

INTERNATIONAL LAW ASSOCIATION

ACCOUNTS – 31st DECEMBER 2016

INTERNATIONAL LAW ASSOCIATION

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INTERNATIONAL LAW ASSOCIATION

Annual Report for the year ended 31 December 2016

The Officers of the Association

Lord Mance	Chair of Executive Council
Professor Torsten Stein	Hon Treasurer
Professor Marcel Brus	Director of Studies
Dr Antonios Tzanakopoulos	Hon Secretary General

present this Report for the year ended 31 December 2016.

The Officers are elected by the Executive Council for a period of four years, unless an affirmative vote by a two-thirds majority at an Executive Council meeting terminates their period of office earlier.

Meetings of the Executive Council are held biennially, usually in Spring and Autumn of each year. The Officers meet separately between the meetings of the Executive Council.

The financial year of the Association runs from 1 January to 31 December of each year.

The Examined Accounts are presented to the Executive Council for approval at the Spring meeting.

The Association is an unincorporated association and has been a registered Charity under number 249637 since October 1966.

The official seat of the Association is its Headquarters' office at Charles Clore House, 17 Russell Square, London WC1B 5DR.

The Association enjoys consultative status as an international non-governmental organisation with a number of United Nations organisations, a number of its specialised agencies and other international bodies.

History and Objectives

The Association, founded in Brussels in 1873, is a body for the study, clarification and development of international law both public and private, and the furtherance of international understanding and respect for international law. Membership of the Association, at present around 4,000, is spread among branches in every continent.

The Association's objectives are primarily pursued through the work of its international committees. There are currently 21 committees on topics as diverse as International Monetary Law, Feminism and International Law, Global Health Law, Space Law, Trade Law and International Law and Sea Level Rise. In addition, there are 10 Study Groups with a less formal structure which encourage the involvement of younger Members in the Association's work. Current areas of study include: Socially Responsible Investment and UN Sanctions & International Law.

Organisation

The activities of the Association are organised by the Executive Council, assisted by the Headquarters Secretariat in London. The members of the Council are elected by the Branches according to the respective size of their membership. The present Chair of the International Law Association is the Rt Hon Lord Mance and there are four Vice-Chairs: Professor James Nafziger (USA), Mr David J C Wyld (UK), Professor Catherine Kessedjian (France) and Professor Yuji Iwasawa (Japan). The Secretary General is Dr Antonios Tzanakopoulos (UK).

The Honorary Treasurer is Professor Torsten Stein (Germany). The work programme, in particular that of the international committees, is carried out under the guidance of the Director of Studies, Professor Marcel Brus (Netherlands). The majority of the administrative work of the Association is carried out by the Secretary, Juliet Fussell, assisted by Natalie Pryer.

Activities

The main event in 2016 was the 77th International Biennial Conference hosted by the South African Branch in Johannesburg from 7-11 August. This was the first ILA biennial conference to be held in Sub-Saharan Africa. Its theme was: *International Law and State Practice – is there a North-South Divide?* The keynote Address was given by Judge Navi Pillay (UN High Commissioner for Human Rights 2008 – 2014). The Conference was attended by some 400 delegates from around the world. 23 of the 24 committees and 8 Study Groups (extant at the time) presented their work and 6 resolutions were passed. This was the first time recipients of ILA Scholarships were able to attend a Biennial Conference. 11 were funded by this scheme and a further 9 were supported by a fund established by the President of the Netherlands Branch, Professor Willem van Genugten. Each of the Scholars has been offered 3 years free ILA Membership.

Many other events were arranged by various ILA Branches, Committees and Study Groups including a Conference co-hosted by the Cypriot Branch of the ILA in Cyprus with the Embassy of the Kingdom of the Netherlands within the framework of the Presidency of the Netherlands of the Council of EU and the Netherlands Branch. The Nigerian Branch held its 3rd Annual Conference on Emerging Developments in the Nigerian Oil and Gas Sector: International Law Responses, Policy Issues and Adaptability. The French Branch held a Conference on Permanent Mechanisms of Settlement of Disputes as an Alternative to Investment Arbitration. A global seminar was hosted by the ILA Study Group on Individual Responsibility in International Law, co-sponsored by the French & Italian Branches. Details of these and many other events are listed on the ILA website.

A number of new Branches were established in 2016. They include Branches in Colombia and Nicaragua.

A new ILA Committee on the Procedure of International Courts and Tribunals and a new Study Group on International Tax Law were established.

