)	-	-	(5 887)
Reimbursement from P&I Club	2014	38 323	204 580	53 571	25 666	10 114	332 254
Reimbursement from P&I Club	2014	-	-	(6 895)	-	-	(6 895)
Reimbursement from P&I Club	2013	53 811	904 052	340 051	131 867	11 682	1 441 463
Reimbursement from P&I Club	2013	-	-	(50 124)	-	-	(50 124)
Reimbursement from P&I Club	2012	-	882 326	454 536	51 095	6 766	1 394 723
Reimbursement from P&I Club	2012	-	-	(55 821)	-	-	(55 821)
Reimbursement from P&I Club	2011	107 197	876 299	696 430	18 108	2 692	1 700 726
Reimbursement from P&I Club	2011	-	-	(92 062)	-	-	(92 062)
Reimbursement from P&I Club	2010	62 446	1 123 739	785 355	23 309	3 195	1 998 044
Reimbursement from P&I Club	2010	-	-	(119 399)	-	-	(119 399)
Reimbursement from P&I Club	2009	253 735	1 016 806	1 389 357	33 428	3 340	2 696 666
Reimbursement from P&I Club	2009	-	-	(218 703)	-	-	(218 703)

Incident	Year	Compensation £	Legal fees £	Technical fees £	Various fees £	Other £	Total £
Reimbursement from P&I Club	2008	251 641	699 131	1 241 573	34 636	3 731	2 230 712
Reimbursement from P&I Club	2008	-	-	(171 669)	-	-	(171 669)
Reimbursement from P&I Club	2007	1 109 424	661 652	1 208 692	64 583	8 488	3 052 839
Reimbursement from P&I Club	2007	-	-	(20 153)	-	-	(20 153)
Reimbursement from P&I Club	2006	40 537 569	664 774	1 663 608	135 402	23 225	43 024 578
Reimbursement from P&I Club	2006	-	-	(1 000 000)	-	-	(1 000 000)
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2005	621 316	356 892	2 052 910	208 059	31 557	3 270 734
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2004	123 033	285 311	1 865 281	175 002	288 810	2 737 437
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2003	39 915 420	252 526	2 760 248	280 599	120 473	43 329 266
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2002	-	-	35 969	-	10 626	46 595
Total to date		106 621 900	9 484 923	13 385 623	1 375 855	580 234	131 448 535
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2024	-	46 672	-	-	-	46 672
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2023	-	24 014	-	-	-	24 014
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2022	1 604 588	67 848	-	-	40	1 672 476
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2021	-	30 545	-	-	455	31 000
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2020	-	11 384	-	-	42	11 426
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2019	-	18 824	-	-	-	18 824
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2018	-	17 746	-	-	-	17 746
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2017	-	18 255	-	377	24	18 656
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2016	-	6 588	-	-	33	6 621
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2015	-	9 503	-	-	12	9 515
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2014	-	10 156	-	-	-	10 156
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2013	-	6 843	-	-	12	6 855
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2012	-	18 272	656	-	6	18 934
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2011	-	10 270	-	-	6	10 276
Solar 1, 11 August 2006 (Under STOPIA 2006) ^{<3>}	2010	17 798	8 692	635	-	897	28 022
Reimbursement from P&I Club	2010	-	-	-	-	(573)	(573)
Reimbursement from P&I Club	2009	390 508	33 077	3 800	-	7 294	434 679
Reimbursement from P&I Club	2009	-	-	-	-	(1 663)	(1 663)
Reimbursement from P&I Club	2008	281 908	-	-	-	10 990	292 898
Reimbursement from P&I Club	2008	-	(43 052)	-	(77 879)	(10 925)	(131 856)
Reimbursement from P&I Club	2007	3 835 532	46 658	-	80 677	67 167	4 030 034
Reimbursement from P&I Club	2006	1 965 877	-	-	248	39 069	2 005 194
Total to date		8 096 211	342 295	5 091	3 423	112 886	8 559 906

Incident	Year	Compensation £	Legal fees £	Technical fees £	Various fees £	Other £	Total £
<i>Hebei Spirit^{<4>}, 7 December 2007</i>							
	2024	-	-	5 164	-	-	5 164
Reimbursement from P&I Club	2024	-	-	(1 044)	-	-	(1 044)
	2023	-	-	12 963	-	99	13 062
Reimbursement from P&I Club	2023	-	-	(1 116)	-	-	(1 116)
	2022	-	31 788	42 854	-	48 211	122 853
Reimbursement from P&I Club	2022	-	-	(3 633)	-	-	(3 633)
	2021	-	19 499	294 778	-	1 977	316 254
Reimbursement from P&I Club	2021	-	-	(4 074)	-	-	(4 074)
	2020	2 275 799	34 377	11 943	-	1 197	2 323 316
Reimbursement from P&I Club	2020	-	-	(4 587)	-	-	(4 587)
	2019	33 188 143	506 347	8 334	29 109	12 973	33 744 906
Reimbursement from P&I Club	2019	-	-	(3 667)	-	-	(3 667)
	2018	(1 861)	923 635	32 487	2 018	38 130	994 409
Reimbursement from P&I Club	2018	-	-	(14 276)	-	-	(14 276)
	2017	48 147 120	721 150	145 908	5 553	23 589	49 043 320
Reimbursement from P&I Club	2017	-	-	(64 218)	-	-	(64 218)
	2016	24 064 868	1 431 530	767 394	-	79 157	26 342 949
Reimbursement from P&I Club	2016	-	-	(337 653)	-	-	(337 653)
	2015	11 901 535	1 585 233	2 221 723	-	390 507	16 098 998
Reimbursement from P&I Club	2015	-	-	(977 507)	-	-	(977 507)
	2014	-	1 499 185	1 652 666	-	53 866	3 205 717
Reimbursement from P&I Club	2014	-	-	(715 743)	-	(343)	(716 086)
	2013	-	933 971	1 194 111	-	45 725	2 173 807
Reimbursement from P&I Club	2013	-	-	(463 652)	-	-	(463 652)
	2012	-	306 560	3 132 934	-	62 972	3 502 466
Reimbursement from P&I Club	2012	-	-	-	-	(343)	(343)
	2011	-	512 816	4 211 595	-	155 240	4 879 651
Reimbursement from P&I Club	2011	-	-	-	-	(5 359)	(5 359)
	2010	-	287 299	5 907 901	-	150 818	6 346 018
Reimbursement from P&I Club	2010	-	-	(1 523)	-	(12 793)	(14 316)
	2009	-	2 332 643	5 072 399	31 312	110 021	7 546 375
Reimbursement from P&I Club	2009	-	-	(9 320)	-	(21 255)	(30 575)
	2008	-	248 382	2 903 118	156	96 682	3 248 338
	2007	-	-	-	-	1 989	1 989
Total to date		119 575 604	11 374 415	25 016 259	68 148	1 233 060	157 267 486

Incident	Year	Compensation £	Legal fees £	Technical fees £	Various fees £	Other £	Total £
<i>Redferm, 30 March 2009</i>							
	2024	-	6 700	-	-	-	6 700
	2023	-	4 250	-	-	-	4 250
	2022	-	8 250	-	-	-	8 250
	2021	-	3 350	-	-	-	3 350
	2020	-	1 850	-	-	-	1 850
	2019	-	5 850	-	-	-	5 850
	2018	-	3 600	-	-	-	3 600
	2017	-	1 675	-	-	-	1 675
	2016	-	2 425	-	-	209	2 634
	2015	-	-	-	-	-	-
	2014	-	1 625	-	-	35	1 660
	2013	-	24 850	6 978	-	292	32 120
	2012	-	7 125	11 827	-	12 750	31 702
Total to date		-	71 550	18 805	-	13 286	103 641
<i>Haekup Pacific, 20 April 2010</i>							
	2024	-	3 866	-	-	-	3 866
	2023	-	780	-	-	-	780
	2022	-	1 125	-	-	33	1 158
	2021	-	1 129	-	-	-	1 129
	2020	-	5 116	-	-	-	5 116
	2019	-	6 344	-	-	36	6 380
	2018	-	236	-	-	-	236
	2017	-	4 029	-	-	39	4 068
	2016	-	8 526	-	424	129	9 079
	2015	-	-	-	-	-	-
	2014	-	-	-	-	-	-
	2013	-	6 975	-	-	4	6 979
Total to date		-	38 126	-	424	241	38 791

Incident	Year	Compensation £	Legal fees £	Technical fees £	Various fees £	Other £	Total £
<i>Alfa I, 5 March 2012</i>							
	2024	-	6 540	-	-	-	6 540
	2023	-	204 474	-	-	-	204 474
	2022	-	32 192	-	-	-	32 192
	2021	-	115 767	-	-	-	115 767
	2020	-	77 869	-	-	-	77 869
	2019	-	18 803	-	-	2 034	20 837
	2018	-	56 666	364	-	10 521	67 551
	2017	-	174 540	4 197	251	10 483	189 471
	2016	10 856 126	112 062	12 375	1 161	7 918	10 989 642
	2015	-	23 212	20 333	-	2 749	46 294
	2014	-	66 998	19 155	405	2 598	89 156
	2013	-	7 976	725	-	68	8 769
	2012	-	14 103	6 477	522	2 835	23 937
Total to date		10 856 126	911 202	63 626	2 339	39 206	11 872 499
<i>Nesa R3, 19 June 2013</i>							
	2024	-	15 715	-	-	-	15 715
	2023	-	24 516	6 690	-	-	31 206
	2022	-	32 859	-	-	-	32 859
	2021	-	12 280	-	-	19	12 299
	2020	-	14 374	9 008	-	4 007	27 389
	2019	21 654	18 413	-	28 537	31 440	100 044
	2018	3 533 737	65 402	25 343	2 017	5 730	3 632 229
	2017	174 192	37 146	7 500	2 333	522	221 693
	2016	1 344 648	24 726	20 737	-	2 302	1 392 413
	2015	868 298	44 334	25 351	4 514	5 312	947 809
	2014	761 271	3 030	16 722	-	4 345	785 368
	2013	-	-	6 920	-	2 675	9 595
Total to date		6 703 800	292 795	118 271	37 401	56 352	7 208 619

Incident	Year	Compensation £	Legal fees £	Technical fees £	Various fees £	Other £	Total £
<i>Nathan E. Stewart^{<5>}, 13 October 2016</i>							
	2024	-	265	-	-	-	265
	2023	-	419	-	-	-	419
	2022	-	418	-	-	-	418
	2021	-	174	-	-	-	174
	2020	-	1 080	-	-	10	1 090
	2019	-	13 090	-	-	19	13 109
	2018	-	2 969	-	-	-	2 969
Total to date		-	18 415	-	-	29	18 444
<i>Agia Zoni II, 10 September 2017</i>							
	2024	300 415	203 039	12 257	13 987	-	529 698
	2023	1 399 769	135 247	8 363	-	18	1 543 397
	2022	33 167	133 185	22 661	443	149	189 605
	2021	235 898	262 311	60 836	4 913	497	564 455
	2020	2 798 207	388 369	414 952	20 344	(7)	3 621 865
	2019	959 049	187 030	678 036	46 358	5 194	1 875 667
	2018	9 150 131	54 561	820 979	39 264	10 205	10 075 140
	2017	-	85 433	936 781	69 696	21 906	1 113 816
Total to date		14 876 636	1 449 175	2 954 865	195 005	37 962	19 513 643
<i>Bow Jubail, 23 June 2018^{<6>} (Under STOPIA 2006 (as amended 2017))^{<3>}</i>							
	2024	8 194 980	49 917	40 901	13 987	691	8 300 476
	2023	-	69 405	-	-	727	70 132
	2022	-	149 071	-	-	-	149 071
	2021	-	54 935	-	15 057	-	69 992
	2020	-	90 731	-	690	-	91 421
Total to date		8 194 980	414 059	40 901	29 734	1 418	8 681 092
<i>Incident in Israel, 23 July 2021^{<6>}</i>							
	2024	1 232 116	-	122 985	13 987	-	1 369 088
	2023	883 733	-	132 869	-	133	1 016 735
	2022	26 589	-	46 044	68	10 139	82 840
	2021	-	319	152 559	7 804	-	160 682
Total to date		2 142 438	319	454 457	21 859	10 272	2 629 345

Incident	Year	Compensation £	Legal fees £	Technical fees £	Various fees £	Other £	Total £
<i>Princess Empress, 28 February 2023 (Under STOPIA 2006 (as amended 2017))^{<3>}</i>							
Reimbursement from P&I Club	2024	12 406 792	118 382	1 146 392	17 150	580 254	14 268 970
Reimbursement from P&I Club	2024	-	-	(576 487)	-	-	(576 487)
Reimbursement from P&I Club	2023	12 563 429	121 830	825 418	19 791	166 282	13 696 750
Reimbursement from P&I Club	2023	-	-	(315 475)	-	-	(315 475)
Total to date		24 970 221	240 212	1 079 848	36 941	746 536	27 073 758
<i>Gulfstream, 6 February 2024</i>							
Reimbursement from P&I Club	2024	15 412	3 331	225 834	22 926	21 706	289 209
Total to date		15 412	3 331	225 834	22 926	21 706	289 209
<i>Marine Honour, 14 June 2024 (Under STOPIA 2006 (as amended 2017))^{<3>}</i>							
Reimbursement from P&I Club	2024	18 406	87 339	412 815	17 403	45 734	581 697
Reimbursement from P&I Club	2024	-	-	(35 089)	-	-	(35 089)
Total to date		18 406	87 339	377 726	17 403	45 734	546 608
<i>Terranova, 25 July 2024 (Under STOPIA 2006 (as amended 2017))^{<3>}</i>							
Reimbursement from P&I Club	2024	-	-	-	6 367	-	6 367
Reimbursement from P&I Club	2024	-	-	-	-	-	-
Total to date		-	-	-	6 367	-	6 367

<2> Joint costs reimbursement by P&I Club.

<3> Compensation payments reimbursed by the P&I Club under STOPIA 2006 or STOPIA 2006 (as amended 2017).

<4> USD 5 million (£3 137 550) received as a result of legal settlement between the 1992 Fund and the P&I Club with Samsung Heavy Industries (SHI) and Samsung C&T Corporation. The amount was accounted under 'Other revenue' in 2012. A further KRW 3 271 486 069 (£2 220 457) received from SHI Limitation Fund was accounted for under 'Other revenue' in 2021.

<5> Reported in 2018 as 'Incident in Canada', prior to becoming 1992 Fund incident *Nathan E. Stewart*.

<6> Date of authorisation of payments by Executive Committee.

10.2 Incident related expenditure on a cash basis in 2024:

	Compensation paid on cash basis in 2024	Claims-related expenses paid in 2024	Joint costs received from P&I Club in 2024	Total 2024
	£	£	£	£
General Fund	4 833 530	1 143 426	(35 089)	5 941 867
<i>Prestige</i> MCF	-	53 779	-	53 779
<i>Hebei Spirit</i> MCF	-	5 164	(1 044)	4 120
<i>Alfa I</i> MCF	-	6 540	-	6 540
<i>Agia Zoni II</i> MCF	300 415	229 283	-	529 698
<i>Nesa R3</i> MCF	-	15 715	-	15 715
<i>Bow Jubail</i> MCF	4 375 332	-	-	4 375 332
Incident in Israel MCF	252 052	-	-	252 052
<i>Princess Empress</i> MCF	12 406 792	1 862 178	(576 487)	13 692 483
<i>Gulfstream</i> MCF	-	-	-	-
<i>Marine Honour</i> MCF	-	-	-	-
TOTAL	22 168 121	3 316 085	(612 620)	24 871 586

RECOMMENDATIONS MADE BY THE EXTERNAL AUDITOR IN THE REPORT ON THE FINANCIAL STATEMENTS
SUMMARY OF RECOMMENDATIONS AND DIRECTOR'S RESPONSE

11 Audit of the Financial Statements 2024 — internal control recommendations and response

- 11.1 The following internal control recommendation was made during the audit of the Financial Statements 2024 by BDO, and the Director has provided his response in paragraphs 11.2.3 and 11.2.4.
- 11.2 Recommendation: approval of journal entries
 - 11.2.1 The External Auditor reported one internal control matter. An error occurred within the accounting system's journal approval workflow when a staff member attempted to delegate a request to another member of staff due to the first approver being on annual leave. The system automatically approved the journal at this point, rather than rerouting it to the new approver.
 - 11.2.2 The delegation configuration in the approval workflow of the system should be reviewed and remediated to ensure such journals are not automatically approved.

Director's response

- 11.2.3 The Director is confident that the case in question was a legitimate journal for a regular business process that had been reviewed and approved outside the system.
- 11.2.4 To address the potential control risk, a review of the accounts system approvals workflow will be undertaken with assistance from an external developer. Rules for setting up approval workflows during periods of staff absence will be reviewed.
- 11.3 No recommendations from prior years remain ongoing.

STATEMENT ON INTERNAL CONTROL

12 Scope of Director's responsibility

- 12.1 The 1992 Fund and the Supplementary Fund are together referred to as the IOPC Funds. The IOPC Funds are managed by a joint Secretariat headed by the Director. The 1992 Fund administers the joint Secretariat and staff members are, therefore, employed by the 1992 Fund.
- 12.2 Under Article 28.2 of the 1992 Fund Convention, the Director shall be the legal representative of the 1992 Fund. Each Contracting State shall, pursuant to Article 2.2 of the 1992 Fund Convention, recognise the Director as the legal representative of the 1992 Fund.
- 12.3 Under Article 29.1 of the 1992 Fund Convention, the Director shall be the chief administrative officer of the 1992 Fund. As chief administrative officer, the Director has responsibility for maintaining a sound system of internal control that supports the achievement of the 1992 Fund's policies, aims and objectives, while also safeguarding the 1992 Fund's assets.
- 12.4 As a result of these provisions, the Director has the authority, *vis-à-vis* third parties, to commit the 1992 Fund without restrictions, unless the third party concerned has been informed of any limitation of this authority decided by the 1992 Fund Assembly or Executive Committee.
- 12.5 The Director is, however, bound by any restriction of his authority decided by the 1992 Fund Assembly or Executive Committee. He may delegate his authority to other officers within the limits laid down by the Assembly. Pursuant to the authority given and within the limits laid down by the IOPC Funds' governing bodies, the Director has delegated his authority to other officers by Administrative Instructions.
- 12.6 In 2024, the Director was assisted by a Management Team comprising of the Deputy Director/Head of the Claims Department and the Head of the Administration Department.

13 Statement on the system of internal control

- 13.1 The Director has the responsibility for maintaining a sound system of internal control that supports the work of the 1992 Fund. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk; therefore, it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks, evaluate the likelihood and impact of those risks being realised, and manage them efficiently, effectively and economically.
- 13.2 The Management Team normally meets on a weekly basis to exchange information and brief the Director on matters that may require attention. Information sharing and internal steering group meetings, composed of staff members from across the Secretariat and chaired by the Director, to discuss substantive matters of policy and work, are documented and matters followed up as required. These meetings provide the necessary forum where Management Team and staff members entrusted with specific areas of responsibility can discuss issues including internal control and risks arising in the organisation. The Director obtains assurance from these meetings that there are sufficient internal controls in place and that the risks are mitigated and managed across the organisation.
- 13.3 The joint Audit Body was established by the IOPC Funds' governing bodies and meets formally at least three times a year. The Audit Body has the mandate, *inter alia*, to review the adequacy and effectiveness of the organisation with regard to key issues of management and financial systems,

financial reporting, internal controls, operational procedures and risk management; to review the organisation's Financial Statements and reports; and to consider all relevant reports by the External Auditor including its reports on the organisation's Financial Statements. This additional oversight provides further assurance to the Director, as well as the governing bodies, that appropriate internal controls are in place. The Audit Body reports to the 1992 Fund Assembly on an annual basis.

13.4 The joint Investment Advisory Body (IAB) was also established by the IOPC Funds' governing bodies. It advises the Director on relevant procedures for investment and cash management controls; these are monitored by the IAB, which provides the Director with further assurances regarding the internal controls that are in place in this area. The IAB also reviews the IOPC Funds' investments and foreign exchange requirements to ensure reasonable investment returns are achieved without compromising the IOPC Funds' assets. The IAB also monitors, on an ongoing basis, the credit ratings of financial institutions and reviews the credit ratings of institutions which meet the IOPC Funds' investment criteria. The IAB meets quarterly with the Director and the Secretariat, and at least annually with the External Auditor when both parties are in attendance at Audit Body meetings. The IAB reports to the 1992 Fund Assembly on an annual basis.

14 Risk management

14.1 In 2024, the Director continued a policy of reviewing the IOPC Funds' risk register to identify risks across the organisation. These risks have been placed in two categories: operational risk and institutional risk. Operational risk has been sub-divided into five areas: finance and contributions; governance and management; compensation; safety and security; and communications and publications.

14.2 In 2024, the Management Team undertook a detailed risk-mapping exercise to analyse the key controls and mitigants for the key risks. This mapping, along with the full risk register, was presented to the Audit Body in December 2024.

