

**ISTITUTO INTERNAZIONALE
DI DIRITTO UMANITARIO**
Codice fiscale 81004480083
CORSO CAVALLOTTI 113 - 18038 SANREMO IM

BALANCE SHEET TO 31/12/2020

All amounts are expressed in units of Euro

	31/12/2020	31/12/2019
Assets		
B) Fixed assets		
I) Intangible fixed assets	94.817	108.811
II) Tangible fixed assets	33.706	40.231
III) Financial fixed assets	50.000	50.000
B TOTAL Fixed assets	178.523	199.042
C) Current assets		
II) Receivables :		
1) Due within the following year	133.840	221.218
2) Due after the following year	4.120	4.120
II TOTAL Receivables:	137.960	225.338
III) Current financial assets	286.751	284.714
IV) Liquid funds	496.274	307.175
C TOTAL Current assets	920.985	817.227
D) Accrued income and prepayments	12.931	16.447
TOTAL ASSETS	1.112.439	1.032.716
Liabilities and shareholders' equity		
A) Shareholders' equity		
I) Share capital	195.384	195.384
VI) Other reserves	(1)	
VIII) Retained earnings (accumulated losses)	173.230	162.423
IX) Net profit (loss) for the year	(47.973)	10.807
A TOTAL Shareholders' equity	320.640	368.614
B) Reserves for contingencies and other charges		
C) Total reserve for severance indemnities (TFR)	283.701	264.639
D) Payables		
1) Due within the following year	147.920	200.529
D TOTAL Payables	147.920	200.529
E) Accrued liabilities and deferred income	360.178	198.934
TOTAL Liabilities and shareholders' equity	1.112.439	1.032.716
Abbreviated income statement		
A) Value of production		
1) Revenues from sales and services	1.201.947	2.222.276
5) Other income and revenues		
b) Other income and revenues	3.766	17.648
5 TOTAL Other income and revenues	3.766	17.648
A TOTAL Value of production	1.205.713	2.239.924
B) COST OF PRODUCTION		
6) Raw, ancillary and consumable materials and goods for resale	18.768	6.709
7) Services	882.652	1.703.648
8) Use of third party assets		



	31/12/2020	31/12/2019
9) Payroll and related costs:		
a) wages and salaries	217.422	323.230
b) related salaries	62.923	93.164
c) severance	19.578	24.641
e) other costs	1.200	1.200
9 TOTAL Payroll and related costs:	301.123	442.235
10) Amortisation, depreciation and writedowns:		
a) amortisation of intangible fixed assets	13.994	13.994
b) depreciation of tangible fixed assets	17.327	18.073
10 TOTAL depreciation of tangible fixed assets:	31.321	32.067
14) Other operating expenses	6.404	33.922
B TOTAL COST OF PRODUCTION	1.240.268	2.218.581
A-B Difference between value and cost of production (A-B)	(34.555)	21.343
C) Financial income and expense		
17-bis) Foreign exchange gains and losses	(434)	(2.957)
15+16-17±17bis TOTAL financial income and expense	(434)	(2.957)
18) Revaluations :		
c) current financial assets	2.037	11.066
18 TOTAL Revaluations:	2.037	11.066
A-B±C±D PROFIT (LOSS) BEFORE TAXES	(32.952)	29.452
20) Taxes on the income for the year		
a) Current taxes	15.021	18.645
20 TOTAL Taxes on the income for the year	15.021	18.645
21) Net profit (loss) for the year	(47.973)	10.807

These Financial Statements is real and correspond to the accounting records.


Dr. Stefania Baldini
 Secretary-General





EXPLANATORY NOTES CONCERNING THE 2020 BALANCE SHEET

Introduction

The International Institute of Humanitarian Law was legally instituted before a public notary on September 26, 1970 in Sanremo, Italy. The Institute was officially recognised as a private association with legal status by the Ministry of Foreign Affairs through a decree dated April 27, 1993. The Institute is registered in the Register of Legal Entities at the *Prefettura* in Imperia.

The balance sheet as of and for the year ending December 31, 2020 is complemented by the Report of Activities and these Explanatory Notes.