Finances

The attached accounts show the current state of finances which the Officers consider taking, one year with another, to be sound. The unrestricted funds show a small deficit of expenditure over income for the year.

Pursuant to provisions in the Charities Act 1993 applying to Charities with a gross annual income or expenditure below £250,000 in an accounting year, the Officers have elected that the accounts be 'examined' rather than 'audited', giving rise to a considerable saving in professional fees.

The Charity's Banks are:

HSBC, 1 Woburn Place, Russell Square, London WC1H 0LQ.

Caf Bank Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ

ILA reserves policy

To be able to provide reliable services over a longer period the Association must be able to absorb occasional shortfalls in income. As the income of the Association comes mainly from its members (branches) from all over the world the annual level of income and the regularity of payment show big fluctuations over the years and as the expenditure in relation to the level of services is already minimal, and no big reductions in expenditure can be made, it is desirable that the Association maintains a reserve at least equal to the expenditure of one calendar year.



Lord Mance
Chair, International Law Association
May 2017

INTERNATIONAL LAW ASSOCIATION

STATEMENT OF RESPONSIBILITIES OF THE EXECUTIVE COUNCIL

INTERNATIONAL LAW ASSOCIATION

The executive council is required under the Charities Act 2011 to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the executive council should follow best practice and:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the applicable Charities SORP;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- e) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The executive council is responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to ensure that the financial statements comply with the Charities Act 2011 and the applicable Charities (Accounts and Reports) Regulations. It is also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The executive council is responsible for the maintenance and integrity of the charity. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INTERNATIONAL LAW ASSOCIATION

INDEPENDENT EXAMINER'S REPORT

Report of the Independent Examiner to the Trustees on the accounts of the Charity for the year ended 31st December 2016

I report on the accounts of the Association for the year ended 31st December 2016 that are set out on pages 5 to 11.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. The charity is preparing accounts in accordance with the accounting policies set out in note 1 on page 8 of the accounts. I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently, no opinion is given as to whether the accounts present a "true and fair" view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the trustees have not met the requirements to ensure that:
 - proper accounting records are kept in accordance with section 130 of the Charities Act; and
 - accounts are prepared that agree with the accounting records and comply with the accounting requirements of the Charities Act; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

J R Nicholson FCA
Nicholson & Co
Chartered Accountants
7 Jardine House
Harrovia Business Village
Bessborough Road
Harrow HA1 3EX

6th May 2017

INTERNATIONAL LAW ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR TO 31st DECEMBER 2016

	Unrestricted Funds £	Restricted Fund £	Total 2016 £	Total 2015 £
Incoming Resources				
Subscriptions				
Branches (Note 2)	100,578	-	100,578	109,043
Headquarters membership	<u>3,978</u>	<u>-</u>	<u>3,978</u>	<u>3,515</u>
	<u>104,556</u>	<u>-</u>	<u>104,556</u>	<u>112,558</u>
Sales				
Publications	<u>1,610</u>	<u>-</u>	<u>1,610</u>	<u>10,370</u>
Deposit interest (Note 3)	225	-	225	291
Contribution towards administration	3,000	-	3,000	3,000
Contribution towards archiving	2,500	-	2,500	-
Royalties	7,966	-	7,966	6,024
ILA Scholarship Fund	-	11,024	11,024	6,461
Other income	<u>1,711</u>	<u>-</u>	<u>1,711</u>	<u>-</u>
	<u>15,402</u>	<u>11,024</u>	<u>26,426</u>	<u>15,776</u>
Total Incoming Resources	121,568	11,024	132,592	138,704
Deduct: Total Expenditure (Page 6)	<u>130,716</u>	<u>15,443</u>	<u>146,159</u>	<u>118,119</u>
Net (Deficit) Income for the year	9,148	4,419	13,567	20,585
Total funds brought forward	<u>196,679</u>	<u>12,300</u>	<u>208,979</u>	<u>188,394</u>
Total funds carried forward	<u>187,531</u>	<u>7,881</u>	<u>195,412</u>	<u>208,979</u>

There were no recognised gains or losses for 2016 or 2015 other than those included in the Statement of Financial Activities.

All amounts relate to continuing activities.