14.3 The key risk register is shared with the Audit Body at least annually, following the results of the annual risk management review and updates to the full risk register. The Audit Body and the Director jointly identify areas of risk for more in-depth analysis. The Audit Body has made valuable contributions to the organisation's risk management, which provides further assurance to the Director that the processes are effective. The Audit Body makes specific reference to these matters in its annual report to the governing bodies.

15 Risk and control framework

15.1 The system of internal control is based on an ongoing process designed to ensure conformity with the 1992 Fund Convention, the Financial Regulations, the Internal Regulations and decisions of the 1992 Fund Assembly and Executive Committee.

15.2 The 1992 Fund Assembly adopts the Financial Regulations and Internal Regulations necessary for the proper functioning of the 1992 Fund.

15.3 Staff Regulations are adopted by the 1992 Fund Assembly. Staff Rules are issued by the Director, and any amendments made to the Staff Rules are reported annually to the 1992 Fund Assembly. Administrative Instructions are issued by the Director as and when required.

16 Review of effectiveness

- 16.1 The review of the effectiveness of the system of internal control is carried out by the Director and is aided through the work of the Audit Body and that of the External Auditor. Any recommendations made by the External Auditor, in its management letter and other reports, are considered and a plan is agreed upon to address any identified weakness and to ensure continuous improvement of the current system. The 1992 Fund Assembly is updated annually on the status of internal control recommendations.
- 16.2 As part of the process of further enhancing the system of internal control, the Director commissioned an internal audit needs assessment, which was discussed with the Audit Body at its meeting in April 2018. The outline plan and agreed reviews were intended to provide added assurances to the Director on the effectiveness of the internal controls. Given the considerable time that has passed since the plan was established, the Director and the Audit Body have commenced a review of the plan for future internal audit.
- 16.3 A review of the Risk Management Framework was undertaken by Mazars LLP in late 2019 and was reviewed by the Audit Body in June 2020. No additional internal audit review was undertaken in 2020 and 2021, and an internal audit review of the claims-handling process was undertaken by Mazars LLP in 2022. The Audit Body also undertook an in-depth review of the claims process in December 2022 which did not highlight any significant deficiencies. In December 2024, the Audit Body was presented with the results of Mazars LLP's internal audit of the IOPC Funds' financial controls, which did not identify any high priority recommendations.
- 16.4 The work of the Audit Body and the External Auditor, and the internal audit reviews provided additional assurances that the infrastructure and management controls in place provided a stable and secure platform to support the ongoing functioning of the IOPC Funds. The External Auditor raised a number of internal control and accounting matters during their audit of the 2024 Financial Statements. Further details of the key internal control finding is set out in paragraph 11.2.
- 16.5 I am pleased to conclude that there existed an effective system of internal control for the financial year 2024.



Gaute Sivertsen
Director
13 May 2025

* * *

SECTION TWO

EXTERNAL AUDITOR'S REPORT AND OPINION

OPINION ON THE FINANCIAL STATEMENTS

Independent auditor's report to the Assembly of the International Oil Pollution Compensation Fund 1992

Opinion on the special purpose financial statements

In our opinion:

- the special purpose financial statements present fairly, in all material respects, the financial position of the International Oil Pollution Compensation Fund 1992 as at 31 December 2024 and of its financial performance and its cash flows for the year then ended;
- the special purpose financial statements have been properly prepared in accordance with the Fund's Financial Regulations and International Public Sector Accounting Standards; and
- in all material respects, the transactions disclosed within the special purpose financial statements were in accordance with the Fund's Financial Regulations and the purposes intended by the Fund's Assembly.

We have audited the special purpose financial statements of the International Oil Pollution Compensation Fund 1992 ("the Fund") which comprise the Statement of Financial Position, the Statement of Financial Performance, the Statement of Changes in Net Assets, the Statement of Cash Flow, the Statement of Comparison of Budget and Actual Amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Financial Regulations of the Fund ("the Financial Regulations") and International Public Sector Accounting Standards ("IPSASs").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, including ISA 800 (Revised). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the special purpose financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the special purpose financial statements, including 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 these requirements.

Conclusions relating to going concern

In auditing the special purpose financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the special purpose financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from when the special purpose financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director with respect to going concern are described in the relevant sections of this report.

Emphasis of Matter – basis of accounting and restriction on distribution and use

We draw attention to Note 1 to the special purpose financial statements, which describes the basis of accounting, which is a special purpose framework. The special purpose financial statements are prepared to assist the Fund in complying with their financial reporting obligations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Assembly of the Fund and should not be distributed to or used by parties other than the Assembly of the Fund. Our opinion is not modified in respect of this matter.

Other information

The Director is responsible for the other information. The other information comprises the information included in the 2024 Financial Statements and Auditor's Report and Opinion, other than the special purpose financial statements and our auditor's report thereon. Our opinion on the special purpose financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the special purpose financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the special purpose financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Director

The Director is responsible for the preparation of these special purpose financial statements in accordance with the Financial Regulations and IPSASs and for such internal control as the Director determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Director is responsible for assessing the Fund'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 there is an intention to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the special purpose financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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

- Identify and assess the risks of material misstatement of the special purpose 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 Fund'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 Fund'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 special purpose 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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Director 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.

Use of our report

This report is made solely to the Assembly of the International Oil Pollution Compensation Fund 1992 (the Assembly), as a body, in accordance with the Financial Regulations of the Fund and the terms of our engagement letter dated 28 October 2024. Our audit work has been undertaken so that we might state to the Assembly those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Assembly of the Fund, as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Chartered Accountants
London

May 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

* * *

Audit Completion: year
ended 31 December 2024

International Oil Pollution Compensation Funds

Report to the Assembly



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Welcome

Introduction

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We have pleasure in presenting our External Audit Report to the Assemblies for both the 1992 Fund and Supplementary Fund. This report is an integral part of our communication strategy with you, a strategy which is designed to ensure effective two-way communication throughout the audit process with those charged with governance.

It summarises the results from completion of our planned audit procedures for the year ended 31 December 2024.

We look forward to discussing these matters with you at the Assembly meeting and to receiving your input.

We would also like to take this opportunity to thank the Secretariat for the co-operation and assistance provided to us during our audit.

Steve Bladen
Partner

21 July 2025



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Overview

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Overview

This document provides a summary of the audit matters important to our audit of the financial statements for the 1992 Fund and the Supplementary Fund for the year ended 31 December 2024.

It is also intended to promote effective communication and discussion and to ensure that the results of the audit appropriately incorporate input from those charged with governance.

Our audit work is complete. We issued an unmodified audit opinion on the financial statements of both the 1992 Fund and Supplementary Fund for the year ended 31 December 2024 on 16 May 2025, in line with the agreed timetable.

There were changes to our planned audit approach; additional audit risks have been identified as detailed within this report.

No restrictions were placed on our work.

Independence

We confirm that the firm and its partners and staff involved in the audit remain independent of the Funds in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

Audit scope and materiality

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Materiality

At the planning stage of our audit we determined materiality on the prior year net assets for both the 1992 Fund and the Supplementary Fund.

At the final stage of our audit we have adjusted our materiality base to use the 3-year average of net assets. This took account of the volatility of net assets arising from claims received by the 1992 Fund.

The 1992 Fund materiality was increased from £1.6 million at planning to £2.2 million as a result (2023: £2 million)

There was no change in materiality for the Supplementary Fund between the planning and final stages of our audit. This remained at £55,000 (2023: £55,000).

Our clearly trivial thresholds were set at £66,000 for the 1992 Fund (2023: £61,000) and £2,200 for the Supplementary Fund (2023: £2,000).

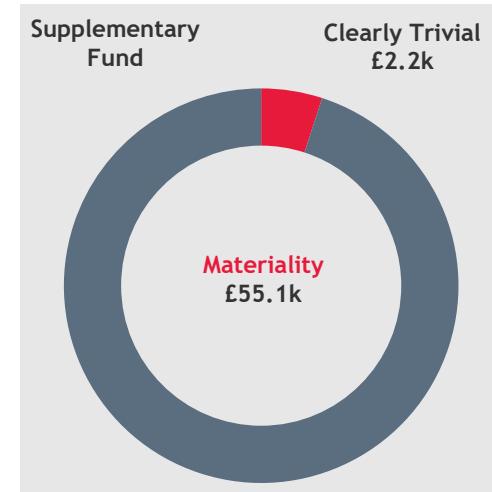
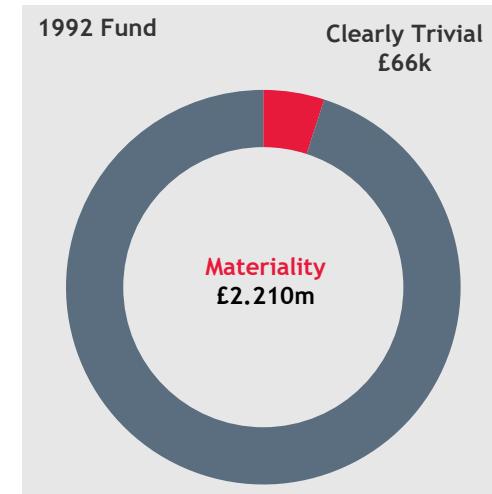
Adjusted audit differences - 1992 Fund

Our audit identified two adjustments to the 1992 Fund. The first adjustment reduced the Fund's reported surplus and net assets by £10.6 million. The nature of this adjustment was expected, and arises each year as a result of additional claims for compensation being approved since the year end. Further details are provided on page 10 of our report. The second adjustment of £14.5 million was a reclassification from cash and cash equivalents to term deposits. This adjustment had no impact on the Fund's net assets.

Prior year comparators in the financial statements were also restated, again to reclassify balances of £46.5 million from cash and cash equivalents to term deposits. This prior period adjustment had no impact on the surplus or net assets balance for the prior year.

Unadjusted audit differences - 1992 Fund

Our audit identified one further adjustment to the 1992 Fund that the Secretariat did not adjust for, on the grounds that the adjustment was immaterial to the financial statements. This adjustment would have reduced the reported surplus and net assets by a further £794,508. Further details are provided on page 10 of our report.



Key matters

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Adjusted audit differences - Supplementary Fund

One audit adjustment was identified in the Supplementary Fund financial statements. This adjustment was a reclassification from cash and cash equivalents to term deposits of £1.4 million. This adjustment had no impact on the Fund's net assets.

Prior year comparators in the financial statements were also restated, again to reclassify balances of £1.3 million from cash and cash equivalents to term deposits. This prior period adjustment had no impact on the surplus or net assets balance for the prior year.

Unadjusted audit differences - Supplementary Fund

Our audit identified no unadjusted audit differences.

Other financial reporting matters

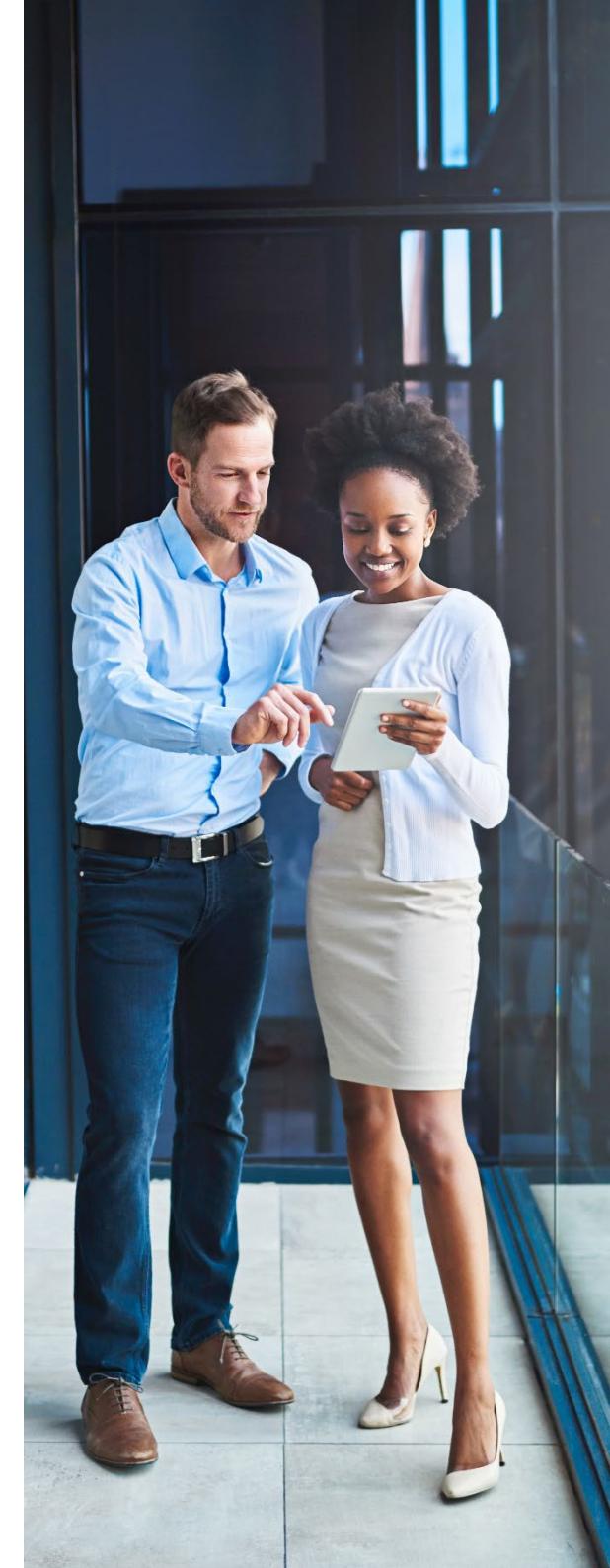
Recoverability of receivables - 1992 Fund

- ▶ A balance due from one contributor of approximately £1 million remained unpaid at the date of our audit opinion. Over half of the amount outstanding relates to 2019. We discussed this matter with the Audit Body. In recent weeks, the Member State has indicated a willingness to pay and the Secretariat are working with other parties, including the Audit Body, to resolve this. Further details are provided on page 13 of our report.

Control deficiencies - 1992 Fund

- ▶ We identified a control deficiency in relation to journal approval processes and made recommendations to the Secretariat in respect of this matter. Further details are provided on page 12 of our report.

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As identified in our audit planning report we assessed the following matters as being the most significant risks of material misstatement in the financial statements. These include those risks which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit and the directing of the efforts of the engagement team. We have indicated for each risk whether it applies to the 1992 Fund ('1992') or Supplementary Fund ('SF').

Since our Audit Planning Report we have identified one additional significant risk, Accounting policy for the Small Tanker Oil Pollution Indemnification Agreement (STOPIA). Details of this are set out on page 11 of our report.

#	Audit risk	Risk level	Applicable Fund		Significant management judgement	Unadjusted difference reported	Adjusted difference reported	Significant control findings reported	Specific letter of representation point
			1992	SF					
1	Management override of controls	Significant	✓	✓	Yes	No	No	Yes	No
2	Completeness and valuation of provisions and contingent liabilities for compensation	Significant	✓		Yes	Yes	Yes	No	Yes
3	Accounting policy for STOPIA	Significant	✓		Yes	No	No	No	No
4	Recoverability of receivables	Elevated	✓		Yes	No	No	No	Yes

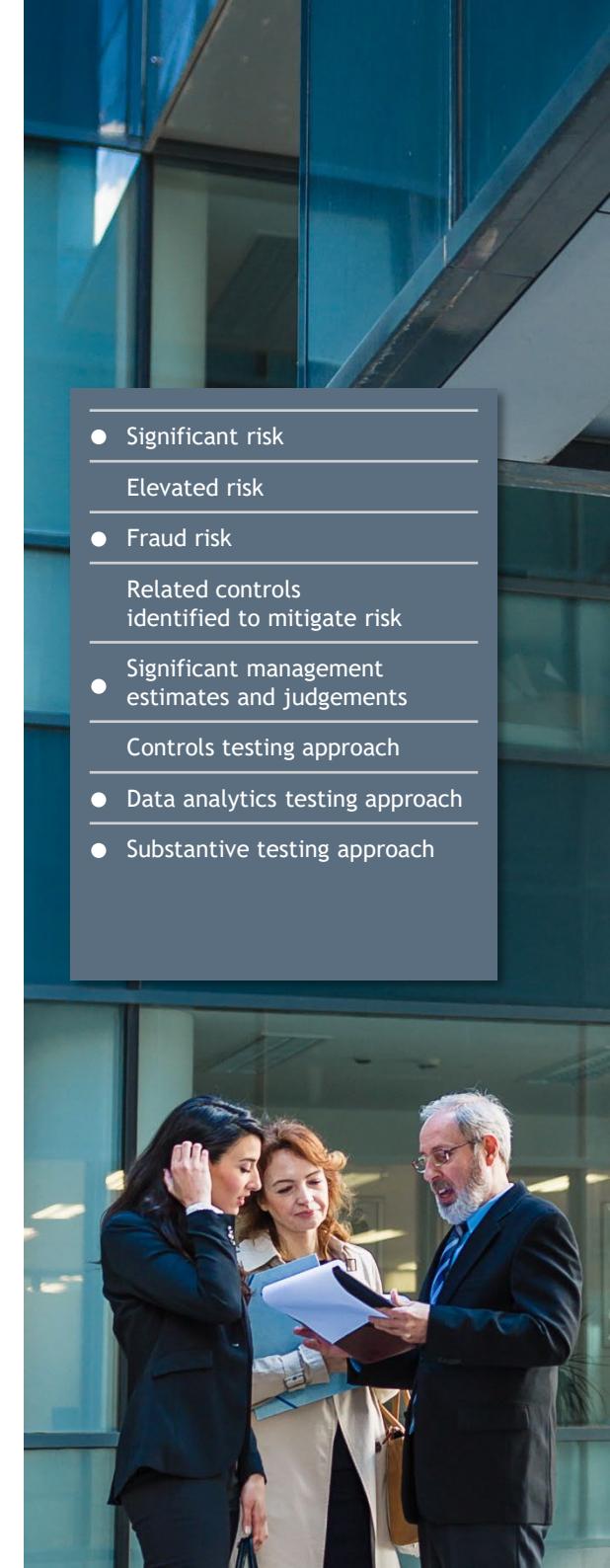
Management override of controls

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	C	E	A	V	P	2024	2023
Management override	✓	✓	✓	✓	✓	N/A	N/A
Risk detail							
<ul style="list-style-type: none"> ▶ Management could manipulate accounting records and override controls that otherwise appear to be operating effectively. We are required to consider this as a significant risk of material misstatement due to fraud ▶ Expenditure reported against the approved budget in Statement V may be subject to management manipulation ▶ Judgements made in determining estimates for compensation provisions and contingent liabilities may be subject to management bias or manipulation 							
Audit approach							
<p>We undertook the following work in respect of this risk:</p> <ul style="list-style-type: none"> ▶ Tested the appropriateness of journal entries with key risk characteristics recorded in the general ledger and other adjustments made in the preparation of the financial statements ▶ Tested the appropriateness of a random sample of residual journals that do not display key risk characteristics ▶ Reviewed estimates and judgements applied in the financial statements to assess their appropriateness and the existence of any systematic bias 							
<ul style="list-style-type: none"> ▶ Reviewed audit differences identified throughout the audit and considered whether these indicate bias or deliberate misstatement 							
Results							
<ul style="list-style-type: none"> ▶ No inappropriate journal entries were identified in respect of the 1992 Fund or Supplementary Fund ▶ Our work on the 1992 Fund identified one journal that had bypassed the accounting system approval workflow. This was reported as a significant control deficiency. We substantively tested this journal and found that it was posted for a legitimate purpose with appropriate supporting evidence, including non-financial system approvals. The Secretariat made further disclosure of this matter in the Statement on Internal Control. ▶ Our views on significant management estimates are set out in this report and we did not find any indication of systematic bias or management override ▶ There are no indications of deliberate misstatement or bias in respect of any audit differences identified. 							

