

Notes to the Financial Statements of the CMI

1. Organisation

The Comité Maritime International (CMI) is a non-governmental international organisation, established in Belgium, the object of which is to contribute by all appropriate means to the unification of maritime law in all its aspects. It was founded in 1897 and incorporated by the Belgian Royal Decree of 9th November 2003 as an *Association internationale sans but lucratif* in the meaning of the Belgian Act of 27th June 1921. The Constitution was last amended by the CMI Assembly, held in Genoa on September, 7th, 2017 and the Coordinated Constitution was published in the Belgian National Gazette on March, 3rd, 2018.

2. Significant Accounting Policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention in Euro in accordance with International Accounting Standards.

(b) Accounting policies

(i) Income

Subscription from member associations are accounted on an accruals basis. Accordingly, the amounts shown in the income statement represent the total amounts invoiced to members during the year. A CMI event, such as a conference, a colloquium or a seminar, may give rise to an income as agreed with the hosting Maritime Law Association. Such income is shown as "Conference Income". This does not mean that the event has necessarily given a surplus. The aforementioned income should be compared to the conference charges for the CMI which are itemized as "Accommodation expenses and Registration fees" in the section Executive Council Expenses" and "Accommodation, Travel and Registration fees speakers", "Accommodation and Registration fees working groups" and "Insurances" in the section "Conference, meeting and other expenses".

(ii) Increase/Decrease in provision for unpaid contributions

This amount represents the adjustment required to the provision for unpaid contributions to create a 100% provision for all amounts receivable from Member associations, over one year old. Even if not over one year old, invoices to Members who are unlikely to pay, are also provisioned.

Article 21 (Arrears of Contributions) of the Constitution of CMI states:

"Member Associations remaining in arrears of payment of contributions for more than one year from the date of the Treasurer's invoice shall be in default and shall not be entitled to vote until such default is cured.

Members liable to pay contributions who remain in arrears of payment for more than three years from the date of the Treasurer's invoice shall, unless the Executive Council decides otherwise, receive no publication or other rights and benefits of membership until such default is cured.

Contributions received from a Member in default shall be applied to reduce arrears in chronological order, beginning with the earliest year of default."

(iii) Publications

Publications expenses relate to the publication and distribution costs of the yearbook of the year and newsletters distributed during the year.

(iv) Foreign currency translation

Balances held in non-Euro related currencies are translated into Euros at the yearend rates.

(v) Cash at bank

Current and term deposit accounts with, and bonds of, banking institutions, and, to a lower extent, also trade and industry.

(vi) Financial instruments

The carrying amounts of the Comité Maritime International's financial assets and liabilities (comprising bank and cash balances, unpaid subscriptions and other creditors) approximate to their fair values at the date of the transactions. Where the fair value of a financial asset is materially below the carrying amount, the carrying amount is written down to fair value.

3. Reserves

The reserves of the organisation are held to finance the furtherance of the objectives of the Comité Maritime International.