The notes on pages 8 to 11 form an integral part of these accounts

INTERNATIONAL LAW ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR TO 31st DECEMBER 2016

	Unrestricted Funds £	Restricted Fund £	Total 2016 £	Total 2015 £
Expenditure				
Direct Charitable Expenditure:				
Conference report – distribution	-	-	-	1,393
ILA Scholarship Fund	<u>-</u>	<u>15,443</u>	<u>15,443</u>	<u>-</u>
	<u>-</u>	<u>15,443</u>	<u>15,443</u>	<u>1,393</u>
Staff Costs:				
Administrative salary, bookkeeping and secretarial services	84,100	-	84,100	84,103
Pension costs	<u>7,084</u>	<u>-</u>	<u>7,084</u>	<u>7,000</u>
	<u>91,184</u>	<u>-</u>	<u>91,184</u>	<u>91,103</u>
Management and Administration:				
Rent and rates	13,509	-	13,509	12,444
Insurance	551	-	551	528
Postage, stationery and photocopying	770	-	770	1,087
Telephone, fax and internet	1,575	-	1,575	1,274
Web access, running costs and consultancy	2,160	-	2,160	2,160
Archiving	3,765	-	3,765	-
Accountants' remuneration	3,400	-	3,400	3,300
Executive Council functions and meetings	964	-	964	968
Conference expenses	9,442	-	9,442	-
Office and sundries	119	-	119	918
Officers' expenses and travel	1,379	-	1,379	927
Bank and credit card charges	1,190	-	1,190	1,260
Depreciation of office equipment	<u>708</u>	<u>-</u>	<u>708</u>	<u>757</u>
	<u>39,532</u>	<u>-</u>	<u>39,532</u>	<u>25,623</u>
Total Expenditure	<u>130,716</u>	<u>15,443</u>	<u>146,159</u>	<u>118,119</u>

INTERNATIONAL LAW ASSOCIATION
BALANCE SHEET AS AT 31st DECEMBER 2016

	Note	2016 £	2015 £
Fixed Assets			
Tangible fixed assets	4	<u>1,226</u>	<u>1,793</u>
Current Assets			
Debtors	5	17,297	7,603
Cash at bank and in hand		<u>191,280</u>	<u>213,363</u>
		208,577	220,966
Creditors – amounts falling due within one year	6	<u>14,391</u>	<u>13,780</u>
		<u>194,186</u>	<u>207,186</u>
Net Assets	7	<u>195,412</u>	<u>208,979</u>
Funds			
Unrestricted Funds		187,531	196,679
Restricted Fund		<u>7,881</u>	<u>12,300</u>
Total Funds	8	<u>195,412</u>	<u>208,979</u>

Approved and signed on behalf of the Executive Council on 6th May 2017.

The notes on pages 8 to 11 form an integral part of these accounts.



Professor T Stein
Hon. Treasurer

INTERNATIONAL LAW ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31st DECEMBER 2016

1 Accounting Policies

(a) Basis of Accounts Preparation

The financial statements have been prepared under the historical cost convention in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – Charities SORP (FRS 102) and with the Charities Act 2011. The financial statements have been prepared on a going concern basis.

(b) International Law Association meets the definition of a public benefit entity under FRS 102.

(c) Incoming Resources

The ILA receives a substantial proportion of its income from overseas branch subscriptions. The subscriptions are calculated on the number of members in each overseas branch, the amount and receipt of which is unpredictable. These subscriptions together with individual members' subscriptions, publication sales and royalties are accounted for in the financial statements on a receipts basis.

(d) Expenditure

All expenditure is included in the financial statements on an accruals basis.

(e) Tangible Fixed Assets for use by the ILA and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated at 25% per annum on a straight line basis to write off the assets over their expected lives.

(f) Fund Accounting

Funds held by the ILA are:

Unrestricted Funds - These are general funds which can be used in accordance with the ILA's charitable objects

Restricted Fund - ILA Scholarship Fund
This fund has been established to encourage and facilitate younger persons to participate in the work of the ILA

(g) Pension Costs

The ILA makes defined pension contributions on behalf of its staff. The contributions are charged to staff costs in the Statement of Financial Activities on an accruals basis.