Although the Institute is not under any legal obligation, Deloitte & Touche S.p.A. was appointed as auditor of the financial statements as of December 31, 2020 and for the year then ended.

The 2020 balance sheet presents a loss of Euro 47.973.

Grants relating to training/courses and on-going projects were received and used according to instructions received from International Organisations, Governments and other donating bodies.

The Institute has no investments in any subsidiaries, associates or other Companies, not even through trust companies or a third party, with the exception of the new investments in the “Foundation Auxiliary to the International Institute of Humanitarian Law- Villa Ormond” as described below.

Contributions in kind

The Institute is particularly grateful for the following contributions in kind, which as such are not considered in the balance sheet even though they constitute an essential support:

- the granting of the full use of Villa Ormond by the Municipality of Sanremo as the IHL headquarters;
- the secondment of Colonel Mark Dakers, as Director of the Training Programme on IHL;
- the secondment of Colonel Jean Emmanuel Perrin, as Deputy Director of the Training Programme on IHL, by the French Armed Forces;



- the secondment of Col. Eduardo Cavalcanti Bittencourt by the Brazilian Armed Forces;
- the secondment of Major Gretchen Davenport (until June 2019) and from June 2019, of Major Dimitri Facaros, Training Officers, by the US Army, Judge Advocate General.

Summary of significant accounting policies

The balance sheet has been prepared in accordance with the generally accepted Italian accounting principles, duly integrated by recommendations of the “Not for Profit Commission” of the *Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili* (i.e. the Italian accounting profession).

In particular, the balance sheet has been prepared following the general principles of conservatism, understandability, consistency, matching and under the accrual basis of accounting.

These financial statements are prepared under the going concern assumption. Management is responsible for evaluating the applicability of the going concern assumption and if it identifies significant uncertainties it shall disclose such uncertainties and assess if the going concern assumption is still applicable.

In its assessment management indicates that the operations of the institutes are still impacted by the spread of the coronavirus started in early 2020. The education erogated will be reduced again as in 2020 and most of the courses will continue to be erogated online. As in 2020 the reduction of revenues will be matched with a reduction of expenses. Based on these assumptions Management projections for 2021 show that the Institute will incur in a loss similar to 2020, but it should have sufficient cash to pay expenses and should be able to continue operating throughout the year 2021.

However, Management underlines that the evolution of the spread of Covid 19 and the effectiveness of the vaxinations programs currently in progress in countries all over the world cannot be anticipated, and as a consequence uncertainties still remain significant about the result of operations for the year.

Management is confident that in case it will be needed it will be possible to obtain contributions from the participating governments to sustain the Institute during the year.

Based on the assessment made, management considered appropriate to use the going concern assumption.

The balance sheet has been presented in Euro. Revenues in currencies other than Euro have been recorded at the exchange rate prevailing on the date of transaction.

With specific regards to accounting policies, hereinafter the adopted criteria regarding the most important captions:



- **fixed assets** are stated at cost, less accumulated depreciation. Cost includes directly related charges and it is net of specific grants received. Depreciation is provided at rates deemed representative of the assets' estimated remaining useful life. If, regardless of the depreciation already accounted for, fixed assets are impaired, then they are devalued accordingly. If, in future financial years, the reason for the impairment ceases to apply, the original value is re-instated, net of adjusted depreciation.
- **Investments** in subsidiaries are recognized at their acquisition or subscription cost, written down to reflect any permanent impairment losses. Where the book value of equity investments exceeds the corresponding portion of shareholders' equity based on the latest approved Financial Statements, this value is maintained if it does not constitute a permanent impairment. When the reasons for the write-downs cease to exist, equity investments carried at cost are revalued to the extent of the write-downs that had been recognised and the effect is presented in the income statement.
- **receivables** are recorded at their net realizable value. As such, in the presence of a risk of collection, the face value is reduced to the net realizable value through an allowance for doubtful accounts;
- **cash and cash equivalents** are calculated at face value;
- **liquid investment funds** are recorded at their market value as of the balance sheet date;
- **pre-paid and accruals**, both on the asset and on the liability side, are calculated to conform revenues and expenses to the accrual basis of accounting;
- **provision for employees' leaving indemnity** covers the entire liability provided in favour of employees in accordance with existing legislation and labour contract; in particular, this liability is calculated according to the Italian Civil Code and is subject to revaluation based on official indexes;
- **other debts** are recorded at face value;
- **revenues and expenses** are recorded under the accrual basis of accounting. In particular, grants intended to cover the general expenses of the Institute are recorded once they are received or, otherwise, on the basis of a formal decision on the part of the donating bodies reasonably guaranteeing their receipt; on the other hand, grants (and/or registration fees) pertaining to specific training are recorded in the same financial year in which the relevant courses took place, matching the corresponding costs.