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- Significant risk
- Elevated risk
- Fraud risk
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Completeness and valuation of provisions and contingent liabilities for compensation

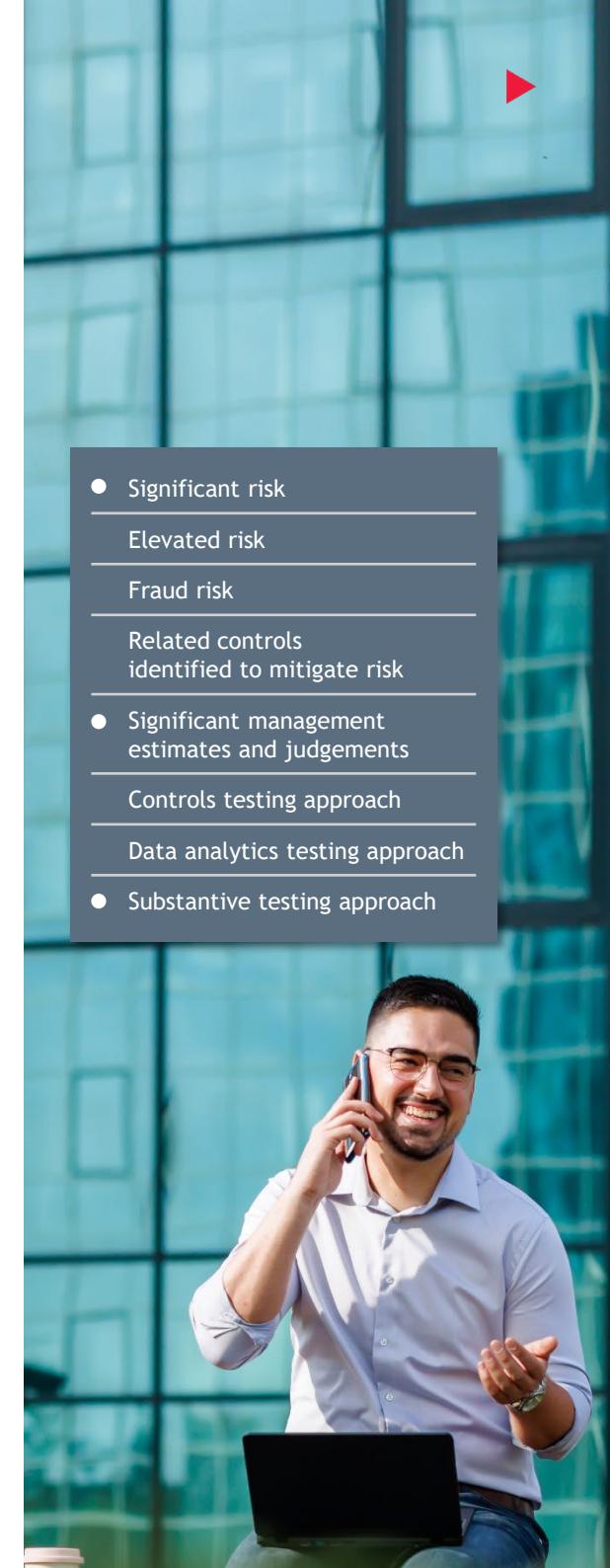
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	C	E	A	V	P	2024	2023
Provision for compensation	✓			✓	✓	£12,228,902	£12,890,078
Contingent liabilities				✓	✓	Narrative	Narrative
Risk detail		Audit approach					
<ul style="list-style-type: none"> ▶ Key issues relating to claims provisions and contingent liabilities include determining the point at which both should be recognised, valuing them in line with International Public Sector Accounting Standards (IPSAS) and the completeness of the provision overall ▶ Additional claims are sometimes assessed and approved after the financial statements are prepared. There is a risk that these claims are not subsequently reflected in the provisions or contingent liabilities balances ▶ This risk is heightened by management's recognition policy which only requires claims to be provided for at the point of approval, and therefore it is possible there may be claims assessed but not approved which should be provided for ▶ For the prior year ended 31 December 2023 a material value of claims (£10.7m) were approved after the draft financial statements were prepared, requiring an adjustment to the value of the provision 		<p>We undertook the following work in respect of this risk:</p> <ul style="list-style-type: none"> ▶ Evaluated the independence, objectivity, and competency of all management experts used in assessing claims, as well as any experts relied upon for contingent liabilities ▶ Reviewed the reasonableness of the recognition and measurement criteria applied in forming the provision and contingent liabilities ▶ Traced provisions and contingent liabilities amounts to supporting evidence ▶ Reviewed the value of claims received, assessed and approved between receipt of the draft financial statements and up until the date our Auditor's Report was issued ▶ Made specific enquiries of the Secretariat staff and reviewed the minutes of meetings and media up until the date our Auditor's Report was issued 					

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- Significant risk
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Completeness and valuation of provisions and contingent liabilities for compensation (cont.d)

Risk two (con.td)

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Results

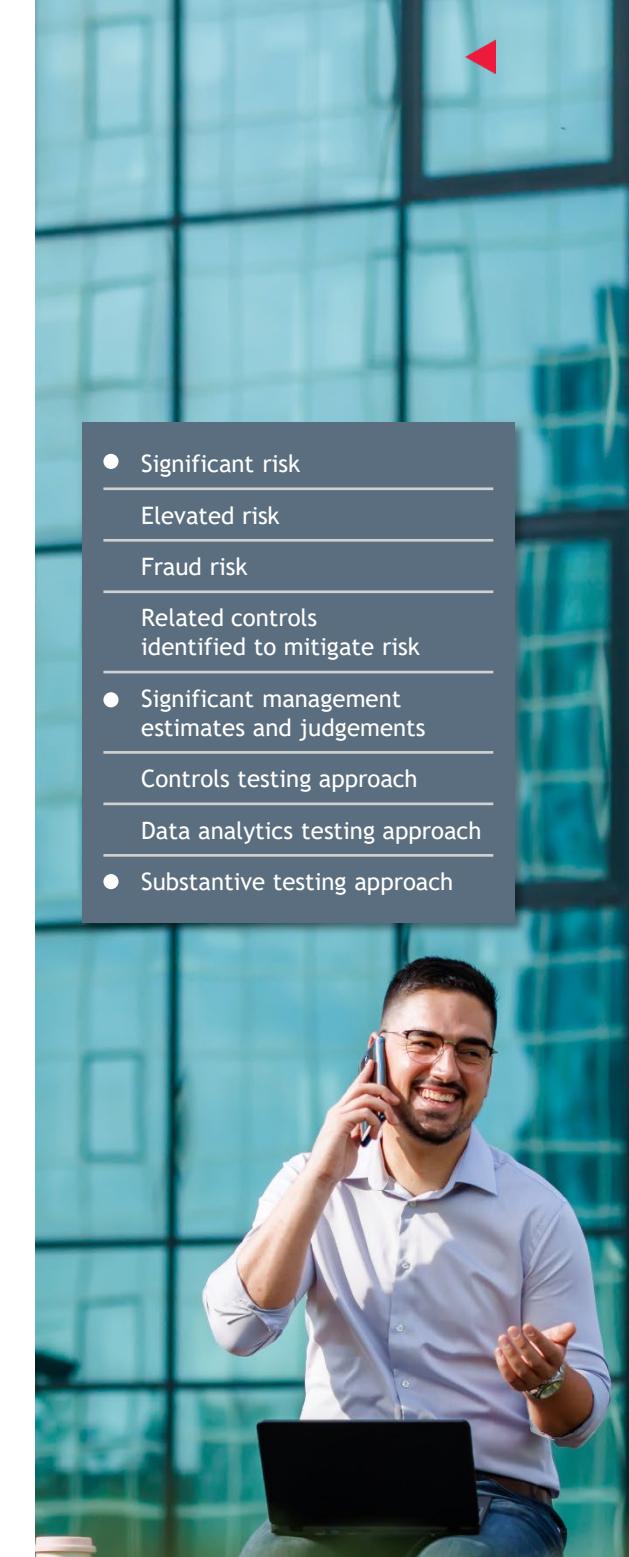
- ▶ All experts used were assessed as independent, objective and competent
- ▶ Claims provisions tested substantively were agreed to expert assessments and payment approvals
- ▶ We reviewed the recognition and measurement policy for provisions and contingent liabilities and determined it was reasonable and in line with the relevant accounting standards
- ▶ A review of reports from the Claims Handling System up to 17 March 2025 identified £10.6m of additional claims approved since the year end. As this provided new information about evidence of conditions that existed at the reporting date, the Secretariat amended for these in the financial statements.
- ▶ We reviewed meeting minutes, held discussions with management and the Claims Department, and performed a media review to identify any incidents or balances that may require additional accounting entries or disclosure. We found no such instances
- ▶ Between 17 March and 25 April 2025, a further £794,508 of additional claims had been approved since the year end. This balance was recorded as an unadjusted misstatement within our report.

Disclosure

We have raised a small number of disclosure improvements with the Secretariat, including:

- ▶ Clearer, more explicit disclosure of significant judgements and key sources of estimation uncertainty in *Note 1 Accounting policies*
- ▶ Additional disclosure in *Note 10 Provision for compensation* to show provisions held in the General Fund in their incident currencies
- ▶ Amendment to *Note 26 Contingent liabilities* to correct the double counting of £4.9m of STOPIA claims for the Bow Jubail incident

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Accounting policy for STOPIA

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	C	E	A	V	P	2024	2023
Other revenue: Reimbursement under STOPIA	✓	✓		✓		£4,060,052	£8,738,633
Compensation claims	✓	✓		✓		£21,773,178	£24,655,720

Risk detail

- ▶ The Small Tanker Oil Pollution Indemnification Agreement (STOPIA) is a voluntary agreement between owners of small tankers and their insurers
- ▶ Incidents covered by STOPIA raise the monetary point at which the Fund becomes liable for compensation
- ▶ Claims covered by the STOPIA limit are often paid by the Fund, which then gets reimbursed by the insurer (eg the £8.7m balance in relation to Princess Empress in year ended 31 December 2023)
- ▶ On occasion, claims covered by the STOPIA limit are paid directly by the insurer (eg the £4.1m balance recognised in this year's statements)
- ▶ In both instances, the Fund recognise compensation expenditure for claims covered by STOPIA, along with a matching amount of income in Other Revenue

- ▶ There is a risk that management's accounting policy, of recognising claims under STOPIA within their income and expenditure, is not compliant with IPSAS.
- ▶ If the Fund is acting as an agent in these transactions, rather than a principal, amounts should not be recognised in the Statement of Financial Performance, and amounts should only be recognised in the Statement of Financial Position when the Fund itself has paid claims and received reimbursement

Audit approach

We undertook the following work in respect of this risk:

- ▶ Assessed the Fund's accounting policy for STOPIA against IPSAS to determine compliance
- ▶ Traced amounts recognised under STOPIA to claims assessments, approvals and the corresponding income and expenditure on bank statements

- **Significant risk**
- Elevated risk
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Accounting policy for STOPIA (cont.d)

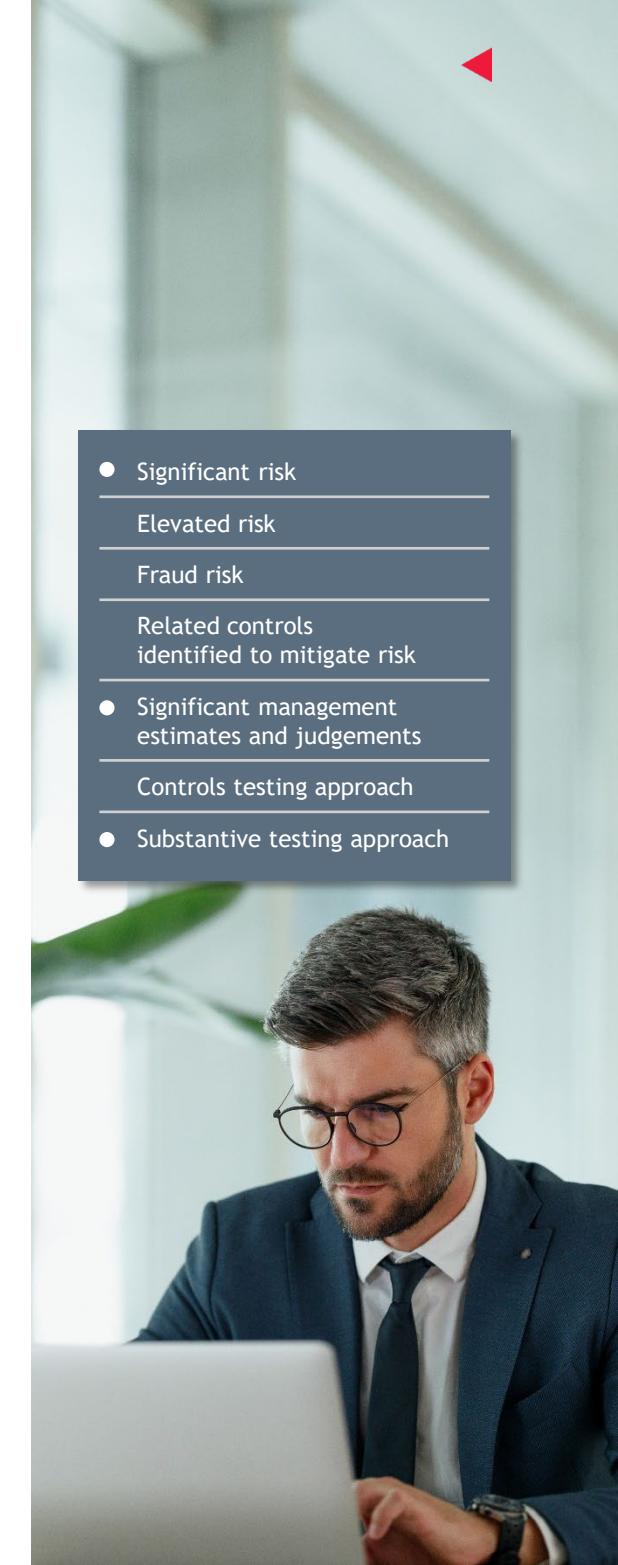
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Results

- We traced amounts recognised under STOPIA to supporting evidence, such as signed agreements
- We consulted with our Financial Reporting and Advisory team regarding the appropriateness and compliance of the Fund's accounting treatment against the relevant accounting standards
- We concluded that management's accounting policy was appropriate. Specifically, in cases where claims under STOPIA are paid by the Fund and reimbursed by the insurer, and in cases where the insurer settles these directly, it is appropriate for the Fund to recognise the STOPIA income and expenditure because the liability remains with the Fund under the 1992 Fund Convention, regardless of the mechanisms for indemnification established under STOPIA
- The Secretariat have enhanced disclosure of their accounting policy in the financial statements, including identifying a key judgement in the accounting treatment for STOPIA

- Significant risk
- Elevated risk
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Recoverability of receivables

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	C	E	A	V	P	2024	2023
Contributions receivable	✓		✓			£2,311,270	£1,506,558

Risk detail

- ▶ There is a risk that contributions receivable are not recoverable and have not been provided for
- ▶ Due to the increase in contributions levied this year, the receivables balance is now material, increasing the magnitude of any possible error
- ▶ The 1992 Fund has a number of aged receivable balances from contributors who have not paid in several years, which have not been provided for

Audit approach

We undertook the following work in respect of this risk:

- ▶ Reviewed a sample of contributions receivable that had not been impaired and confirmed whether any indicators existed that indicated the debt would not be settled.

Results

- ▶ We traced a sample of contribution receivable balances to contribution levy invoices to confirm the amount these balances were held at. No issues were identified

- Significant risk
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Fraud

Whilst the Director has ultimate responsibility for prevention and detection of fraud, we are required to obtain reasonable assurance that the financial statements are free from material misstatement, including those arising as a result of fraud. Our audit procedures did not identify any fraud.

Compliance with Financial Regulations

We are required to give an opinion on whether, in all material respects, the transactions disclosed within the financial statements were in accordance with the Funds' Financial Regulations and the purposes intended by the Assembly.

No issues have been identified in respect of regularity, and we have not identified any evidence that Financial Regulations have been breached.

Laws and regulations

The most significant consideration(s) for the IOPC Funds are the IOPC Funds' founding Conventions.

These are the International Convention on Civil Liability for Oil Pollution Damage, 1992 and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992.

We made enquiries of the Secretariat and referred to the conventions throughout the audit.

We did not identify any non-compliance with laws and regulations that could have a material impact on the financial statements.

Related parties

While the Director is responsible for the completeness of the disclosure of related party transactions in the financial statements, we are also required to consider related party transactions in the context of fraud as they may present greater risk for management override or concealment or fraud.

We did not identify any significant matters in connection with related parties.

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Audit quality

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BDO is totally committed to audit quality

It is a standing item on the agenda of BDO's Leadership Team who, in conjunction with the Audit Stream Executive (which works to implement strategy and deliver on the audit stream's objectives), monitor the actions required to maintain a high level of audit quality within the audit stream and address findings from external and internal inspections.

BDO welcomes feedback from external bodies and is committed to implementing a necessary actions to address their findings.

We recognise the importance of continually seeking to improve audit quality and enhancing certain areas. Alongside reviews from a number of external reviewers, the AQR (the Financial Reporting Council's Audit Quality Review team), QAD (the ICAEW Quality Assurance Department) and the PCAOB (Public Company Accounting Oversight Board who oversee the audits of US companies), the firm undertakes a thorough annual internal Audit Quality Assurance Review and as member firm of the BDO International network we are also subject to a quality review visit every three years.

We have also implemented additional quality control review processes for all listed and public interest audits.

More details can be found in our Transparency Report at www.bdo.co.uk.

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Our system of quality management

ISQM (UK) 1 - Communication with you

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As part of our communications with you as those charged with governance, we include below a link to BDO's most recent Transparency Report and Culture and Impact Report. Our Transparency Report is a publication in which we openly share our progress and actions on our decision-making at BDO and, in particular, how we serve the public interest by consistently delivering high quality engagements. Our Culture and Impact Report looks to bring our firm's core purpose - 'Helping You Succeed' - to life.

[BDO-Transparency-Report-2023-2024.pdf](#)

[BDO-Culture-and-Impact-Report-2024.pdf](#)

In accordance with ISQM (UK) 1, an enhanced standard related to quality management at firms providing audit and certain other assurance services, our 2024 Transparency Report includes details of our evaluation under the standard and the steps that underpin our commitment to delivery of consistent high-quality engagements. The communication of this information to those charged with governance is set out as a requirement in ISQM (UK) 1.

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The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the International Oil Pollution Compensation Funds and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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SECTION THREE

THE FINANCIAL STATEMENTS OF THE INTERNATIONAL OIL POLLUTION COMPENSATION FUND 1992 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that to the best of our knowledge and information, all transactions during the period have been properly entered in the accounting records and that these transactions together with the appended Financial Statements numbered I to V and Notes, details of which form part of this document, fairly present the financial position of the International Oil Pollution Compensation Fund 1992 as at 31 December 2024.



Gaute Sivertsen
Director
13 May 2025



Claire Montgomery
Chief of Finance

INTERNATIONAL OIL POLLUTION COMPENSATION FUND 1992

STATEMENT I

Statement of Financial Position

At 31 December 2024

		31/12/2024	31/12/2023 Restated
	Note	£	£
ASSETS			
Current assets			
Cash and cash equivalents	2	58 447 579	12 736 684
Term deposits	2	14 500 000	46 480 409
Contributions receivable	3, 5	2 311 270	1 506 558
Other receivables	4, 5	2 274 368	1 481 792
Staff Provident Fund (externally managed)	14	378 512	574 407
Total current assets		77 911 729	62 779 850
Non-current assets			
Due from HNS Fund	6	884 528	631 095
Property, plant and equipment	7	60 776	58 468
Total non-current assets		945 304	689 563
TOTAL ASSETS		78 857 033	63 469 413
LIABILITIES			
Current liabilities			
Payables and accruals	9	601 490	653 585
Provision for compensation	10	12 228 902	12 890 078
Provision for employee benefits (short term)	11	405 359	314 945
Prepaid contributions	12	1 543 431	1 291 631
Contributors' account	13	411 052	969 423
Total current liabilities		15 190 234	16 119 662
Non-current liabilities			
Staff Provident Fund	14	6 917 878	6 969 633
Provision for employee benefits (long-term)	11	338 999	347 621
Total non-current liabilities		7 256 877	7 317 254
TOTAL LIABILITIES		22 447 111	23 436 916
NET ASSETS		56 409 922	40 032 497
BALANCES			
		31/12/2024	31/12/2023
General Fund		13 506 864	15 517 244
Prestige Major Claims Fund		356 013	372 739
Hebei Spirit Major Claims Fund		-	1 122 315
Alfa I Major Claims Fund		65 871	68 615
Agia Zoni II Major Claims Fund		27 068 889	27 126 593
Nesa R3 Major Claims Fund		319 290	320 445
Incident in Israel Major Claims Fund		6 754 407	6 448 713
Bow Jubail Major Claims Fund		19 538 840	42
Princess Empress Major Claims Fund		(5 763 128)	(10 944 209)
Gulfstream Major Claims Fund		-	-
Marine Honour Major Claims Fund		(5 437 124)	-
GENERAL FUND AND MAJOR CLAIMS FUNDS BALANCES	15	56 409 922	40 032 497

'Cash and cash equivalents' and 'Term deposits' at 31 December 2023 have been restated following a reclassification of certain deposits from 'cash and cash equivalents' to 'term deposits'. Further details are provided in Note 2.3.

Notes are found on pages 52–91.