INTERNATIONAL LAW ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31st DECEMBER 2016

2 Branch Subscriptions

Received in 2015			Received in 2016	
for 2014 & earlier	for 2015		for 2015 & earlier	for 2016
£	£		£	£
-	705	Albanian	-	-
300	7,800	American	2,225	8,480
1,248	-	Argentine	1,224	-
3,480	-	Australian	4,080	-
-	1,538	Austrian	-	1,579
-	450	Bangladesh	-	450
-	420	Belarusian	-	480
-	-	Belgian	630	2,220
-	3,510	Brazilian	-	3,660
-	11,010	British	-	11,520
-	720	Bulgarian	-	660
2,484	-	Canadian	1,284	-
-	510	Caribbean	-	540
-	480	Chilean	-	660
-	870	Chinese (Taiwan)	-	-
-	-	Croatian	380	-
-	612	Czech	-	618
-	1,920	Danish	-	1,650
-	330	East African	-	300
240	294	Egyptian	-	-
-	1,800	Finnish	-	1,530
-	5,255	French	-	6,210
-	8,279	German	-	8,839
-	-	Hellenic	1,380	-
600	390	Hong Kong	-	-
705	720	Hungarian	-	490
-	1,506	Indian	870	1,506
-	760	Indonesian	-	-
-	750	Irish	-	630
30	990	Israel	90	961
-	2,244	Italian	-	-
-	9,450	Japan	-	9,690
-	360	Jordanian	-	-
1,800	1,950	Korean	-	1,950
-	83	Mexican	840	870
1,370	9,173	Netherlands	-	5,000
-	1,074	New Zealand	-	-
-	1,470	Nigerian	-	-
-	2,595	Norwegian	-	2,685
-	-	Pakistan	-	750
-	1,144	Polish	-	1,204
-	1,068	Portuguese	-	1,235
-	480	Qatari	-	1,485
-	-	Romanian	1,620	750
<u>480</u>	<u>90</u>	Russian	<u>120</u>	<u>123</u>
12,737	82,800	carried forward	14,743	78,725

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31st DECEMBER 2016

2 Branch Subscriptions (continued)

Received in 2015			Received in 2016	
for 2014 & earlier £	for 2015 £		for 2015 & earlier £	for 2016 £
12,737	82,800	brought forward	14,743	78,725
-	690	Serbian	-	660
-	-	Singaporean	-	450
-	1,536	Slovene	-	1,506
1,620	-	South African	1,380	-
-	-	Spanish	1,260	1,254
-	2,760	Swedish	-	-
2,878	2,940	Swiss	-	-
360	-	Turkish	600	-
-	722	Ukrainian	-	-
<u>17,595</u>	<u>91,448</u>		<u>17,983</u>	<u>82,595</u>
<u>109,043</u>	Total subscriptions received		<u>100,578</u>	

3 Deposit Interest

	2016 £	2015 £
Unrestricted funds	<u>225</u>	<u>291</u>

4 Tangible Fixed Assets

	Office Equipment £
Used for management and administrative purposes:	
At cost at 1 st January 2016	18,840
Additions in the year	<u>141</u>
	18,981
<u>Deduct: Depreciation</u>	
At 1 st January 2016	17,047
Charge for the year	<u>708</u>
	<u>17,755</u>
Net Book Value at 31 st December 2016	<u>1,226</u>
Net book value at 31 st December 2015	<u>1,793</u>

INTERNATIONAL LAW ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31st DECEMBER 2016

5 Debtors

	2016 £	2015 £
Amounts receivable within one year:		
Other debtors	1,735	30
Prepayments	<u>15,562</u>	<u>7,573</u>
	<u>17,297</u>	<u>7,603</u>

6 Creditors

Amounts falling due within one year:		
Other creditors	3,358	3,390
Tax and national insurance	3,202	4,302
Accruals and deferred income	<u>7,831</u>	<u>6,088</u>
	<u>14,391</u>	<u>13,780</u>

7 Net Assets by Fund

	Unrestricted Funds £	Restricted Fund £	Total 2016 £	Total 2015 £
Tangible assets	1,226	-	1,226	1,793
Current assets	199,051	9,526	208,577	220,966
Creditors – amounts falling due within one year	<u>12,746</u>	<u>1,645</u>	<u>14,391</u>	<u>13,780</u>
	<u>187,531</u>	<u>7,881</u>	<u>195,412</u>	<u>208,979</u>

8 Analysis of Funds

	At 1 st January 2016 £	Incoming Resources £	Expen- diture £	At 31 st December 2016 £
Unrestricted funds	196,679	121,568	130,716	187,531
Restricted fund: ILA Scholarship Fund	<u>12,300</u>	<u>11,024</u>	<u>15,443</u>	<u>7,881</u>
	<u>208,979</u>	<u>132,592</u>	<u>146,159</u>	<u>195,412</u>