The above-mentioned criteria are consistent with the previous financial year.

No entries have been recorded in the financial statement solely for tax purposes.



Changes regarding assets and liabilities

The balance sheet shows information compared to the previous financial year. In all events, it is useful to highlight the amount and composition of certain assets and liabilities as of December 31, 2020 and provide the reason for any important variation.

FIXED ASSETS

Tangible fixed assets, recorded in the balance sheet net of depreciation, amount to Euro 33.706 as the following chart illustrates:

		Furniture	Office equipment	Other equipment	TOTAL
Fixed assets at 1.1.2020	A	152.246	176.751	27.401	356.398
Fixed assets fund	B	141.639	149.615	24.912	316.166
Remaining fixed assets at 1.1.2020	C=A-B	10.607	27.136	2.489	40.232
Purchases 2020	D	0	9.838	963	10.801
Fixed assets at 31.12.2020	E = A+D	152.246	186.589	28.364	367.199
Depreciation for the current year	F	7.571	8.780	976	17.327
Fixed assets fund at 31.12.2020	G = B+F	149.210	158.395	25.888	333.493
Remaining fixed assets at 31.12.2020	H=E-G	3.036	28.194	2.476	33.706

Other intangible assets amount to Euro 94.817 and show a decrease of Euro 13.994 compare to the same figure on December 31, 2019. This decrease is due to depreciation for the current year.

EQUITY INVESTMENT

The caption amounts to Euro 50.000 and entirely refers to the endowment fund provided to the "Foundation Auxiliary to the International Institute of Humanitarian Law- Villa Ormond". The Foundation was created in Sanremo on December 4, 2014 with the aim of supporting and developing the use of Villa Ormond. According to its statutory mission, the Foundation will be engaged in providing services and opportunities to increase the visibility of Villa Ormond, supporting, at the same time,



the fund-raising activities necessary to contribute towards expenses and investments related to the building.

RECEIVABLES

These amount to Euro 137.960 as of December 31, 2020 and are mainly represented by contributions from Governments, International Organisations and Institutions.

The caption shows a decrease of Euro 87.378 compared to December 31, 2019. The above-mentioned receivables are reduced by an allowance for doubtful accounts amounting to Euro 22.132. Such allowance is deemed fully appropriate to reflect their realizable value: in fact, it covers all receivables originated before 2020, net of those collected in the first few months of 2021.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are represented by Euro 5.351 in cash on hand, by Euro 490.923 in bank deposits and by Euro 286.751 in liquid investment funds.

The following schedule shows details regarding bank and post office accounts as at December 31, 2020:

Banca Prossima c/c 12348	484.221
Banca Prossima (US dollars)	1.963
UBS Geneva – 240-413176	2.118
Banca Carige c/c 26861/80	2.621
<i>Total</i>	490.923

Liquid investment funds are represented by mutual funds purchased during previous financial years (and integrated in the present financial year) as funding for the liability towards the employees' leaving indemnity. These funds can be settled at any time. They are recorded at cost, plus all earnings accrued. The increase of the year amounts to Euro 2.037.

PRE-PAID EXPENSES AND ACCRUED REVENUES

Pre-paid expenses amount to Euro 12.931 and refer to the purchase of plaques, books and handbooks for participants of military courses, to be used in future years besides other costs paid in 2020 but relevant to a course realised in 2021.