INTERNATIONAL OIL POLLUTION COMPENSATION FUND 1992

STATEMENT II

Statement of Financial Performance

For the year ended 31 December 2024

		2024	2023
	Note	£	£
REVENUE			
Contributions	17	39 218 574	2 273 450
Contributions-in-kind	18	206 400	206 400
Interest on investments		3 217 097	2 085 844
Other revenue	19	4 281 113	8 870 998
Total revenue		46 923 184	13 436 692
EXPENSES			
Compensation claims	20	21 773 178	24 655 720
Claims-related expenses	21	2 703 465	1 843 436
Personnel costs	22	3 698 570	3 383 303
Other administrative costs	22	1 609 511	1 592 868
Currency exchange differences	24	743 042	1 074 257
Net increase in provision for contributions and interest on overdue contributions	5	17 993	(26 786)
Total expenses		30 545 759	32 522 798
SURPLUS/(DEFICIT) FOR THE YEAR		16 377 425	(19 086 106)

Notes are found on pages 52–91.

INTERNATIONAL OIL POLLUTION COMPENSATION FUND 1992

STATEMENT III

Statement of Changes in Net Assets

For the year ended 31 December 2024

Accumulated surpluses/Fund balances													
	General Fund	Prestige MCF	Hebei Spirit MCF	Alfa I MCF	Agia Zoni II MCF	Nesa R3 MCF	Incident in Israel MCF	Bow Jubail MCF	Princess Empress MCF	Gulfstream MCF	Marine Honour MCF	Total	
Note	£	£	£	£	£	£	£	£	£	£	£	£	
TOTAL NET ASSETS at 31 December 2022	25	19 403 395	422 560	7 629 195	235 990	27 112 878	334 586	3 979 999	-	-	-	-	59 118 603
(Deficit)/surplus for the year ended 31 December 2023	25	(3 886 151)	(49 821)	(6 506 880)	(167 375)	13 715	(14 141)	2 468 714	42	(10 944 209)	-	-	(19 086 106)
TOTAL NET ASSETS at 31 December 2023	25	15 517 244	372 739	1 122 315	68 615	27 126 593	320 445	6 448 713	42	(10 944 209)	-	-	40 032 497
(Deficit)/surplus for the year ended 31 December 2024	25	(3 172 041)	(16 726)	39 346	(2 744)	(57 704)	(1 155)	305 694	19 538 798	5 181 081	-	(5 437 124)	16 377 425
TOTAL NET ASSETS at 31 December 2024	25	12 345 203	356 013	1 161 661	65 871	27 068 889	319 290	6 754 407	19 538 840	(5 763 128)	-	(5 437 124)	56 409 922
Transfer to General Fund upon closure of MCF, 31/12/2024		1 161 661	-	(1 161 661)	-	-	-	-	-	-	-	-	-
GENERAL FUND AND MAJOR CLAIMS FUNDS (MCFs) BALANCES (after closure of Hebei Spirit MCF)		13 506 864	356 013	-	65 871	27 068 889	319 290	6 754 407	19 538 840	(5 763 128)	-	(5 437 124)	56 409 922

Notes are found on pages 52–91.

INTERNATIONAL OIL POLLUTION COMPENSATION FUND 1992
 STATEMENT IV
 Statement of Cash Flow
 For the year ended 31 December 2024

	Note	2024 £	2023 Restated £
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(deficit) for the period		16 377 425	(19 086 106)
Adjustment for:			
Interest on investment ^{<1>}		(3 217 097)	(2 085 844)
Unrealised foreign exchange (gains)/losses		955 820	1 193 669
Depreciation and amortisation	7, 8	20 323	29 506
(Increase)/decrease in receivables	3, 4, 5, 6, 14	(1 654 826)	(540 029)
Increase/(decrease) in payables and accruals	9, 13	(636 655)	1 015 915
Increase/(decrease) in provisions	10, 11	(531 410)	9 675 228
Increase/(decrease) in Provident Fund (less interest)	14	(420 005)	1 281 719
Increase/(decrease) in prepaid contributions	12	251 800	1 210 734
(Gain)/loss on sale of property, plant and equipment		(245)	-
Net cash flow from operating activities		11 145 129	(7 305 208)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earned ^{<2>}		3 612 286	2 408 138
Increase in property, plant and equipment	7	(22 656)	(32 573)
Proceeds from sale of property, plant and equipment		270	-
(Increase)/decrease in term deposits		31 980 409	(18 303 637)
Net cash flow from investing activities		35 570 309	(15 928 072)
Effect of exchange rates on cash and cash equivalents		(1 004 543)	(1 218 446)
Net (decrease)/increase in cash and cash equivalents		45 710 895	(24 451 726)
Cash and cash equivalents at beginning of the year		12 736 684	37 188 410
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	2	58 447 579	12 736 684

'(Increase)/decrease in term deposits' and 'cash and cash equivalents at the beginning of the year' for the year ended 31 December 2023 have been restated following a reclassification of certain deposits from cash and cash equivalents to term deposits. Further details are provided in Note 2.4.

Notes are found on pages 52–91.

<1> Interest earned from investing the assets of the General Fund.

<2> Interest earned from investing the assets of the General Fund and credit balances held by contributors.

INTERNATIONAL OIL POLLUTION COMPENSATION FUND 1992 — STATEMENT V
 General Fund — Joint Secretariat Expenditure
 Statement of Comparison of Budget and Actual Amounts
 For the year ended 31 December 2024

CLASS OF EXPENDITURE	Note	BUDGET APPROPRIATIONS		BUDGET OUT-TURN		BALANCE OF APPROPRIATIONS	
		2024	2023	2024	2023	2024	2023
		£	£	£	£	£	£
I PERSONNEL							
a Salaries		2 636 425	2 333 382	2 518 611	2 376 990	117 814	(43 608)
b Separation and recruitment		120 000	135 000	140 580	1 238	(20 580)	133 762
c Staff benefits, allowances and training		1 055 844	1 014 746	956 687	925 186	99 157	89 560
d Conscious rewarding scheme		1 250	400	900	400	350	0
		3 813 519	3 483 528	3 616 778	3 303 814	196 741	179 714
II GENERAL SERVICES							
a Office accommodation		205 999	184 177	207 173	215 506	(1 174)	(31 329)
b IT (hardware, software, maintenance and connectivity)		457 500	457 000	441 910	417 473	15 590	39 527
c Furniture and other office equipment		20 500	36 000	25 979	43 138	(5 479)	(7 138)
d Office stationery and supplies		6 000	7 000	3 253	4 892	2 747	2 108
e Communications (courier, telephone, postage)		19 500	21 000	17 783	17 983	1 717	3 017
f Other supplies and services		22 000	22 000	23 522	17 399	(1 522)	4 601
g Representation (hospitality)		15 000	20 000	17 012	23 898	(2 012)	(3 898)
h Public information		93 000	96 000	77 421	80 475	15 579	15 525
		839 499	843 177	814 053	820 764	25 446	22 413
III MEETINGS		112 000	122 000	122 350	108 826	(10 350)	13 174
IV TRAVEL							
Conferences, seminars and missions		150 000	150 000	76 285	110 476	73 715	39 524
V OTHER EXPENDITURE							
a Consultants' fees		100 000	100 000	41 821	18 500	58 179	81 500
b Audit Body		210 000	245 000	218 212	177 769	(8 212)	67 231
c Investment Advisory Body		97 000	90 000	95 803	89 541	1 197	459
		407 000	435 000	355 836	285 810	51 164	149 190
VI UNFORESEEN EXPENDITURE		60 000	60 000	-	-	60 000	60 000
TOTAL I-VI (excluding External Audit fees)		5 382 018	5 093 705	4 985 302	4 629 690	396 716	464 015
VII EXTERNAL AUDIT FEES (1992 Fund only)		74 290	54 940	74 235	67 515	55	(12 575)
TOTAL EXPENDITURE I-VII	23	5 456 308	5 148 645	5 059 537	4 697 205	396 771	451 440

Notes are found on pages 52–91.

Note 1 — Accounting policies

- 1.1 These Financial Statements have been prepared on a consistent basis with prior years in accordance with Financial Regulation 12.3 of the 1992 Fund and in compliance with IPSAS.
- 1.2 The preparation of the 2024 Financial Statements was not affected by any new IPSAS issued in 2024 or modifications to existing IPSAS. There have been no changes in the operation of the Funds, which might necessitate a review of applicable accounting standards.
- 1.3 The principal accounting policies followed in arriving at the financial information given in the Statements are set out below (paragraphs 1.4 to 1.18).
- 1.4 **Basis of preparation**
 - 1.4.1 The Financial Statements of the 1992 Fund have been prepared on the accruals basis of accounting in accordance with IPSAS, using the historical cost convention.
 - 1.4.2 In accordance with the 1992 Fund's Financial Regulations:
 - (a) the financial year is the calendar year; and
 - (b) the functional and reporting currency of the 1992 Fund is pounds sterling.
 - 1.4.3 The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.
 - 1.4.4 Judgement has been used in the application of the 1992 Fund's accounting policies as follows:
 - (a) recognition of reimbursement revenue and compensation expenditure for claims covered under STOPIA 2006 or STOPIA 2006 (as amended 2017), when paid by the 1992 Fund and reimbursed by the shipowner's insurer, or when paid directly by the insurer;
 - (b) assessment of contingent liabilities using analysis of an incident from several sources to estimate the overall incident compensation liability; and
 - (c) use of approved compensation as the basis for the recognition of claims to be included in the provision for compensation.
 - 1.4.5 Furthermore, management has used reasonable judgement in estimating amounts and timing of liabilities payable to staff upon separation for inclusion in the employee benefit provision. No other judgements or estimations have had a significant effect on the amounts recognised or disclosed in the Financial Statements.

1.5 Fund accounting and segment reporting

- 1.5.1 The Financial Statements are prepared on the entity basis, showing at the end of the period the consolidated position of all funds controlled by the 1992 Fund. A fund is a self-balancing accounting entity established to account for the transactions of a specified purpose or objective.
- 1.5.2 The 1992 Fund classifies its fund activities into segments on the basis of a General Fund and Major Claims Funds, as laid down in Financial Regulation 7. Fund balances represent the accumulated residual of revenue and expenses.
- 1.5.3 The General Fund covers the 1992 Fund's expenses for the administration of the organisation and for compensation payments and claims-related expenditure up to a maximum amount of the pounds sterling equivalent of SDR 4 million per incident (Financial Regulation 7.1(c)(i)), converted at the rate applicable on the date of the incident. Working capital is maintained within the General Fund.
- 1.5.4 Separate Major Claims Funds are established for incidents where the total amount payable by the 1992 Fund exceeds SDR 4 million (Financial Regulation 7.2(a)).

Inter-fund loans

- 1.5.5 Interest on any loan made between the General Fund and a Major Claims Fund is calculated at a preferential rate of 0.25% above the lowest London clearing bank base rate.

1.6 Revenue

Contributions

- 1.6.1 Income from contributions is treated as revenue from non-exchange transactions and is based on levies approved by the governing bodies as due in the financial period. Such income from contributions is recognised only after the contributions are invoiced on the basis of figures on contributing oil receipts reported by Member States.
- 1.6.2 In cases of contributions relating to previous levies based on late or amended oil reports submitted, the amount is recognised as income on the date of the invoice.

Interest on investments

- 1.6.3 Interest income on deposits is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable on a straight-line basis over the period of the investment.

Interest on overdue contributions

- 1.6.4 Income from interest on contributions comprises interest accrued on all contributions overdue at the end of the reporting period. No interest is charged on overdue interest.

Interest on loans to the HNS Fund

- 1.6.5 Interest on any loan made to the HNS Fund is calculated at a preferential rate of 0.25% above the lowest London clearing bank base rate.

1.7 Expenses

Foreign currency transactions

1.7.1 In accordance with Financial Regulation 10.4(a), the 1992 Fund's assets shall be held in pounds sterling, or, if the Director considers it appropriate, in other currencies to meet claims and claims-related expenses.

Joint Secretariat's administrative expenses

1.7.2 The cost of running the joint Secretariat is borne by the 1992 Fund except for the External Auditor's fees for the 1992 Fund and the Supplementary Fund, which are paid for by the respective Fund. The 1992 Fund receives a flat management fee from the Supplementary Fund, decided by the governing bodies, towards the joint Secretariat's administrative costs for the reporting period in respect of time spent on work done for the Supplementary Fund.

Leases

1.7.3 Expenditure incurred under an operating lease, where the substantial risks and rewards of ownership are retained by the lessor, is charged on a straight-line basis over the life of the lease.

Taxes

1.7.4 Expenditure for goods and services is net of taxes.

1.8 STOPIA 2006 reimbursements

For incidents that fall under STOPIA 2006 or STOPIA 2006 (as amended 2017), reimbursement due from the shipowner's insurer (Protection and Indemnity Club (P&I Club)) of compensation paid by the 1992 Fund is presented as revenue, and the corresponding expense is presented as compensation claims expenditure. On occasion, the shipowner's insurer may opt to directly settle claims for compensation under STOPIA 2006 or STOPIA 2006 (as amended 2017), instead of passing them to the 1992 Fund and subsequently reimbursing. In both instances, the 1992 Fund recognises the reimbursement revenue and corresponding compensation expenditure on the basis that the 1992 Fund is liable to pay this compensation under the 1992 Fund Convention. STOPIA 2006 or STOPIA 2006 (as amended 2017) do not absolve the 1992 Fund of its liabilities under the Convention. The Agreement is intended as a mechanism for shipowners to pay an increased contribution, by way of indemnification by their insurers, to the international compensation regime.

1.9 Currency translation

1.9.1 For the translation of all cash, receivables, payables and provisions held at the end of the reporting period in currencies other than pounds sterling, the rate applied is the rate of exchange for the pound sterling against various currencies on the last banking day of the financial year as published in the London Financial Times. Rates are derived from WM/Reuters spot rates and Morningstar, and this is known as the FT rate.

1.9.2 Bank ledgers are maintained in the currency of the bank account. Receivables, payables and provisions are recorded in the currency of the asset or liability.

1.10 Cash, cash equivalents and term deposits

Cash and cash equivalents comprise cash on hand, cash at banks and term deposits with a tenor of three months or less. Term deposits comprise term deposits with a tenor exceeding three months.

1.11 Financial instruments

- 1.11.1 Financial instruments held in pounds sterling to maturity and where the interest is also received in pounds sterling have been treated at the year end as normal term deposits. As such, they are stated at the value of the investment made (historical cost) and interest is accrued as normal.
- 1.11.2 Amounts either paid to or received from financial institutions in respect of hedging instruments are treated as 'finance cost of hedging instrument' or 'income from hedging instrument', respectively.
- 1.11.3 Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy as follows:
 - Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date;
 - Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
 - Level 3 – unobservable inputs for the asset or liability.

- 1.11.4 Receivables and payables are measured on an amortised cost basis using the invoice value.

1.12 Inventories

- 1.12.1 The costs incurred in bringing publications to a distributable state include translation costs and printing costs. Publications are distributed free of charge. Costs of publications are expensed in the year they are incurred.
- 1.12.2 No value in inventory is carried forward since the cost of stock at year-end is not material in value.

1.13 Property, plant and equipment

Purchased assets which exceed an agreed value threshold, currently £500, are capitalised at cost in accordance with Financial Regulation 11.4. The cost of all assets acquired not exceeding that threshold is immediately charged as an expense. An asset is capitalised at cost and depreciated to its estimated residual value over its useful economic life using the straight-line method. The cost of an asset includes the purchase price, shipping and set-up charges. Depreciation is charged on an annual basis, with a full month's charge in the month of purchase and no charge in the month of disposal.

Class of asset	Useful life
Computer equipment	3–5 years
Office fixtures and fittings	5 years
Telecommunications equipment	5 years

1.14 Intangible assets

Purchased computer software is capitalised at cost and amortised using the straight-line method over its useful life of up to five years. An intangible asset is recognised when it is identifiable, provides future economic benefits or service potential which can be reliably measured, and access to which is wholly under the 1992 Fund's control. Internal operational and research costs are expensed. Costs associated with the maintenance of computer software programs are recognised as expenses when incurred.

1.15 Provisions and contingent liabilities

- 1.15.1 Provisions are made for future liabilities and charges where the 1992 Fund has a present legal or constructive obligation as a result of past events, and it is probable that the 1992 Fund will be required to settle the obligation.
- 1.15.2 Other commitments, which 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 which are not wholly within the control of the 1992 Fund.

Compensation provision

- 1.15.3 Provision is made for all claims approved by the relevant P&I Club and the 1992 Fund but not paid at the amount approved by the 1992 Fund, which reflects management's best estimate at that time or where a final judgment has taken place. Management have made the judgement that sufficiently reliable information for the value of a claim is only available once a claim has been approved. It is also only once a claim has been approved that it is deemed probable that an outflow of resources will be required to settle any obligation. A claim that has been assessed by an external expert may give an indication of compensation liability but it will still be subject to further consideration before the liability can be sufficiently estimated. Provision is also made for any significant claims approved between the year-end and the date on which the Financial Statements are approved in respect of claims existing at the year-end. Where approved claims have been pro-rated because there is uncertainty as to whether funds will be sufficient to allow further payments, no provision is made for such claims over and above the level of pro-rating, but the maximum of such amounts is disclosed separately in the Financial Statements as a contingent liability.

Provision for employee benefits

- 1.15.4 The following employee benefits are provided for:

- short-term employee benefits which fall due wholly within 12 months after the end of the accounting period in which employees render the related service; and
- long-term employee benefits not expected to be settled within 12 months.

- 1.15.5 Benefits in particular are:

- provision for annual leave accrued: provision classified as short-term provision is made annually on the basis of unused annual leave, with changes in the provision from the start of the year being charged as an expense or released in the current financial period; and
- provision for separation costs: under the Staff Regulations and Rules, some staff members are entitled to certain benefits upon separation from service consisting of a repatriation grant lump sum, travel of the staff member and eligible dependants, and shipment of their personal effects. Separation costs are provided for at the management's best estimate.

Contingent liabilities

1.15.6 Estimates of contingent liabilities are based on management's assessment and knowledge of pollution damage sourced from their own eyewitness accounts and those of other pollution experts, local authorities, industry professionals, P&I Clubs and other insurers. In addition, claims already submitted will be taken into consideration. These claims may not necessarily mature or be approved. In the case of fees (claims-related costs), these are calculated for the coming year only, due to the difficulties in predicting the length and cost of legal proceedings or of negotiations for reaching out-of-court settlements. Those liabilities which mature will, under the 1992 Fund Convention, be met from contributions levied by the 1992 Fund Assembly.

1.16 Contributors' Account

Net overpayments by contributors and reimbursement of contributions in accordance with the decisions of the 1992 Fund Assembly are held in the Contributors' Account until they can be repaid to the contributor. In accordance with Internal Regulation 3.9, any contributor's credit balance will bear interest. The interest is added to the credit balance at each year end, and when levies or reimbursements are due, normally on 1 March.

1.17 Staff Provident Fund

In accordance with Staff Rule VIII.5, the Staff Provident Fund represents the balance on the accounts of staff members made up of contributions to the Provident Fund by staff members and the 1992 Fund, withdrawals and repayments of housing loans, and interest earned on the investment of the assets of the Provident Fund.

1.18 Budgetary information

1.18.1 The 1992 Fund Assembly approves the budget, which includes budgeted amounts for administration costs and fixed assets. Budgets may be subsequently amended by the Assembly by authorising transfers within chapters of the budget, in excess of the limits of delegated authority provided under the Financial Regulations or by approving additional budgets.

1.18.2 The Statement of Comparison of Budget and Actual Amounts (Statement V) compares the final budget to actual amounts calculated on the same basis (modified cash basis) as the corresponding budgetary amounts. As the bases used to prepare the budget and Financial Statements differ, reconciliation between the amounts presented in Statement V and Statement II (Statement of Financial Performance) is provided in Note 23.

1.19 Future changes in accounting standards

The Financial Statements of the 1992 Fund have been prepared in accordance with IPSAS issued and effective as at 31 December 2024. The following IPSAS have been issued by the International Public Sector Accounting Standards Board (IPSASB) but are not yet effective for the reporting period ending 31 December 2024:

(i) IPSAS 43 Leases, replacing IPSAS 13 Leases, will be effective for annual reporting periods beginning on or after 1 January 2025. The full impact of IPSAS 43 on the 1992 Fund's Financial Statements will be quantified in the 2025 financial reporting period. This new standard introduces a single lessee accounting model, requiring entities to recognise right-of-use assets and lease liabilities for most leases. The Fund holds a lease for its office space as disclosed in Note 27, which is subsidised by the UK Government.

- (ii) IPSAS 44 Non-Current Assets Held for Sale and Discontinued Operations; IPSAS 45 Property, Plant, and Equipment (PPE); and IPSAS 46 Measurement, will all be effective for annual reporting periods beginning on or after 1 January 2025 and are not expected to have a material impact on the preparation of the 1992 Fund's Financial Statements.
- (iii) IPSAS 47 Revenue; IPSAS 48 Transfer Expenses; and IPSAS 49 Retirement Benefit Plans will all be effective for annual reporting periods beginning on or after 1 January 2026 and are not expected to have a material impact on the preparation of the 1992 Fund's Financial Statements.

Note 2 — Cash and cash equivalents, and term deposits

2.1 Cash and cash equivalents included in the Statement of Cash Flow (Statement IV) and the Statement of Financial Position (Statement I) comprise the following amounts:

Cash and cash equivalents	31/12/2024		31/12/2023
	£	restated	£
Cash on hand	4 506 997		6 051 244
Notice accounts (notice period less than 3 months)	138		132
Term deposits (tenor less than 3 months)	53 940 444		6 685 308
TOTAL	58 447 579		12 736 684

2.2 Term deposits with a tenor exceeding three months included in the Statement of Cash Flow (Statement IV) and the Statement of Financial Position (Statement I) comprise the following amounts:

Term deposits	31/12/2024		31/12/2023
	£	restated	£
Term deposits (tenor exceeding 3 months)	14 500 000		46 480 409
TOTAL	14 500 000		46 480 409

2.3 Term deposits with tenors over three months have been reclassified in the 2024 Financial Statements. They have been moved from 'cash and cash equivalents' to 'term deposits' and figures for 31 December 2023 have been restated as shown in the table below.

Cash and cash equivalents	31/12/2023	31/12/2023
	2023 Financial Statements	Restated in 2024
Cash on hand	10 384 000	6 051 244
Term deposits (maturing within 3 months)	18 018 063	-
Term deposits (maturing after 3 months)	30 814 898	-
Term deposits (tenor less than 3 months)	-	6 685 308
TOTAL	59 216 961	12 736 552
<i>Change to cash and cash equivalent</i>		(46 480 409)
Term deposits		
Term deposits (tenor exceeding 3 months)	-	46 480 409
TOTAL	-	46 480 409
<i>Change to term deposits</i>		46 480 409

2.4 As a result of the above prior period restatement, '(Increase)/decrease in term deposits' as at 31 December 2023 in the Statement of Cash Flow has also been restated from £nil to (£18 303 637), a change of £18 303 637, and 'Cash and equivalents at beginning of the year' for year ended 31 December 2023 in the Statement of Cash Flow has also been restated from £65 365 182 to £37 188 410, a change of £28 176 772.

2.5 Cash is invested in term deposits of up to one year with deposits maturing periodically throughout the year, in order to ensure liquidity between receipt of contributions (see paragraph 16.5). No investments are made in bonds or shares.

2.6 Cash and term deposits held in pounds sterling totalled £31 347 175 on 31 December 2024, of which £24 396 757 was held for the 1992 Fund. In addition, the Provident Fund held £6 539 366, and the Contributors' Account held £411 052.

2.7 Other currencies are held, totalling £41 600 404 in value. The General Fund held US dollars as part of its working capital and for the payment of the General Fund compensation liability in respect of the *Gulfstream* and *Marine Honour* incidents. Euros and Israeli shekels are held for the payment of compensation liabilities in line with the 1992 Fund's Hedging Guidelines (see paragraph 16.7.1). Other currencies are broken down in the table below:

Currency	Incident	Amount in other currency as at 31/12/2024	Translated as at 31/12/2024 £
Euros	<i>Prestige</i> MCF	EUR 898 912	743 210
	<i>Agia Zoni II</i> MCF	EUR 22 571 813	18 662 103
	<i>Bow Jubail</i> MCF	EUR 5 653 645	4 674 366
US dollars	General Fund	USD 16 648 256	13 293 082
Israeli shekels	General Fund	ILS 4 257 684	933 027
	Incident in Israel MCF	ILS 14 908 579	3 267 061
Philippine pesos	General Fund	PHP 1 996 227	27 555
TOTAL			41 600 404

2.8 Changes during the reporting period are shown in the following table:

Currency	Amount as at 31/12/2024	Amount as at 31/12/2023
Pounds sterling	GBP 31 347 175	GBP 26 058 522
Euros	EUR 29 124 370	EUR 23 541 460
US dollars	USD 16 648 256	USD 9 497 568
Israeli shekels	ILS 19 166 263	ILS 24 367 649
Russian roubles	-	RUB 6 609
Philippine pesos	PHP 1 996 227	-

2.9 Currencies other than pounds sterling are translated according to the policy described in paragraph 1.9. Exchange differences due to revaluation are reported in Note 24.

Note 3 — Contributions receivable

3.1 The situation with regard to outstanding contributions from previous levies is set out below:

	General Fund £	Hebei Spirit MCF £	Alfa I MCF £	Agia Zoni II MCF £	Nesa R3 MCF £	Incident in Israel MCF £	Bow Jubail MCF £	Princess Empress MCF £	Total contributions receivable 2024 £	Total contributions receivable 2023 £
Angola	-	-	-	-	-	-	-	-	-	3 754
Antigua and Barbuda	-	-	-	-	-	-	-	-	-	1 098
Argentina	6 091	-	-	-	-	-	-	3 667	9 758	56 606
Bahamas	-	-	-	-	-	-	15 339	-	15 339	-
Côte d'Ivoire	-	-	-	-	-	-	-	-	-	24
Croatia	-	-	-	-	-	-	-	-	-	2 830
Curaçao	5 290	-	-	43 623	-	-	123 637	-	172 550	48 913
Denmark	1 694	-	3 062	-	1 484	-	-	-	6 240	6 240
Djibouti	2 010	-	-	4 438	-	-	-	-	6 448	6 449
France	9 242	-	-	-	-	-	-	-	9 242	9 242
Ghana	7 282	-	-	-	-	-	-	-	7 282	105 050
Guinea	647	-	-	-	-	-	2 172	-	2 819	647
Guyana	3 615	-	-	-	-	899	-	1 351	5 865	3 163
Iran	336 248	-	-	4 257	-	51 023	185 613	110 648	687 789	280 880
Madagascar	-	-	-	-	-	-	-	-	-	2 980
Malaysia	191 084	-	-	-	-	-	-	133 843	324 927	16 344
Malta	-	-	-	-	-	-	5 068	-	5 068	-
Morocco	12 903	-	-	-	8 404	-	2 129	-	23 436	21 307
Mozambique	12 944	-	-	-	-	-	-	12 944	25 888	-
Netherlands	7 244	-	-	-	-	-	-	-	7 244	87 421
Panama	8 859	-	-	364	-	-	29 616	8 859	47 698	364
Russian Federation	14 676	-	39 976	-	3 543	-	-	-	58 195	58 195
Spain	-	-	-	-	-	-	-	-	-	14 344
Tunisia	9 918	-	-	-	-	-	-	1 926	11 844	-
Türkiye	6 138	-	-	-	-	2 687	4 823	-	13 648	8 824
United Arab Emirates	-	-	-	-	-	-	2 486	-	2 486	37 363
United Kingdom	32 543	-	38 323	-	6 153	-	-	-	77 019	77 020
United Republic of Tanzania	-	-	-	-	-	-	-	-	-	508
Venezuela	495 282	-	39 699	235 164	29 436	63 305	79 362	33 889	976 137	828 996
Sub total	1 163 710	-	121 060	287 846	49 020	117 914	450 245	307 127	2 496 922	1 678 562
Provision	(77 196)	-	(81 361)		(19 585)	(2 687)	(4 823)	-	(185 652)	(172 004)
TOTAL	1 086 514	-	39 699	287 846	29 435	115 227	445 422	307 127	2 311 270	1 506 558

3.2 Contributions receivable is net of the provision for contributions due from some contributors, as set out in Note 5.

3.3 One contributor in the Bolivarian Republic of Venezuela has outstanding contributions of £976 137, amounting to 42% of contributions receivable (net of provision). One contributor in the Islamic Republic of Iran owes £687 789, which amounts to 30% of contributions receivable.

Note 4 — Other receivables

4.1 Other receivables are set out in the table below:

	31/12/2024	31/12/2023
	£	£
Tax recoverable	330 786	339 824
Accrued interest on investments	510 145	456 502
Accrued interest on overdue contributions	276 887	227 455
Prepayments	158 167	76 597
Advances to staff	10 773	8 882
Accrued income	928 094	316 590
Due from the Supplementary Fund	49 937	44 722
Miscellaneous receivables	9 579	11 220
TOTAL	2 274 368	1 481 792

4.2 Taxes recoverable are value-added tax (VAT) and airport tax recoverable from the UK Government under Article 34 of the 1992 Fund Convention.

4.3 Accrued interest on investments of £510 145 was due at year end on cash deposits maturing in 2025, held in pounds sterling, US dollars, euros and Israeli shekels.

4.4 As at 31 December 2024, accrued interest on overdue contributions was £323 821 and a provision of £46 934 has been made for interest on contributions due from some contributors, as set out in Note 5. The net of these amounts (£276 887) is included in 'Other receivables'.

4.5 Prepayments are payments in advance of goods and service delivery.

4.6 Advances to staff are for travel season tickets and subscriptions to the health insurance scheme.

4.7 Accrued income relates to amounts to be reimbursed by shipowners' insurers for joint costs, which in 2024 relates to the *Hebei Spirit*, *Princess Empress* and *Marine Honour* incidents.

4.8 As at 31 December 2024, an amount of £49 937 was due from the Supplementary Fund which included the management fee of £42 000 and other amounts settled by the 1992 Fund on behalf of the Supplementary Fund. This was settled in January 2025.

Note 5 — Provision for contributions and interest on overdue contributions

5.1 Contributions receivable is net of the provision for contributions. The total provision of £232 586 is made up of £185 652 in contributions and £46 934 in interest on overdue contributions. A total amount of £78 827 due from two contributors in the Russian Federation has been provided for, as well as a total of £153 759 due from five contributors in liquidation proceedings.

5.2 A summary of the movements in the two provisions is shown in the table below:

Provision	Contributions outstanding £	Interest on contributions outstanding £	TOTAL £
Opening balance as at 01/01/2024	172 004	42 589	214 593
Increase in provision for contributions and interest on overdue contributions	13 648	4 345	17 993
Closing balance as at 31/12/2024	185 652	46 934	232 586

5.3 Movements on the provision for contributions and the provision for interest on contributions are shown by contributor in the table below:

Contributor	Contributors from the Russian Federation £	Petroplus (UK/ France) £	OW Bunker (Denmark) £	SAMIR (Morocco) £	CYE Petroleum (Türkiye) £	TOTAL £
Contributions						
Opening balance as at 01/01/2024	58 195	86 262	6 240	21 307	-	172 004
Contributions received in 2024	-	-	-	-	-	-
Contributions provided for in 2024	-	-	-	-	13 648	13 648
Total provision for contributions as at 31/12/2024	58 195	86 262	6 240	21 307	13 648	185 652
Interest on contributions						
Opening balance as at 01/01/2024	16 523	-	-	26 066	-	42 589
Interest provided for in 2024	4 109	-	-	-	236	4 345
Total provision for interest on contributions as at 31/12/2024	20 632	-	-	26 066	236	46 934
Total provision for contributions and interest as at 31/12/2024	78 827	86 262	6 240	47 373	13 884	232 586

5.4 Contributors from the Russian Federation

The provision includes contributions and interest on overdue contributions due from two contributors in the Russian Federation. Based on the decision of the 1992 Fund Assembly at its October 2016 session, the Secretariat has continued discussions with the authorities in the Russian Federation to recover the contributions and no legal action has been taken in these cases.

5.5 Contributors in liquidation/bankruptcy

5.5.1 At its October 2014 session, the 1992 Fund Assembly decided that after the receipt of final settlement from liquidators, any balances due from two contributors in the UK and France (headquartered in Switzerland) should be written off (document [IOPC/OCT14/11/1](#), paragraph 5.2.17).

- 5.5.2 The Secretariat has continued discussions with the authorities in Morocco to recover the outstanding contributions due from SAMIR. The amount owed by this contributor was reduced in 2023 as a result of the *Hebei Spirit* Major Claims Fund reimbursement.
- 5.5.3 A claim for £13 884 was submitted in 2024 to the Concordat Desk for CYE Petroleum in Türkiye and an amount of £6 226 has been offered against the claim. The 1992 Fund has the option to seek a larger payment through court proceedings.

Note 6 — Due from HNS Fund

- 6.1 At its first session, the 1992 Fund Assembly instructed the Director to carry out the tasks necessary for the setting up of the International Hazardous and Noxious Substances Fund (HNS Fund), as requested by the HNS International Conference (document [92FUND/A.1/34](#), paragraph 33.1.1–33.1.3), on the basis that all expenses would be repaid by the HNS Fund when established. As a result of this decision, any expenses relating to the preparation for the entry into force of the HNS Convention have been treated as loans from the 1992 Fund.
- 6.2 The HNS Fund will be established when the 2010 HNS Convention comes into force. The 2010 HNS Convention will come into force 18 months after ratification by 12 States, fulfilling the conditions as laid down in the HNS Protocol. The 2010 HNS Protocol was signed by eight States (Canada, Denmark, France, Germany, Greece, the Netherlands, Norway and Türkiye) subject to ratification. As at 31 December 2024, eight States (Canada, Denmark, Estonia, France, Norway, Slovakia, South Africa and Türkiye) have deposited their instruments of ratification or accession to the 2010 HNS Protocol.
- 6.3 An amount of £884 528 (2023: £631 095), including interest to date of £112 898, is due from the HNS Fund when it is established. The Director considers that progress towards the entry into force of the 2010 HNS Convention supports expectation of recovery of this balance.

Note 7 — Property, plant and equipment

7.1 The following table shows a breakdown of fixed assets by type, with a reconciliation of additions and depreciation during the year:

	Computer equipment £	Office fixtures and fittings £	Telephone equipment £	Total £
Cost				
Opening balance as at 01/01/2024	243 290	77 599	26 880	347 769
Additions	12 298	8 527	1 831	22 656
Disposals	(1 650)	-	-	(1 650)
Closing balance as at 31/12/2024	253 938	86 126	28 711	368 775
Depreciation				
Accumulated depreciation as at 01/01/2024	218 454	44 292	26 555	289 301
Depreciation on disposals	(1 625)	-	-	(1 625)
Depreciation charge for the year	11 343	8 578	402	20 323
Closing balance as at 31/12/2024	228 172	52 870	26 957	307 999
Net book value				
Opening balance as at 01/01/2024	24 836	33 307	325	58 468
Closing balance as at 31/12/2024	25 766	33 256	1 754	60 776

Note 8 — Intangible assets

8.1 The following table shows the amortisation of purchased software for the year. The software had been fully amortised and was disposed of within 2024.

	Purchased software £
Cost	
Opening balance as at 01/01/2024	28 557
Additions	-
Disposals	(28 557)
Closing balance as at 31/12/2024	-
Depreciation	
Accumulated depreciation as at 01/01/2024	28 557
Depreciation on disposals	(28 557)
Depreciation charge for the year	-
Closing balance as at 31/12/2024	-
Net book value	
Opening balance as at 01/01/2024	-
Closing balance as at 31/12/2024	-

Note 9 — Payables and accruals

9.1 The following table shows details of payables and accruals as at 31 December 2024:

	31/12/2024	31/12/2023
	£	£
Payables for administrative expenses, lawyers, and experts	271 086	374 524
Accruals for administrative expenses, lawyers, and experts	330 404	279 061
TOTAL	601 490	653 585

Note 10 — Provision for compensation

10.1 Provision is made for compensation claims meeting the criteria as set out in paragraph 1.15.1.

10.2 The following table shows movement in provision in the currency of the country where the incident took place:

	Incidents	Currency	Opening balance as at 01/01/2024	Less: brought forward provision paid in 2024	New provision made in 2024	Closing balance as at 31/12/2024
General Fund	Incident in Israel	ILS	3 449 188	(3 449 188)	470 432	470 432
	<i>Gulfstream</i>	TTD	-	-	2 413 719	2 413 719
		USD	-	-	1 250	1 250
	<i>Marine Honour</i>	SGD	-	-	2 773 757	2 773 757
		USD	-	-	2 668 306	2 668 306
Major Claims Fund	<i>Prestige</i>	EUR	805 275	-	-	805 275
	<i>Agia Zoni II</i>	EUR	789 767	(352 390)	-	437 377
	Incident in Israel	ILS	2 427 402	(1 178 717)	21 476	1 270 161
	<i>Princess Empress</i>	PHP	721 991 852	(716 174 717)	91 451 125	97 268 260
	<i>Marine Honour</i>	SGD	-	-	348 309	348 309
		USD	-	-	6 554 129	6 554 129

10.3 The following table shows movement in provision in pounds sterling:

	General Fund £	Prestige MCF £	Agia Zoni II MCF £	Incident in Israel MCF £	Princess Empress MCF £	Marine Honour MCF £	TOTAL £
Opening balance, 01/01/2024	751 391	697 812	684 374	528 800	10 227 701	-	12 890 078
Less: brought forward provision paid in 2024	(751 391)	-	(305 364)	(256 779)	(10 147 226)	-	(11 460 760)
Currency (gain)/loss on brought forward provision not utilised in the year	-	(32 020)	(17 392)	1 615	(177)	-	(47 974)
New provision made in 2024	4 143 372	-	-	4 706	1 262 356	5 437 124	10 847 558
Closing balance as at 31/12/2024	4 143 372	665 792	361 618	278 342	1 342 654	5 437 124	12 228 902

10.4 Claims provided for in respect of the *Marine Honour* incident have been recognised under both the General Fund and the *Marine Honour* Major Claims Fund, as the recognition of these claims resulted in the incident exceeding the limit of the General Fund.

10.5 Expenditure in respect of the *Gulfstream* incident, including the full claims provision, remained below the General Fund limit.

10.6 In relation to the *Prestige* Major Claims Fund, a provision for compensation of EUR 805 275 is held until claims in the courts are finalised or become time-barred, in order that equal treatment of claimants in France and Portugal is maintained.

Note 11 — Provision for employee benefits

11.1 The following table shows movements to the short- and long-term provisions:

	Short-term £	Long-term £	Total £
Opening balance as at 01/01/2024	314 945	347 621	662 566
Repatriation for employees moved from long term to short term provision	75 944	(75 944)	-
New provision made in 2024	14 470	67 322	81 792
Closing balance as at 31/12/2024	405 359	338 999	744 358

11.2 The short-term provision for employee benefits was increased in 2024 to reflect an increase in accrued annual leave carried forward from 2024 by staff in Professional categories and above. The cost of repatriation for international staff members (long-term provision) has increased due to the inclusion of three new staff members recruited in 2024.

Note 12 — Prepaid contributions

12.1 The amount of £1 543 431 (2023: £1 291 631) represents the levy of contributions decided by the 1992 Fund Assembly in November 2024 and due on 1 March 2025 but received in 2024.

Note 13 — Contributors' Account

13.1 The balance on the Contributors' Account is £411 052 (2023: £969 423), mainly comprising amounts reimbursed but not yet repaid to contributors. These amounts are eligible to earn interest, with £26 939 (2023: £38 611) credited to contributors in 2024. The Contributors' Account balance decreased in 2024 due to further reimbursements from the *Hebei Spirit* Major Claims Fund issued in 2023, being offset against contributions due on 1 March 2024.

Note 14 — Staff Provident Fund

14.1 The Provident Fund is made up of two schemes. Provident Fund 1 (PF1) is invested with the 1992 Fund assets. Provident Fund 2 (PF2) is managed by an independent investment manager in the name of the 1992 Fund.

14.2 Movements within Provident Funds 1 and 2 in 2024 are shown in the table below:

	2024 £	2023 £
Provident Fund 1		
PF1 staff member accounts as at 01/01/2024	6 395 226	4 453 563
Receipts:		
Contributions of staff members	263 639	246 130
Voluntary contributions of staff members	287 725	316 701
Contributions of 1992 Fund	537 277	502 259
Transfer from PF2	259 623	457 890
Interest received	368 250	283 683
Repayment of loans	-	145 000
Total receipts	1 716 514	1 951 663
Payments:		
Transfer to PF2	20 000	10 000
Withdrawal on separation	1 296 516	-
Housing loans	255 858	-
Total payments	1 572 374	10 000
PF1 staff member accounts as at 31/12/2024	6 539 366	6 395 226
Provident Fund 2		
Transfer to PF1	(239 623)	(447 890)
PF2 valuation as at 31/12/2024	378 512	574 407
Staff Provident Fund (PF1 and PF2) (Statement 1)	6 917 878	6 969 633

14.3 The rate of contribution to the Provident Fund for staff members is 7.9% of their respective pensionable remuneration, and for the 1992 Fund is 15.8% of that remuneration (Staff Rule VIII.5(b)). At its October 2009 session, the 1992 Fund Administrative Council, acting on behalf of the Assembly, decided that staff members could make additional voluntary contributions of up to 5% of pensionable remuneration to the Provident Fund. At its April 2017 session, the 1992 Fund Administrative Council, acting on behalf of the Assembly, decided to increase the maximum voluntary contribution amount to 23.7% of the staff member's pensionable remuneration.