NET EQUITY

Net equity as of December 31, 2020 amounts to Euro 320.640 and is composed as follows:

Share capital	195.384
Other reserves	(1)
Retained surplus	173.230



Net result for the year	(47.973)
Total equity	320.640

Movements occurring in 2020 refer solely to profit of the 2020 financial year and the transfer of the profit of 2019 under the caption “Retained surplus”.

CONTINGENT LIABILITIES

This caption refers solely to the provision of employees leaving indemnity amounting to Euro 283.701 and shows an increase of Euro 19.062 compared with the value on 31 December 2019, which is the 2020 accrual, made in accordance with the Italian Civil Code requirements.

OTHER LIABILITIES

This caption amounts to Euro 147.920 and includes both trade payables of Euro 72.792 and other payables of Euro 75.128. Said payables, when compared with the previous year, record a decrease of Euro 52.609.

Trade payables refer to payables for services provided in connection with courses, mainly goods and services, as well as maintenance works on Villa Ormond.

Other payables refer to the following:

Liabilities vs/Employees	30.933
Social security institutions	21.537
Withholding taxes	22.658
Liabilities vs/Other creditors	0
Total	75.128

ACCRUED LIABILITIES AND DEFERRED INCOME

Accrued liabilities amount to Euro 11.440 and have been determined according to the accrual basis of accounting. They mainly refer to the fourteenth monthly salary for staff and related social contributions.

Deferred income amounts to Euro 348.738 and refers to contributions received in 2020 for activities that have been postponed to 2021.

Concerning receivables and payables, it is to be noted that they are all expected to be settled in less than five years.

REVENUES and EXPENSES for the year ending December 31, 2020

The attached table (annex 1) gives a comprehensive view of all revenues, expenses, and result for the following programmes and activities:

- Training programme on IHL
- Round table on IHL
- Training programme on Refugee Law and Migration



- Summer course on IHL
- Other events and activities (Women Peace Security Projects, Child – UP, UPPER and CITIZED EU funded projects, Master Programme of Cultural Property Protection in Crisis Response)

The first section of the table details the number of participants and the number of courses. The second section outlines the revenues by source:

- **Registration fees:** include all course fees directly paid either by individuals or sponsored by organisations, such as the ICRC, the UNHCR, etc., or governments.
- **Earmarked contributions to specific courses or events:** include funds assigned by the donor to a specific course/event. For example, the Swiss Government allocated funds to the 1st online IHL course, as well as the Finnish MOFA, IOM and IOF granted funds for specific refugee/migration law courses. Moreover, the UN OHCHR sponsored the organisation of a second edition of the training course for military officers of the G5 Sahel Joint Force, with a total amount of US\$ 33.411,65.
- **Earmarked contributions to a training programme (IHL or Refugee):** include funds assigned by donors to either the IHL or Refugee training programmes. For example: the Swiss Government granted funds for IHL military courses, a number of donors granted funds for the refugee law courses.
- **Non-earmarked contributions to the IIHL:** include those contributions given to the IIHL without a specific purpose. For example: the Italian Red Cross and the Liguria Region made contributions that are not dedicated to one specific programme or course/activity. This source of revenue also includes the membership fees to the IIHL, as well as other extraordinary contributions, such as the one of the Dutch MoD this year.

The third section outlines the expenses divided into:

- **Direct expenses:** include all costs associated to each of the courses. For example: staff for training and coordination, travel, accommodation, meals, etc.
- **Personnel expenses:** include salaries and related costs of permanent staff, collaborators and consultants.
- **Other expenses:** include expenses not directly associated to a programme or activity. For example: Council meetings, Liaison Office in Geneva, auditors, equipment, etc.

Lastly, the table shows the results.

During 2020, registration fees decreased by Euro 861.825 (Euro 105.075 compared to Euro 966.900 in 2019). Earmarked contributions to specific courses and to training programs decreased by Euro 157.983 (Euro 1.007.173 during 2020 compared to Euro



1.165.156 during 2019). Non-earmarked contributions to the IIHL reached Euro 81.701 (compared to Euro 75.500 reached during 2019).

Regarding direct expenses for specific courses and programmes, during 2020 a 58,37% decrease of Euro 855.106 has been recorded (Euro 609.940 during 2020 compared to Euro 1.465.046 during 2019). These include all costs directly associated with specific courses/programmes, such as travel, accommodation, meals, faculty, etc.