- 14.4 The fair value of the assets held in PF2 are categorised as level 1 within the fair value hierarchy, as investments are considered to be valued using quoted prices (unadjusted) in active markets at any given measurement date.
- 14.5 All contributions are credited to PF1. Staff may invest in PF2 only from their cash balance available in PF1. There is no possibility of investing private funds in PF2. Amounts withdrawn from PF2 are credited to PF1.
- 14.6 The amount in PF1 is invested together with the 1992 Fund's assets. Interest is calculated and fixed monthly by the Director based on the rate of return of investments held during that month.
- 14.7 Participation in PF2 is entirely voluntary and new staff members can only participate in PF2 after completing one year of service in the Secretariat. All fees paid by those participating in PF2 are based on the proportion of their investment in PF2. As set out above, PF2 is managed by an independent investment manager, with £20 000 of new funds invested in 2024 and £259 623 withdrawn. As at 31 December 2024, the value of PF2 was £378 512.
- 14.8 Housing loans from the Provident Fund represent loans taken by staff members in accordance with Staff Rule VIII.5(j). The loan shall be repaid in a manner to be agreed between the staff member and the Director. In any event, the loan shall be repaid on the staff member's separation from the 1992 Fund by means of deduction from the monies payable.
- 14.9 The staff member's share in the Provident Fund is payable upon separation of the staff member from the 1992 Fund in accordance with the 1992 Fund's Staff Rule VIII.5(e).

Note 15 — General Fund and Major Claims Funds balances

- 15.1 The 1992 Fund holds fund balances classified into General Fund and Major Claims Funds. The General Fund currently includes a working capital of £15 million, as decided by the 1992 Fund Assembly at its November 2024 session (document [IOPC/NOV24/11/1](#), paragraph 9.1.9). The working capital is established to ensure that the 1992 Fund is in a position to meet compensation and claims-related expenses, which may occur between the regular sessions of the governing bodies. See Note 25 for segment reporting by General Fund and Major Claims Funds.

Note 16 — Financial instruments

- 16.1 Details of the significant accounting policies adopted, including the basis of measurement and the basis on which income and expenses are recognised in respect of the financial instruments, are set out in Note 1.
- 16.2 All financial instruments held during 2024 are classified as loans and receivables, and are non-derivative financial assets with fixed payments and a fixed maturity for which the organisation has the intention and the ability to hold to maturity.

16.3 Financial instruments held at year end are detailed in the table below:

	31/12/2024	31/12/2023 restated
	£	£
Financial assets held at amortised cost:		
Cash and cash equivalents	58 447 579	12 736 684
Term deposits	14 500 000	46 480 409
Trade and other receivables	5 470 166	3 619 445
Financial liabilities held at amortised cost:		
Trade and other payables	1 012 542	1 623 008

16.4 'Cash and cash equivalents' and 'Term deposits' at 31 December 2023 have been restated following a reclassification of certain deposits from 'cash and cash equivalents' to 'term deposits'. Further details are provided in Note 2.3.

16.5 Credit risk

16.5.1 The 1992 Fund's credit risk is spread widely. Its risk management policies limit the amount of credit exposure to any counterparty and include minimum credit quality guidelines.

16.5.2 The guidelines include market and capital strength measures in addition to the credit rating provided by the three rating agencies. Credit default swaps (CDS) and Common Equity Tier (CET) 1 capital ratio are the additional measures used to determine the counterparty list. The guidelines are as follows:

- (a) CET 1 capital ratio of at least 9.5% or higher;
- (b) five-year CDS spread of a maximum of 100 basis points, a breach of which would trigger a review to ascertain whether the credit markets were weaker in general, or whether the creditworthiness of the counterparty concerned was subject to a particular credit-negative event, which would warrant its temporary or permanent exclusion from the lending list; and
- (c) minimum short-term credit rating from two of the three main credit rating agencies: Fitch, Moody's, and Standard & Poor's, as follows:
 - for maturities of up to 12 months (Group 1) of F1+, P1 and A1+; and
 - for maturities of up to 6 months (Group 2) of F1, P1 and A1.

16.5.3 A list of approved financial institutions is prepared by the IAB on a quarterly basis and approved by the Director. This list is kept under constant review by the IAB between meetings and the Secretariat is advised accordingly.

16.5.4 Contributions receivable are amounts outstanding from contributors in Member States. The 1992 Fund Convention places an obligation on Member States to ensure that contributors fulfil their obligation to pay contributions. Details of contributions receivable are provided in Note 3.

16.6 Liquidity risk

16.6.1 The 1992 Fund Convention provides the Assembly with authority to levy contributions that may be required to balance the payments to be made by the 1992 Fund.

16.6.2 Liquidity risk associated with cash and cash equivalents is minimised substantially by ensuring that these financial assets are placed in term deposits not exceeding one year. It is ensured that in compliance with the investment guidelines on liquidity, the working capital of £15 million set by the 1992 Fund Assembly in October 2019 is available within three months to support operational requirements.

16.7 Interest rate risk

16.7.1 The 1992 Fund places its cash deposits in term deposits with fixed interest rates under strict investment guidelines. The Financial Regulations of the 1992 Fund focus on the security and liquidity of the assets rather than maximising revenue, and this is taken into account in managing the liquidity (cash flow) risk.

16.7.2 The table below shows the average interest rate applied to deposits in the different currencies, and in pounds sterling the effect of a change of 0.25% in the interest rate.

Deposits	Average interest rate earned 2024 %	Effect of increase/decrease by 0.25% £
Pound sterling	4.39%	98 646
US dollar	5.33%	19 055
Euro	3.69%	62 836
Israeli shekel	3.03%	10 318

16.8 Foreign currency risk

16.8.1 The Hedging Guidelines were developed in 2008 in consultation with the IAB. The Director may hedge up to 50% of received contributions for an incident with compensation payable in a currency other than pounds sterling. Foreign currency transactions for hedging purposes should be executed within six months of a levy being approved. Foreign currencies held for the purpose of hedging should only be used for payment of compensation.

16.8.2 The rationale behind the hedging policy is that hedging 50% of the foreign exchange liability constitutes a neutral position whichever way the exchange rate moves. The hedging percentage is the percentage of the remaining liability held in the incident currency. If the foreign exchange liability exceeds the amount levied, that percentage will be less than 50% because the Director may only hedge 50% of received contributions.

16.8.3 As at 31 December 2024, cash and cash equivalents were held in pounds sterling (44%), euros (34%), US dollars (13%) and Israeli shekels (9%) (see Note 2).

16.8.4 As at 31 December 2024, the foreign exchange liability in euros in respect of the *Prestige* incident was hedged at 100% (2023: 100%).

16.8.5 As at 31 December 2024, the foreign exchange liability in euros in respect of the *Agia Zoni II* incident was hedged at 60% (2023: 55%).

16.8.6 As at 31 December 2024, the foreign exchange liability in Israeli shekels (ILS) in respect of the Incident in Israel was hedged at 87% (2023: 48%). The hedging percentage increased in 2024 due to a fall in the remaining ILS liability, as explained in paragraph 26.13.4.

16.8.7 As at 31 December 2024, the foreign exchange liability in euros in respect of the *Bow Jubail* incident was hedged at 22%.

Note 17 — Contributions

17.1 At its session in November 2023, the 1992 Fund Assembly decided to levy £10 million to the General Fund, £20 million to the *Bow Jubail* Major Claims Fund and £10 million to the *Princess Empress* Major Claims Fund, all payable by 1 March 2024.

17.2 Contributions invoiced for payment in 2024 are summarised below:

	2023 levy payable by 1 March 2024 £	Previous years' levies £	Total £
<i>General Fund</i>	9 892 860	69 516	9 962 376
<i>Agia Zoni II</i> Major Claims Fund	-	5 147	5 147
Incident in Israel Major Claims Fund	-	1 217	1 217
<i>Bow Jubail Major Claims Fund</i>	19 356 974	-	19 356 974
<i>Princess Empress</i> Major Claims Fund	9 892 860	-	9 892 860
TOTAL	39 142 694	75 880	39 218 574

17.3 Contributions invoiced in 2024 include levies and reimbursements based on contributing oil reports which were received late, amounting to a net levy of £75 880. This is in accordance with the accounting policy set out in paragraph 1.6.2 on contributions relating to late submission of oil reports, where the amount is recognised as income on the date of the invoice.

Note 18 — Contributions-in-kind

18.1 The UK Government subsidises rental costs for the Secretariat offices in the IMO headquarters building. The total rental payments made in 2024 were £277 500 (2023: £258 000) with a rental charge of £258 000 per annum for the period 1 January to 31 October 2024, rising to £375 000 per annum for 1 November to 31 December 2024. The United Kingdom Government usually meets 80% of these costs, although this was capped at £206 400 in 2024 (2023: £206 400) (see Notes 22 and 27).

Note 19 — Other revenue

19.1 The following table shows a breakdown of other revenue earned by the 1992 Fund in 2024:

	2024 £	2023 £
Reimbursement from shipowner's insurer under STOPIA 2006 (as amended 2017)	4 060 052	8 738 633
Management fee payable by the Supplementary Fund	42 000	40 000
Interest on overdue contributions	143 763	68 570
Interest on loans to HNS Fund	35 053	22 570
Sundry income	245	1 225
TOTAL	4 281 113	8 870 998

19.2 The management fee for the Supplementary Fund was set in the budget at £42 000 (2023: £40 000) for the period 1 January to 31 December 2024 (document [IOPC/NOV23/11/1](#), paragraph 9.1.15).

19.3 Reimbursement of £4.0 million was received for compensation paid in respect of the *Bow Jubail* incident, in accordance with STOPIA 2006 (as amended 2017).

Note 20 — Compensation claims

20.1 Compensation is recognised on a cash basis in Section One, paragraph 10.1, and can be reconciled to compensation paid in the Statement of Financial Performance (Statement II) as follows:

	General Fund £	<i>Agia Zoni II</i> MCF £	Incident in Israel MCF £	<i>Bow Jubail</i> MCF £	<i>Princess Empress</i> MCF £	<i>Marine Honour</i> MCF £	Total £
Compensation paid on cash basis in 2024 (Section One, paragraph 10.2)	4 833 530	300 415	252 052	4 375 332	12 406 792	-	22 168 121
Exchange (gain)/loss on compensation paid in 2024	9	-	-	-	(284)	-	(275)
Less: brought forward provision paid in 2024 (Note 10)	(751 391)	(305 364)	(256 779)	-	(10 147 226)	-	(11 460 760)
Less: brought forward provision reversed in 2024 (Note 10)	-	-	-	-	-	-	-
Exchange gain on brought forward provision paid in 2024 (Note 24)	21 135	4 949	4 727	-	187 723	-	218 534
New provision made in 2024 (Note 10)	4 143 372	-	4 706	-	1 262 356	5 437 124	10 847 558
Compensation recognised on accrual basis (Statement II)	8 246 655	-	4 706	4 375 332	3 709 361	5 437 124	21 773 178

20.2 The General Fund paid compensation in respect of the *Bow Jubail* (£3 819 648), Incident in Israel (£980 065), *Gulfstream* (£15 412) and *Marine Honour* (£18 406) incidents.

20.3 Of the £8.2 million paid in compensation for the *Bow Jubail* incident, £4.0 million was reimbursed by the shipowner's insurer, Gard P&I (Bermuda) Ltd, in accordance with STOPIA 2006 (as amended 2017), recognised as Other Revenue in Note 19, paragraph 19.3.

20.4 Foreign currency is held for the purpose of making payments of compensation. Any exchange loss on the payment is compensated by an exchange gain on the revaluation of the foreign currency (see Note 24).

Note 21 — Claims-related expenses

21.1 In accordance with the Memorandum of Understanding (MoU) between the International Group of P&I Associations (shipowners' insurers) and the 1992 Fund, joint claims-related expenses are apportioned between the P&I Clubs and the 1992 Fund based on their respective compensation liability.

	Claims-related expenses paid in 2024 £	Joint costs received/receivable in 2024 £	Claims-related expenses 2024 (Statement II) £	Claims-related expenses 2023 (Statement II) £
General Fund	1 143 426	(35 089)	1 108 337	1 054 033
<i>Prestige</i> MCF	53 779	-	53 779	86 264
<i>Hebei Spirit</i> MCF	5 164	(1 044)	4 120	11 946
<i>Alfa I</i> MCF	6 540	-	6 540	204 474
<i>Agia Zoni II</i> MCF	229 283	-	229 283	143 628
<i>Nesa R3</i> MCF	15 715	-	15 715	31 206
<i>Princess Empress</i> MCF	1 862 178	(576 487)	1 285 691	311 885
TOTAL	3 316 085	(612 620)	2 703 465	1 843 436

21.2 In 2024, the General Fund paid claims-related expenses of £528 202 in respect of the *Bow Jubail* incident, £273 797 in respect of the *Gulfstream* incident, £136 972 in respect of the Incident in Israel, and £46 672 in respect of the *Solar I* incident.

21.3 In accordance with the MoU, an amount of £576 487 was recognised as receivable from the Shipowners' P&I Club in respect of the *Princess Empress* incident (2023: 315 475). An amount of £1 044 (2023: £1 116) was invoiced to Assuranceföreningen Skuld (Gjensidig) (Skuld Club) in respect of the *Hebei Spirit* incident and £35 089 is receivable from the insurer of the *Marine Honour*.

Note 22 — Staff, other personnel and administrative costs

22.1 Expenses were incurred under seven chapters as set out in the table below:

Chapter	Expenses 2024 (Statement II) £	Expenses 2023 (Statement II) £
I Personnel	3 698 570	3 383 303
II General services	1 018 120	1 024 096
III Meetings	122 350	108 826
IV Travel	76 285	110 476
V Miscellaneous expenditure	318 521	285 810
VI Unforeseen expenditure	-	-
VII External audit fees	74 235	67 515
TOTAL	5 308 081	4 980 026

22.2 Chapter II, General services, includes £206 400, for rent due on the Secretariat's office premises which is the amount reimbursed by the UK Government (see Note 18). Chapter II also includes depreciation charges of £20 323 (see Note 7).

Note 23 — Statement of Comparison of Budget and Actual Amounts

23.1 The 1992 Fund's budget and Financial Statements are prepared using different bases. The Statement of Financial Position (Statement I); Statement of Financial Performance (Statement II); Statement of Changes in Net Assets (Statement III); and Statement of Cash Flow (Statement IV) are prepared on a full accruals basis using a classification based on the nature of expenses in the Statement of Financial Performance (Statement II), whereas the Statement of Comparison of Budget and Actual Amounts (Statement V) is prepared on a commitment accounting basis.

23.2 Differences between budgeted and actual amounts are explained in the Director's Comments (Section One, paragraphs 5.1-5.10).

23.3 As required under IPSAS 24, the actual amounts presented on a comparable basis to the budget shall, where the Financial Statements and the budget are not prepared on a comparable basis, be reconciled to the actual amounts presented in the Financial Statements, identifying separately any basis, presentation, entity and timing differences.

23.4 Basis differences occur when the approved budget is prepared on a basis other than the accounting basis. For the 1992 Fund, the budget is prepared on the commitment basis and the Financial Statements are prepared on the accruals basis.

23.5 Presentation differences are due to differences in the format and classification schemes adopted for presentation of the Statement of Financial Performance (Statement II) and the Statement of Comparison of Budget and Actual Amounts (Statement V).

23.6 Entity differences occur when the budget omits programmes or entities that are part of the entity for which the Financial Statements are prepared. The budget relates only to the joint Secretariat's administrative expenses.

23.7 Timing differences occur when the budget period differs from the reporting period reflected in the Financial Statements. There are no timing differences for the 1992 Fund for purposes of comparison of budget and actual amounts.

23.8 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 Financial Performance (Statement II) for the year ended 31 December 2024 is presented below:

	£
Statement V	5 059 537
Contributions-in-kind (Note 18)	206 400
Purchase of fixed assets (Notes 7 and 8)	(22 656)
Depreciation and amortisation (Notes 7 and 8)	20 323
Adjustment to provision for employee benefits (Note 11)	81 792
Compensation claims (Note 20)	21 773 178
Claims-related expenses (Note 21)	2 703 465
Currency exchange differences (Note 24)	743 042
Net increase in provision for contributions and interest on overdue contributions (Note 5)	17 993
Inter-fund loan interest (Note 25)	(37 315)
Statement II	30 545 759

Note 24 — Currency exchange differences

24.1 As at 31 December 2024, there was a notional exchange loss of £743 042 (2023 loss: £1 074 257) made up as follows:

Reason for difference	General Fund	Prestige MCF	Hebei Spirit MCF	Agia Zoni II MCF	Nesa R3 MCF	Incident in Israel MCF	Bow Jubail MCF	Princess Empress MCF	(Gain)/loss 2024 £	(Gain)/loss 2023 £
	£	£	£	£	£	£	£	£	£	£
Currency revaluation ^{<3>}	(118 426)	33 318	-	836 444	-	(19 501)	272 708	-	1 004 543	1 218 446
Revaluation of taxes	-	-	-	-	-	-	-	-	-	27
Exchange (gain) on 2023 provision paid in 2024 (Note 20)	(21 135)	-	-	(4 949)	-	(4 727)	-	(187 723)	(218 534)	(73 203)
(Decrease)/increase in cost of unutilised 2023 provision due to currency revaluation (Note 10)	-	(32 020)	-	(17 392)	-	1 615	-	(177)	(47 974)	(24 798)
Exchange loss on other receivables	-	-	-	-	-	-	-	-	-	24 119
Exchange (gain)/loss on compensation paid in 2024 (Note 20)	(9)	-	-	-	-	-	-	284	275	(75 924)
Exchange loss/(gain) on vendor payables	839	-	2	523	119	-	489	2 760	4 732	5 590
TOTAL	(138 731)	1 298	2	814 626	119	(22 613)	273 197	(184 856)	743 042	1 074 257

^{<3>} Currency revaluation arising from translation of all monetary assets held at the end of the reporting period in currencies other than pounds sterling, as well as currency transfers between accounts during the year.

24.2 The table below shows the movement of exchange rates from the beginning to the end of the reporting period:

	31/12/2024	31/12/2023
EUR:GBP	1.2095	1.154
RUB:GBP	No RUB assets or liabilities	113.9667
ILS:GBP	4.5633	4.5904
USD:GBP	1.2524	1.2748
PHP:GBP	72.4448	70.5918
TTD:GBP	8.4625	No TTD assets or liabilities
SGD:GBP	1.7085	No SGD assets or liabilities

24.3 Currency revaluation at year end gave rise to the following (gains)/losses in pounds sterling during 2024, shown in the table below, with the previous year for comparison:

Currency revaluation	31/12/2024	31/12/2023
	£	£
EUR	1 197 877	506 705
USD	(200 395)	401 545
ILS	7 550	310 179
PHP	(490)	-
RUB	1	17
TOTAL	1 004 543	1 218 446

Note 25 — Segment reporting

25.1 Segment reporting has been made on the basis that the 1992 Fund classifies its activities into the General Fund and Major Claims Funds.

25.2 The General Fund covers the 1992 Fund's expenses for the administration of the Secretariat and for compensation payments and claims-related expenditure for minor incidents, up to a maximum amount of the pound sterling equivalent of SDR 4 million per incident, and includes the working capital.

25.3 In accordance with Financial Regulation 7.1 (c) (iv), the General Fund made a loan in 2023 to the *Princess Empress* Major Claims Fund to make payment of compensation. The balance of the loan carried forward to 2024 was £389 933 and this was repaid in January 2024 by contributions received for the *Princess Empress* Major Claims Fund. A second loan was made to the *Princess Empress* Major Claims Fund in October 2024, made from the *Agia Zoni II* Major Claims Fund. The balance of the loan carried forward to 2025 was £5 178 447 and this will be repaid by contributions to the *Princess Empress* Major Claims Fund due for payment by 1 March 2025.

25.4 Related interest income for the General Fund and *Agia Zoni II* Major Claims Fund plus interest expense for the *Princess Empress* Major Claims Fund are included in the table in paragraph 25.8 under Other revenue and Claims-related expenses, respectively. However, these amounts have been netted off at entity level in Statement II. The table in paragraph 25.9 provides a reconciliation between the segmented statements in the tables in paragraphs 25.7 and 25.8 and Statements I and II.

25.5 There were eight Major Claims Funds at the beginning of 2024 and two additional Major Claims Funds were established during the year. Levies of contributions are made for a Major Claims Fund from which amounts are expensed for that incident (compensation and claims-related expenses):

- *Prestige* Major Claims Fund was set up in 2003 for the incident in Spain (2002);
- *Hebei Spirit* Major Claims Fund was set up in 2008 for the incident in the Republic of Korea (2007);
- *Alfa I* Major Claims Fund was set up in 2015 for the incident in Greece (2012);
- *Agia Zoni II* Major Claims Fund was set up in 2018 for the incident in Greece (2017);
- *Nesa R3* Major Claims Fund was set up in 2018 for the incident in Oman (2013);
- Incident in Israel Major Claims Fund was set up in 2021 for the incident in Israel (2021);
- *Bow Jubail* Major Claims Fund was set up in 2023 for the incident in the Netherlands (2018);
- *Princess Empress* Major Claims Fund was set up in 2023 for the incident in the Philippines (2023);
- *Gulfstream* Major Claims Fund was set up in 2024 for the incident in Trinidad and Tobago (2024); and
- *Marine Honour* Major Claims Fund was set up in 2024 for the incident in Singapore (2024).

25.6 All remaining balances from the *Hebei Spirit* Major Claims Fund were transferred to the General Fund at the end of 2024.

25.7 The table shows the Statement of Financial Position (Statement I) expanded by segment (General Fund and Major Claims Funds) as at 31 December 2024:

	General Fund	Prestige MCF	Hebei Spirit MCF	Alfa 1 MCF	Agia Zoni II MCF	Nesa R3 MCF	Incident in Israel MCF	Bow Jubail MCF	Princess Empress MCF	Gulfstream MCF	Marine Honour MCF	1992 Fund 31/12/2024	1992 Fund 31/12/2023
	£	£	£	£	£	£	£	£	£	£	£	£	£
ASSETS													
Current assets													
Cash, cash equivalents & term deposits	21 597 301	1 051 550	1 161 661	18 661	21 904 430	283 606	6 899 826	19 058 743	-	242 951	728 850	72 947 579	59 217 093
Contributions receivable	1 086 514	-	-	39 699	287 846	29 435	115 227	445 422	307 127	-	-	2 311 270	1 506 558
Other receivables	1 221 710	-	-	14 051	69 217	9 633	17 696	35 164	906 897	-	-	2 274 368	1 481 792
Staff Provident Fund (externally managed) (PF2)	378 512	-	-	-	-	-	-	-	-	-	-	378 512	574 407
Loan from Agia Zoni II MCF to Princess Empress MCF	-	-	-	-	5 178 447	-	-	-	-	-	-	5 178 447	389 933
Total current assets	24 284 037	1 051 550	1 161 661	72 411	27 439 940	322 674	7 032 749	19 539 329	1 214 024	242 951	728 850	83 090 176	63 169 783
Non-current assets													
Due from HNS Fund	884 528	-	-	-	-	-	-	-	-	-	-	884 528	631 095
Property, plant and equipment	60 776	-	-	-	-	-	-	-	-	-	-	60 776	58 468
Total non-current assets	945 304	-	-	-	-	-	-	-	-	-	-	945 304	689 563
TOTAL ASSETS	25 229 341	1 051 550	1 161 661	72 411	27 439 940	322 674	7 032 749	19 539 329	1 214 024	242 951	728 850	84 035 480	63 859 346
LIABILITIES													
Current liabilities													
Payables and accruals	351 628	29 745	-	6 540	9 433	3 384	-	489	200 271	-	-	601 490	653 585
Provision for compensation	4 143 372	665 792	-	-	361 618	-	278 342	-	1 342 654	-	5 437 124	12 228 902	12 890 078
Provision for employee benefits (short term)	405 359	-	-	-	-	-	-	-	-	-	-	405 359	314 945
Prepaid contributions	315 850	-	-	-	-	-	-	-	255 780	242 951	728 850	1 543 431	1 291 631
Contributors' account	411 052	-	-	-	-	-	-	-	-	-	-	411 052	969 423
Loan from Agia Zoni II MCF to Princess Empress MCF	-	-	-	-	-	-	-	-	5 178 447	-	-	5 178 447	389 933
Total current liabilities	5 627 261	695 537	-	6 540	371 051	3 384	278 342	489	6 977 152	242 951	6 165 974	20 368 681	16 509 595
Non-current liabilities													
Staff Provident Fund	6 917 878	-	-	-	-	-	-	-	-	-	-	6 917 878	6 969 633
Provision for employee benefits (long term)	338 999	-	-	-	-	-	-	-	-	-	-	338 999	347 621
Total non-current liabilities	7 256 877	-	-	-	-	-	-	-	-	-	-	7 256 877	7 317 254
TOTAL LIABILITIES	12 884 138	695 537	-	6 540	371 051	3 384	278 342	489	6 977 152	242 951	6 165 974	27 625 558	23 826 849
NET ASSETS	12 345 203	356 013	1 161 661	65 871	27 068 889	319 290	6 754 407	19 538 840	(5 763 128)	-	(5 437 124)	56 409 922	40 032 497
FUNDS' BALANCES													
Balance b/f: 1 January 2024	15 517 244	372 739	1 122 315	68 615	27 126 593	320 445	6 448 713	42	(10 944 209)	-	-	40 032 497	59 118 603
(Deficit)/Surplus for year to date	(3 172 041)	(16 726)	39 346	(2 744)	(57 704)	(1 155)	305 694	19 538 798	5 181 081	-	(5 437 124)	16 377 425	(19 086 106)
GENERAL FUND & MCF BALANCES	12 345 203	356 013	1 161 661	65 871	27 068 889	319 290	6 754 407	19 538 840	(5 763 128)	-	(5 437 124)	56 409 922	40 032 497
Transfer to General Fund upon closure of MCF, 31/12/2024	1 161 661	-	(1 161 661)	-	-	-	-	-	-	-	-	-	-
GENERAL FUND & MCF BALANCES (after closure of Hebei Spirit MCF)	13 506 864	356 013	-	65 871	27 068 889	319 290	6 754 407	19 538 840	(5 763 128)	-	(5 437 124)	56 409 922	40 032 497

25.8 The table shows the Statement of Financial Performance (Statement II) expanded by segment (General Fund and Major Claims Funds) for the period 1 January 2024 to 31 December 2024:

	General Fund	Prestige MCF	Hebei Spirit MCF	Alfa 1 II MCF	Agia Zoni MCF	Nesa R3 MCF	Incident in Israel MCF	Bow Jubail MCF	Princess Empress MCF	Gulfstream MCF	Marine Honour MCF	1992 Fund 2024	1992 Fund 2023
	£	£	£	£	£	£	£	£	£	£	£	£	£
REVENUE													
Contributions	9 962 376	-	-	-	5 147	-	1 217	19 356 974	9 892 860	-	-	39 218 574	2 273 450
Contributions-in-kind	206 400	-	-	-	-	-	-	-	-	-	-	-	206 400
Interest on investments	1 098 980	38 351	40 655	563	921 317	11 824	283 237	735 577	86 593	-	-	3 217 097	2 085 844
Other revenue	129 207	-	2 813	6 056	59 741	3 105	6 083	4 099 599	11 824	-	-	4 318 428	8 874 853
Total revenue	11 396 963	38 351	43 468	6 619	986 205	14 929	290 537	24 192 150	9 991 277	-	-	46 960 499	13 440 547
EXPENSES													
Compensation claims	8 246 655	-	-	-	-	-	4 706	4 375 332	3 709 361	-	5 437 124	21 773 178	24 655 720
Claims-related expenses	1 108 337	53 779	4 120	6 540	229 283	15 715	-	-	1 285 691	-	-	2 703 465	1 843 436
Personnel costs	3 698 570	-	-	-	-	-	-	-	-	-	-	3 698 570	3 383 303
Other administrative costs	1 646 826	-	-	-	-	-	-	-	-	-	-	1 646 826	1 596 723
Currency exchange differences	(138 731)	1 298	2	-	814 626	119	(22 613)	273 197	(184 856)	-	-	743 042	1 074 257
Net increase in provision for contributions and interest on overdue contributions	7 347	-	-	2 823	-	250	2 750	4 823	-	-	-	17 993	(26 786)
Total expenses	14 569 004	55 077	4 122	9 363	1 043 909	16 084	(15 157)	4 653 352	4 810 196	-	5 437 124	30 583 074	32 526 653
(DEFICIT)/SURPLUS FOR THE YEAR	(3 172 041)	(16 726)	39 346	(2 744)	(57 704)	(1 155)	305 694	19 538 798	5 181 081	-	(5 437 124)	16 377 425	(19 086 106)

25.9 The table below shows a reconciliation between segmented statements and entity level statements:

	Note	Assets	Liabilities	Revenue	Expenses
Totals in segment reporting	25	84 035 480	27 625 558	46 960 499	30 583 074
Inter-fund loan	25	(5 178 447)	(5 178 447)	-	-
Inter-fund loan interest	25	-	-	(37 315)	(37 315)
TOTALS IN STATEMENTS I AND II		78 857 033	22 447 111	46 923 184	30 545 759

Note 26 — Contingent liabilities

26.1 The information has been compiled using data available to 17 April 2025. Since then, no significant changes have taken place.

26.2 It should be noted that in this Note, any estimate of amounts to be paid by the 1992 Fund in compensation has been made solely for the purpose of assessment of contingent liabilities without prejudice to the position of the 1992 Fund in respect of the claims. The estimated expenditure under the item 'Other costs' relates to legal and technical costs for the next financial year, i.e. for 2025. The applied rate of exchange for pounds sterling against various currencies on 31 December 2024 is as published in the London Financial Times.

26.3 As at 31 December 2024, there are contingent liabilities of the 1992 Fund estimated at £141 090 000 (2023: £87 327 000) in respect of 13 incidents.

26.4 Details of the contingent liabilities at 31 December 2024, given in rounded figures, are set out below:

Incident	Date	Compensation (incident currency)	Compensation £	Other costs £	2024 Total £	2023 Total £
1 <i>Prestige</i>	13/11/2002		-	75 000	75 000	75 000
2 <i>Solar 1</i>	11/08/2006		-	50 000	50 000	30 000
3 <i>Hebei Spirit</i>	07/12/2007	Incident closed in 2024			-	20 000
4 <i>Redfferm</i>	30/03/2009		-	40 000	40 000	20 000
5 <i>Haekup Pacific</i>	20/04/2010	Incident closed in 2024			-	15 000
6 <i>Alfa I</i>	05/03/2012		-	30 000	30 000	20 000
7 <i>Nesa R3</i>	19/06/2013		-	20 000	20 000	50 000
8 <i>Nathan E. Stewart</i>	13/10/2016		-	5 000	5 000	5 000
9 <i>Agia Zoni II</i>	10/09/2017	EUR 37.2 million	30 786 000	300 000	31 086 000	32 555 000
10 <i>Bow Jubail</i>	23/06/2018	EUR 30.2 million	25 000 000	450 000	25 450 000	30 864 000
11 Incident in Israel	17/02/2021	ILS 20.3 million	4 444 000	350 000	4 794 000	10 144 000
12 <i>Princess Empress</i>	28/02/2023	PHP 559 million	7 710 000	975 000	8 685 000	13 529 000
13 <i>Gulfstream</i>	05/02/2024	TTD 237 million	28 059 000	400 000	28 459 000	-
14 <i>Marine Honour</i>	14/06/2024	SGD 71.3 million	41 711 000	600 000	42 311 000	-
15 <i>Terranova</i>	25/07/2024			85 000	85 000	-
TOTAL			137 710 000	3 380 000	141 090 000	87 327 000

26.5 Prestige

26.5.1 In November 2002, the *Prestige* broke in two and sank some 260 kilometres west of Vigo, Spain. The break-up and sinking released an estimated 63 200 tonnes of cargo, polluting the coastlines of Spain, France and Portugal.

26.5.2 In December 2018, the Supreme Court in Spain delivered its judgment on the quantification of the pollution damages resulting from the *Prestige* incident, awarding EUR 1.4 billion (after amendments) for pollution damages of EUR 885 million, plus pure environmental and moral damages of EUR 554 million. The judgment clarified that only the pollution damages were recoverable from the 1992 Fund. In addition, the judgment awarded interest and costs.

- 26.5.3 The total amount of the established claims in the *Prestige* incident exceeds the maximum amount available for compensation under the 1992 Conventions of SDR 135 million (EUR 171 520 703) (EUR 22.8 million under the 1992 CLC and EUR 148.7 million under the 1992 Fund Convention).
- 26.5.4 The Court in charge of the enforcement of the Supreme Court judgment issued an order in March 2019 requesting the 1992 Fund to pay to the limit of its liability, i.e. a remaining amount of some EUR 28 million.
- 26.5.5 The 1992 Fund has paid a total of EUR 147.9 million. This includes EUR 57 555 000 and EUR 56 365 000 to the Spanish State in 2003 and 2006, respectively; EUR 328 488 to the Portuguese State in 2006; EUR 5.8 million to French claimants; and a payment of EUR 27.2 million into the Spanish Court in April 2019.
- 26.5.6 The balance of compensation payable by the 1992 Fund is EUR 805 275, which is being retained by the 1992 Fund for possible payments to claimants with legal actions pending before the French courts (EUR 800 000) and to the Portuguese Government who are not party to the legal proceedings in Spain (EUR 4 800). The amount still to be paid was provided for in 2017 following the November 2017 judgment.
- 26.5.7 For the purpose of contingent liabilities, fees and other costs have been estimated at £75 000 (2023: £75 000).

26.6 Solar 1

- 26.6.1 The owner of the *Solar 1* is a party to STOPIA 2006 whereby the limitation amount applicable to the tanker is increased, on a voluntary basis, to SDR 20 million. It is very unlikely that the amount of compensation payable in respect of this incident will exceed the STOPIA 2006 limit of SDR 20 million and, therefore, very unlikely that the 1992 Fund will be called upon to pay compensation.
- 26.6.2 Two claims remain outstanding, namely a claim by 967 fisherfolk assessed at PHP 13.5 million and a claim by a group of municipal employees assessed at PHP 1.2 million. These claims are being defended by the 1992 Fund's lawyers who will take depositions in 2025 from those involved in the incident.
- 26.6.3 For the purpose of contingent liabilities, costs have been estimated at an amount of £50 000 (2023: £30 000).

26.7 Redfferm

- 26.7.1 In late January 2012, the 1992 Fund was informed of an incident that occurred on 24 March 2009 at Tin Can Island, Lagos, Nigeria. Under the 1992 CLC, the limit of liability of the barge *Redfferm* is believed to be SDR 4.51 million based on a preliminary estimation of the size of the barge.
- 26.7.2 A claim for USD 26.25 million was filed against the 1992 Fund in March 2012 by 102 communities allegedly affected by the incident.
- 26.7.3 In February 2014, following the October 2013 session of the 1992 Fund Executive Committee, the Secretariat wrote to the claimants rejecting their claims on the basis that the barge *Redfferm* was not a 'ship' within the definition of Article I(1) of the 1992 CLC and because insufficient information had been submitted in support of the claims.

26.7.4 In late February 2022, the 1992 Fund was notified by its Nigerian lawyers that the Federal High Court had delivered a summary judgment against the first and second defendants (the owners/charterers of the *MT Concep* and *Redfferm*, respectively) and granted the claimants' claim as per their Statement of Claim in the sum of USD 92 602 000. The Judge also awarded the claimants USD 5 000 000 as 'general damages'. However, given the financial standing of the parties involved, it is possible that there may be an attempt to enforce the judgment against the 1992 Fund.

26.7.5 After a further series of interlocutory hearings dealing with garnishee proceedings, the claimants' lawyer asked the Judge to set the matter down for trial, but the Judge insisted that a formal application be made. A trial date was set but no lawyer attended for the claimant and the 1992 Fund's lawyer reminded the Judge that a previous application, seeking the 1992 Fund to be dismissed on the basis of time bar, remained to be heard. In January 2025, a judgment was issued which refused the Fund's application to dismiss the 1992 Fund on the basis of time bar. The 1992 Fund has appealed and filed a motion to stay the proceedings pending the appeal.

26.7.6 For the purpose of contingent liabilities, fees and other costs have been estimated at £40 000 (2023: £20 000).

26.8 Alfa I

26.8.1 The *Alfa I* incident occurred near Piraeus, Greece, in March 2012. Greece is a Party to the 1992 CLC, 1992 Fund Convention and the Supplementary Fund Protocol. Since the tonnage of *Alfa I* (1 648 GT) was below 5 000 units, the limitation amount applicable under the 1992 CLC is SDR 4.51 million (EUR 5.22 million). The tanker had an insurance policy limited to EUR 2 million, which did not cover pollution by persistent oil.

26.8.2 Six claims totalling EUR 16.1 million were submitted to the shipowner by two clean-up contractors. In addition, a claim by the Greek authorities of EUR 222 000 had been filed against the shipowner. The 1992 Fund has not been formally notified of the claim by the Greek authorities and no further information has been provided by the shipowner.

26.8.3 At the April 2016 sessions of the governing bodies, the 1992 Fund Executive Committee authorised the Director to settle the main contractor's claim for EUR 12 million and to claim back from the insurer the 1992 CLC limit. In December 2016, the 1992 Fund was informed that the insurer would likely be put into voluntary liquidation as it could not comply with Greek insurance solvency regulations.

26.8.4 In March 2018, the Piraeus Court of Appeal issued its judgment. The judgment held that there was an obligation to insure and a right of direct action against the insurer. The judgment also held that since no limitation fund had been established in this case, the insurer was liable for the full amount claimed by the main clean-up contractor, i.e. EUR 15.8 million.

26.8.5 The 1992 Fund filed applications for prenotated mortgages against the unencumbered buildings owned by the insurer. Since then, the Supreme Court has issued judgment No. 1000/2020 dismissing the insurer's appeal and referred the matter back to the Appeal Court. In December 2023, the Appeal Court issued judgment No. 5128/2023 which resulted in there being no possibility of further appeal by the liquidated insurer. This means that the 1992 Fund's claim should be paid out of the liquidated property, concluding the dispute over whether the 1992 Fund was entitled to register prenotated mortgages.

26.8.6 The prenotated mortgages were rendered to full mortgages and a stamp duty of 3.6% on the sum secured, amounting to EUR 190 620, was paid in December 2023. The next step will be to sell the properties after which the liquidated insurer's funds should be distributed by the liquidator, which will potentially take a further one to two years to complete, as the matter is now in the hands of the liquidator. A loan may be required by the *Alfa I* Major Claims Fund if the remaining balance in the *Alfa I* Major Claims Fund is exhausted before the completion of the liquidation process, which could be provided by the General Fund or another Major Claims Fund.

26.8.7 For the purpose of contingent liabilities, fees and other costs have been estimated at £30 000 (2023: £20 000).

26.9 *Nesa R3*

26.9.1 On 19 June 2013, the 856 GT tanker *Nesa R3*, carrying 840 tonnes of bitumen from the port of Bandar Abbas in the Islamic Republic of Iran, sank off the Port Sultan Qaboos, Muscat, Sultanate of Oman.

26.9.2 In October 2013, the Government of Oman commenced legal action against the shipowner in the Court of Muscat, as the shipowner had refused to meet its obligation under the 1992 CLC. The insurer of the ship had also refused to consider any claims, citing the country of origin of the cargo as the reason.

26.9.3 In view of the considerations above, at its session in October 2013, the 1992 Fund Executive Committee decided to authorise the Director to make payments of compensation in respect of claims arising from this incident.

26.9.4 In February 2016, the 1992 Fund joined the legal action by the Government of Oman against the shipowner and the insurer of the *Nesa R3*.

26.9.5 All claims in respect of this incident were settled in 2018. Thirty-three claims totalling OMR 5 915 218 have been received by the 1992 Fund. Twenty-eight claims have been settled and paid for a total amount of OMR 3 521 366 and BHD 8 419. The remaining claims have been assessed at nil.

26.9.6 In January 2018, the Court of Muscat issued a judgment which awarded OMR 1 777 113.44 and BHD 8 419.35 to the 1992 Fund. These payments correspond to the payments made up to the date of the judgment. The 1992 Fund is trying to pursue the shipowner/insurer to enforce the judgment.

26.9.7 Having reached a settlement of all the claims with the 1992 Fund, the Omani Government undertook to withdraw all claims from the proceedings. The claims have not yet been withdrawn. In the meantime, legal proceedings in the Court of Muscat continue.

26.9.8 For the purpose of contingent liabilities, fees and other costs have been estimated at £20 000 (2023: £50 000).

26.10 *Nathan E. Stewart*

26.10.1 In October 2018, the Director was served with proceedings concerning an incident that occurred in October 2016, when the articulated tug-barge (ATB), composed of the tug *Nathan E. Stewart* and the tank barge *DBL 55*, ran aground on Edge Reef approximately 10 nautical miles west of Bella Bella, British Columbia, Canada. The tug's hull was breached and approximately 110 000 litres of diesel oil was released.

26.10.2 A First Nation community consisting of five tribes brought a legal action against the owner, operators, the master and an officer of the *Nathan E. Stewart/DBL 55* ATB at the Supreme Court of British Columbia. The claimants also included as third parties, among others, the Ship-source Oil Pollution Fund (SOPF) in Canada, the 1992 Fund and the Supplementary Fund.

26.10.3 The application of the Conventions is not clear as it has not been established if the *Nathan E. Stewart/DBL 55 ATB* could be considered a 'ship' under Article I(1) of the 1992 CLC, if the unit was carrying oil in bulk as cargo at the time of the incident, or contained residues of any previous carriage of persistent oil in bulk as cargo during any previous voyages. Its last known cargo was jet fuel, a non-persistent product.

26.10.4 The legal action brought by the First Nation community has been stayed by the Federal Court of Canada pursuant to an order rendered in July 2019. The Federal Court has ordered that a limitation fund be constituted pursuant to the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (2001 Bunkers Convention), and the Convention on Limitation of Liability for Maritime Claims, 1976, as modified by the 1996 Protocol (LLMC 76/96), on the basis of the combined tonnage of the tug and barge. The Court has also concluded that there is no factual basis upon which a limitation fund under the 1992 CLC could be constituted at this time, and there is no indication that the damages would exceed the shipowners liability limit under the 1992 CLC.

26.10.5 The 1992 Fund awaits further developments in the legal proceedings, which it expects to confirm that there is no liability for the Fund.

26.10.6 For the purpose of contingent liabilities, fees and other costs have been estimated at £5 000 (2023: £5 000).

26.11 *Agia Zoni II*

26.11.1 On 10 September 2017, the tanker *Agia Zoni II* sank at anchor in the Piraeus anchorage area, spilling approximately 700 tonnes of crude oil on the coast of Salamina Island, and subsequently around the coast of Piraeus along some 20 to 25 kilometres of coastline. The insurer (a fixed premium insurer) established a limitation fund of EUR 5.41 million and made it clear that it did not consider itself liable for any costs incurred thereafter.

26.11.2 The limitation fund administrator concluded the evaluation procedure of the 84 claims filed at the Limitation Court, totalling EUR 94.4 million, by publishing his provisional assessments totalling EUR 45.45 million. Every claimant against the limitation fund had the right to accept or appeal the provisional assessment by the end of September 2019, but only eight claimants (including the 1992 Fund which has appealed some aspects of the judgment dealing with the recoverability of its subrogated claims) appealed the assessment.

26.11.3 As at 17 April 2025, the 1992 Fund had received 424 claims amounting to EUR 100.2 million and USD 175 000, with 416 claims approved and compensation payments totalling EUR 16.9 million paid. The 1992 Fund subrogated the claims it had paid against the limitation fund before the expiration of the deadline for filing claims (5 May 2018), but not all of them were accepted. The 1992 Fund has appealed the limitation fund administrator's assessment.

26.11.4 In July 2019, the 1992 Fund was served with legal proceedings filed at the Piraeus Court of First Instance by two of the clean-up contractors for the balance of their unpaid claims amounting to EUR 30.26 million and EUR 24.74 million, respectively, after the deduction of advance payments. In December 2019, the third clean-up contractor also served the 1992 Fund with legal proceedings for its claim of EUR 8.9 million.

26.11.5 An investigation conducted by the Technical University of Athens, School of Naval Architecture and Marine Engineering concluded that the *Agia Zoni II* sank after an explosion which flooded the starboard ballast tanks, causing adverse heel and trim. A separate investigation by the third Marine Accident Investigation Council (ASNA) for the Public Prosecutor concluded that the vessel sank due to the opening of the sea water ballast valves and undue opening of the cargo tanks' seals or manifolds, which could only have been done from on board the vessel. Due to the suspicions raised and the delay

in publication of the Public Prosecutor's report, no further payments have been made to the main clean-up contractor due to links between it and the shipowner, pending publication of the Public Prosecutor's report.

26.11.6 In September 2019, the 1992 Fund was served with legal proceedings by representatives of 78 fisherfolk, 39 of whom had already filed claims with the 1992 Fund's CSO. Various court hearings have taken place with no substantive developments.

26.11.7 Throughout 2020, further legal proceedings were served on the 1992 Fund. As at 17 April 2025, the 1992 Fund faces 58 legal cases (some for several claimants), amounting to claimed compensation of EUR 80 039 363. Based on an initial assessment, many of these claims were assessed as zero by the 1992 Fund's experts. Furthermore, of these claims, many are already included within the limitation fund proceedings. Of the writs filed against the 1992 Fund, the net exposure is some EUR 10.3 million, after discounting those claims already filed against the limitation fund.

26.11.8 As at 17 April 2025, it is too early to determine what the 1992 Fund's final liability for this incident will be, as the remaining claims are mostly within the Greek court system. Many of the assessments from the limitation fund administrator were broadly in line with the 1992 Fund's expert's reports, so it is expected that the Judge will consider such assessments in making their judgments. At the time of the incident, experts engaged by the 1992 Fund estimated that compensation in the region of some EUR 50 million to EUR 60 million might be payable for this incident. This amount includes the amount payable under the 1992 CLC, leaving an estimated amount of some EUR 55 million payable by the 1992 Fund.

26.11.9 In late 2024, the criminal trial relating to the cause of the incident began. A number of witnesses have given conflicting evidence relating to the circumstances of the sinking, and a judgement is unlikely before the end of 2025.

26.11.10 The estimated amount payable by the 1992 Fund is set out below:

<i>Agia Zoni II</i> incident	Amount in EUR
Estimated compensation payable	60 000 000
Less CLC limit	(5 409 925)
Less compensation paid to 31 December 2024	(16 917 120)
Less compensation provision	(437 377)
Contingent liability	37 235 578

26.11.11 For the purpose of contingent liabilities, compensation is estimated at EUR 37.2 million (2023: EUR 37.2 million) and fees and other costs at £300 000 (2023: £280 000).

26.12 *Bow Jubail*

26.12.1 On 23 June 2018, the oil and chemical tanker *Bow Jubail* (23 196 GT) collided with a jetty owned by LBC Tank Terminal in Rotterdam, the Netherlands. As a consequence of the collision, a leak occurred in the area of the starboard bunker tank, resulting in a spill of fuel oil into the harbour. At the time of the incident, the *Bow Jubail* was in ballast.

26.12.2 The shipowner applied before the Rotterdam District Court for leave to limit its liability in accordance with the LLMC 76/96 (SDR 14 312 384). The shipowner argued that the incident was covered under Article 1.8 of the 2001 Bunkers Convention.

26.12.3 In November 2018, the Rotterdam District Court decided that the shipowner had not proved that the tanker did not contain residues of persistent oil at the time of the incident and that, therefore, the *Bow Jubail* qualified as a 'ship' as per Article I(1) of the 1992 CLC. The shipowner appealed to the Court of Appeal in The Hague.

26.12.4 The limitation amount applicable to the *Bow Jubail* is SDR 15 991 676. The shipowner is a party to STOPIA 2006 (as amended 2017) whereby the limitation amount applicable to the tanker is increased, on a voluntary basis, to SDR 20 million.

26.12.5 In January 2023 the Supreme Court in The Hague rendered its judgment, confirming the Rotterdam District Court and the Court of Appeal's judgments that the *Bow Jubail* qualified as a ship as per Article I(1) of the 1992 CLC.

26.12.6 In March 2023, the shipowner and the Gard Club applied to the Rotterdam District Court for leave to limit their liability in accordance with the 1992 CLC. In June 2024, the shipowner and Gard Club deposited some EUR 23.15 million including interest to limit their liability. The 1992 Fund was called upon to pay compensation when the 1992 CLC and STOPIA 2006 (as amended 2017) limits were reached.

26.12.7 The total pollution damage exceeds the limit applicable to the ship under the 1992 CLC so both the 1992 Fund Convention and the Supplementary Fund Protocol could apply to this incident. The total estimated liability for the incident was originally estimated to be in the region of EUR 60 million with SDR 20 million (EUR 24.8 million) being covered by the shipowner, resulting in an estimated balance of compensation payable by the 1992 Fund of some EUR 35.2 million.

26.12.8 The estimated amount payable by the 1992 Fund is set out below:

<i>Bow Jubail</i> incident	Amount in EUR
Estimated compensation payable	60 000 000
Less STOPIA 2006 (as amended 2017) limit	(24 786 600)
Less compensation paid to 31 December 2024	(4 975 973)
Less compensation provision	-
Contingent liability	30 237 427

26.12.9 The limitation fund assessor requested claims to be filed by August 2024. Claims amounting to EUR 30.8 million, USD 1.92 million and NOK 152 070 were filed and are being assessed by the 1992 Fund. The overall value of claims filed with the limitation fund assessor is lower than expected as the Rotterdam Port filed a claim for clean-up operations at a lower quantum than initially indicated. Furthermore, many of the claims filed will include an additional amount for interest, from the date of damage (in most cases over six years ago) until date of payment. Until more information is available on the reduced quantum of claims filed with the limitation fund assessor, and the additional interest to be included in the claims, the overall incident liability has been retained at EUR 60 million.

26.12.10 For the purpose of contingent liabilities, compensation is estimated at EUR 30.2 million (2023: EUR 35.2 million). Fees and other costs have been estimated at £450 000 (2023: £350 000).

26.13 Incident in Israel

26.13.1 On 17 February 2021, tar balls washed up along the Israeli coastline in a storm. The tar balls, ranging in severity from medium-heavy pollution to very light dispersed tar balls, continued to be washed ashore until 21 March 2021. The pollution affected the entire coastline of Israel to varying degrees.

26.13.2 At its July 2021 session, the 1992 Fund Executive Committee decided that the pollution which had affected the coastline of Israel could be considered a spill from an unknown source (a so-called 'mystery spill') and that, therefore, the 1992 CLC and the 1992 Fund Convention applied to this incident.

26.13.3 As at 17 April 2025, a total of 415 claims for clean-up activities and economic losses had been submitted, totalling around ILS 35 million. The time bar for filing claims has now passed and no further claims will be accepted.

26.13.4 The total estimated compensation payable has been revised down to ILS 32 million based on claims already settled and those awaiting assessment.

26.13.5 The estimated amount payable by the 1992 Fund is set out below:

Incident in Israel	Amount in ILS
Estimated compensation payable	32 000 000
<i>Less</i> compensation paid to 31 December 2024	(9 981 479)
<i>Less</i> compensation provision	(1 740 593)
Contingent liability	20 277 928

26.13.6 For the purpose of contingent liabilities, compensation payable has been estimated at ILS 20.3 million (2023: ILS 45.0 million). Fees and other costs have been estimated at £350 000 (2023: £350 000).

26.14 Princess Empress

26.14.1 On 28 February 2023, the *Princess Empress* sank off the coast of Naujan, Oriental Mindoro, the Philippines, whilst carrying 800 000 litres of fuel oil as cargo. An oil spill was detected around the location of the wreck, which extended to other areas, causing pollution damage affecting the coast of Oriental Mindoro to varying degrees. The oil also travelled to the Caluya archipelago, affecting the islands of Semirara and Liwagao.

26.14.2 The owner of the *Princess Empress* is a party to STOPIA 2006 (as amended 2017) whereby the limitation amount applicable to the tanker is increased, on a voluntary basis, to SDR 20 million.

26.14.3 As at 17 April 2025, USD 29 million has been paid to 39 claimants in the clean-up sector and PHP 825 million (£11.6 million) has been paid to 31 537 fisheries claimants. In addition, some PHP 1.9 million (£25 000) has been paid to 24 tourism claimants and PHP 15 million (GBP 2.5 million) to 7 500 fish traders.

26.14.4 A relatively small number of claims in the fisheries sectors remain to be assessed and paid. Assessment of the 2 889 submitted tourism claims continues. It is expected that government agencies will also submit claims, but it is not yet possible to estimate their value.

26.14.5 Overall compensation liability for this incident was estimated at USD 60 million or PHP 3.3 billion. The remaining compensation liability for the 1992 Fund is shown in the following table:

Princess Empress incident	Amount in PHP
Estimated compensation payable	3 311 970 000
<i>Less</i> STOPIA 2006 (as amended 2017) limit	(1 483 954 000)
<i>Less</i> compensation paid to 31 December 2024	(1 172 179 381)
<i>Less</i> compensation provision	(97 268 260)
Contingent liability	558 568 359

26.14.6 For the purpose of contingent liabilities, compensation has been estimated at PHP 559 million, and fees and other costs have been estimated at £975 000 (2023: £1.4 million).

26.15 Gulfstream

26.15.1 In early February 2024, the articulated tank barge, towed by the tug *Solo Creed*, capsized, sank and began to spill oil approximately 16 km off the coast of Tobago, before coming to rest 150 metres offshore of Canoe Bay, on the southernmost tip of Tobago. Oil contaminated 15 km of coastline of Tobago. Remnants of the oil traversed some 830 km across the Caribbean Sea, washing up on Bonaire (Kingdom of the Netherlands).

26.15.2 Oil removal operations continued onshore, and then concentrated on the removal of oil from the barge. By August 2024, some 32 675 barrels of oil had been removed. The barge was refloated and towed to Trinidad to await sale by auction.

26.15.3 Compensation liability for this incident has been estimated at TTD 240 million, converted from an estimation of USD 35 million.

26.15.4 As at 17 April 2025, some 290 claims (including 117 claims from fishers) have been received, totalling some USD 30.3 million. However, many of the fishers' claims are expected to be rejected having no basis in law or substantiation. The estimated compensation liability remaining for the 1992 Fund is shown in the following table:

<i>Gulfstream</i> incident	Amount in TTD
Estimated compensation payable	240 000 000
<i>Less</i> compensation paid to 31 December 2024	(131 183)
<i>Less</i> compensation provision	(2 422 165)
Contingent liability	237 446 652

26.15.5 For the purpose of contingent liabilities, compensation has been estimated at TTD 237 million, and fees and other costs have been estimated at £400 000.

26.16 Marine Honour

26.16.1 On 14 June 2024, the product tanker *Marine Honour* was stationary alongside the container ship, *Ever Blink*, at Pasir Panjang Terminal, Singapore, when it was struck by the hopper dredger *Vox Maxima*. This caused the *Marine Honour* to collide with the *Ever Blink*. The collision breached the hull of the *Marine Honour* resulting in an estimated 817 m³ of intermediate fuel oil (IFO) 380 being released into the environment.

26.16.2 The *Marine Honour* is insured by QBE Insurance (Singapore) Pte Ltd (QBE), under the British Marine brand. The limitation amount applicable to the *Marine Honour* in accordance with the 1992 CLC is SDR 4.51 million. STOPIA 2006 (as amended 2017) does not apply as the vessel's owner is not a party to that agreement.

26.16.3 On 29 July 2024, the 1992 Fund and QBE jointly established a CSO in Singapore adjacent to the Pasir Panjang Terminal. Claimants from both Singapore and Malaysia have been invited to file their claims there.

26.16.4 As at 17 April 2025, the CSO had received 308 claims amounting to approximately SGD 20 million and USD 19 million.

26.16.5 The 1992 Fund is awaiting further claims from the Singapore government agencies involved in the clean-up operations. The claims are expected to be in the region of SGD 30 to 50 million.

Marine Honour incident	Amount in SGD
Estimated compensation payable	95 000 000
Less CLC limit	(8 032 987)
Less compensation paid to 31 December 2024	-
Less compensation provision	(15 703 312)
Contingent liability	71 263 701

26.16.6 For the purpose of contingent liabilities, compensation has been estimated at SGD 71.3 million, and fees and other costs have been estimated at £600 000.

26.17 *Terranova*

26.17.1 On 25 July 2024, the *Terranova*, a Philippines-flagged oil tanker, capsized and sank in water approximately 23 metres deep on the east side of Manila Bay, the Philippines, after encountering heavy weather during Typhoon Gaemi. Despite the rapid launch of search and rescue operations, one crewmember lost his life. The vessel was carrying 1 468 896 litres of IFO 230 and had approximately 27 metric tonnes (mt) of bunkers of biodiesel on board.

26.17.2 The limitation amount applicable to the *Terranova* under the 1992 CLC is SDR 4.51 million, and the vessel owner is a party to STOPIA 2006 (as amended 2017). Under STOPIA 2006 (as amended 2017), the 1992 Fund will be indemnified by the vessel owner for the difference between the CLC limitation amount and the compensation paid for admissible claims up to SDR 20 million.

26.17.3 The 1992 Fund and the shipowners' insurer, Steamship Mutual, have taken steps to jointly establish CSOs in the provinces of Bataan and Cavite, to facilitate the submission of claims for compensation resulting from the incident. The CSO in Bataan opened at the end of September 2024 and the CSO in Cavite began collecting claims in late January 2025.

26.17.4 As at 17 April 2025, 2 693 claims had been collected in Bataan, 10 434 in Cavite and 1 657 in the province of Bulacan.

26.17.5 The 1992 Fund and Steamship Mutual have jointly appointed fisheries experts, MRAG, to work alongside the 1992 Fund's pollution experts to assess the impact of the spill on the local fisheries. Following on-site attendance in September and October 2024, MRAG prepared an initial scoping assessment in anticipation of a large-scale data collection exercise which will take place between March and June 2025 and will support the assessment of fisheries claims.

26.17.6 As at 17 April 2025 Steamship Mutual has reported costs in excess of the CLC limit, but these costs have yet to be formally submitted and assessed. On the basis of the claims received as at 17 April 2025 and the anticipated number of fisheries claims, it is considered likely that the incident will exceed the limit of STOPIA 2006 (as amended 2017) (SDR 20 million) but at this stage it is still too early to determine the full compensation liability for the incident.

26.17.7 For the purpose of contingent liabilities, fees and other costs have been estimated at £85 000.

26.18 Incidents in the Russian Federation (*Volgoneft 212* and *Volgoneft 239*)

26.18.1 On the morning of 15 December 2024 two *Volgoneft* oil tankers, *Volgoneft 212* and *Volgoneft 239*, were caught in a storm at the southern end of the Kerch Strait entering into the Black Sea. As a result of the storm, the *Volgoneft 212* split in two and sank, resulting in the death of one crew member. The *Volgoneft 239* also split in two, with the fore part sinking and the aft part running aground near the Port of Kavkaz. Both vessels were carrying a cargo of mazut, a low grade heavy fuel oil, which began leaking from both ships following the respective incidents. Estimates of the amount of oil spilled range from 2 400 tonnes up to 5 000 tonnes.

26.18.2 Early satellite imagery indicated two separate oil slicks in the area of the Kerch Strait. The oil appears to have been carried by currents in an easterly direction, and began to make landfall on 17 December 2024 in the Anapsky and Temryuksky Districts. The Russian Federation has reported that the area of the spill extended to 2 800 square metres and impacted more than 300 kilometres of coastline. The 1992 Fund has been advised that a Federal Emergency Regime and a Government Commission were established by decree on 10 January 2025.

26.18.3 The Russian Federation is Party to both the 1992 Civil Liability Convention (1992 CLC) and the 1992 Fund Convention. The *Volgoneft 212* and *Volgoneft 239* are believed to be insured with the Russian National Reinsurance Company. Therefore, the CLC limit applicable to each vessel is SDR 4.51 million.

26.18.4 The Director has had informal discussions with members of the Russian delegation, and the 1992 Fund received an update on the progress of the response to the incident on 7 February 2025. The 1992 Fund has not yet received a formal request for assistance from the Russian Federation.

26.18.5 As at 17 April 2025, it was too early to say whether the 1992 Fund will be called upon to pay compensation, but it appears to be a possibility.

Note 27 — Commitments

27.1 On 15 February 2016, the Secretary-General of IMO and the Director of the IOPC Funds signed an agreement whereby IMO agrees to underlet office space to the IOPC Funds in its headquarters building. The lease came into effect on 1 March 2016 and will expire on 25 October 2032. The rent was fixed at £258 000 per annum until the break point of 31 October 2024. From 1 November 2024, the rent has been fixed at £375 000 per annum for the remainder of the lease.

27.2 The UK Government usually meets 80% of the costs related to the rental of the Secretariat's office premises in the IMO headquarters building. This was capped at £206 400 in 2024.

27.3 The table below shows future minimum lease payments payable by the 1992 Fund for the office in the IMO headquarters building:

Secretariat office/storage space (100%) £
Not later than one year
Later than one year and not later than five years
Later than five years to 31 October 2032

Note 28 — Related parties and key management personnel

28.1 The table below shows remuneration related to key management personnel:

	2024	2023
Number of individuals	3	4
	£	£
Basic salary and post adjustment	597 279	639 407
Entitlements	36 380	41 513
Provident Fund and health insurance	143 685	156 296
Post-employment benefits	-	-
Total remuneration	777 344	837 216
Outstanding loans	-	-

28.2 The Management Team consists of the Director, the Deputy Director/Head of the Claims Department and the Head of the Administration Department. Related party disclosures in line with IPSAS requirements are included in the Notes to the Financial Statements.

28.3 In 2024, the aggregate remuneration paid to key management personnel included: net salaries, post adjustment, entitlements such as representation allowance and other allowances, and the organisation's contribution to the Provident Fund and health insurance.

28.4 Key management personnel also qualify for post-employment benefits at the same level as other employees. These benefits have been estimated by the management.

28.5 Related parties

The Director is *ex officio* Director of the Supplementary Fund. The Supplementary Fund is a related party to the 1992 Fund as they are both administered by the 1992 Fund Secretariat, for which the Supplementary Fund pays the 1992 Fund a management fee of £42 000 (2023: £40 000). As at 31 December 2024, an amount of £49 937 was due from the Supplementary Fund, which was settled in January 2025.

Note 29 — Events after reporting date

29.1 The 1992 Fund's reporting date is 31 December 2024.

29.2 On the date of signing these Financial Statements, there have been no other material events, favourable or unfavourable, incurred between the balance sheet date and the date when the Financial Statements were authorised for issue that would have impacted these statements.

29.3 The date of authorisation for issue is the date of certification by the External Auditor.



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