With regard to staff with indefinite contracts, the Institute has presently nine full-time staff members and one part-time staff member. In 2020 the global expenses for staff were Euro 301.123 with a decrease of 141.112 Euro. These savings were due to the Government staff scheme.

As for other expenses, they include costs not directly associated to a programme or activity, such as costs for Council meetings, the Geneva Liaison Office, the external auditors, equipment, etc.

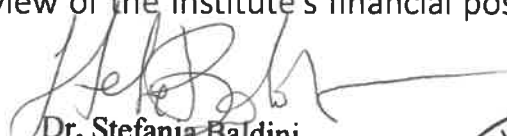
Other Remarks

In the first months of the 2021 financial year, the Institute has been concentrated on its programme of activities which, due to the persistence of movement restrictions because of COVID-19 pandemic, will be delivered online. This major change in the offering of its courses has been successfully already implemented by the Institute in 2020. The impact on the financial situation will be two folded: on one side there will be less revenues from registration fees (which have been significantly reduced for online courses) but, on the other side, this will be balanced by a consistent reduction of direct costs for the same activities.

However, in order to monitor the financial situation over the next months and prevent possible cash flow shortage, a document showing the Institute's cash flow has been drafted and will be regularly updated.

Regarding the expected result of the 2021 financial year, the Council, during its meeting on 14 April 2021, has pledged a balanced budget by 2021, according to expectations in terms of activities and financial revenues.

The present Balance Sheet, consisting of the report of activities and these explanatory notes, comply with the journal entries recorded during the year 2020, to the relevant laws and regulations, and give a true and fair view of the Institute's financial position and result of operations.


Dr. Stefania Baldini
Secretary-General



Sanremo, 16 April 2021



International Institute of Humanitarian Law
 Institut International de Droit Humanitaire
 Istituto Internazionale di Diritto Umanitario

DRAFT Summary of revenues and expenses in 2020

Section	Training on IHL	Round Table (Webinars)	Training on refugee law and migration	Summer Course	Other Projects (1)	Total	
Number of participants and courses							2019
Number of participants	128	1495	403	24	664	2714	1749
Numbers of courses/events (both in Sanremo and online)	9	5	11	1	4	30	49
Revenues							
Registration Fees (2)	26.250,00	0,00	69.075,00	9.750,00	0,00	105.075,00	966.900,00
Earmarked contributions to specific courses (3)	93.025,42	0,00	38.335,87	0,00	177.678,68	309.039,97	576.947,75
Earmarked contributions to training programme (4)	47.396,57	14.000,00	556.916,05	0,00	79.820,62	698.133,24	588.208,19
Non-earmarked contribution to the IIHL (5)	61.704,74	7.915,59	0,00	15.713,29	10.167,04	95.500,67	120.443,06
total revenues	228.376,73	21.915,59	664.326,92	25.463,29	267.666,34	1.207.748,88	2.252.499,00
Expenses							
Direct expenses (6)	60.521,88	582,32	321.748,86	248,20	226.838,53	609.939,79	1.465.045,65
Personnel of Department and Secretariat (7)	161.964,98	39.463,12	201.741,67	18.376,36	44.873,12	466.419,26	442.235,27
Other expenses (8)	31.533,23	4.045,14	130.559,05	8.030,03	5.195,71	179.363,15	334.410,27
total expenses	254.020,09	44.090,58	654.049,58	26.654,59	276.907,36	1.255.722,20	2.241.691,19
RESULT	-25.643,36	-22.174,98	10.277,34	-1.191,30	-9.241,02	-47.973,32	10.807,81

(1) Women Peace Security (Italian MoFA) - UPPER EU, CHILD-UP EU, CITIZED EU, Master on protection of cultural property

(2) Registration fees include all course fees paid either directly by individuals or sponsored by organisations, such as the ICRC, UNHCR, or governments.

(3) Earmarked contributions to specific courses include funds assigned by the donor to a specific course. For example, the OHCHR sponsored a course for G5 Sahel; the Swiss Government allocated funds for the 1st online IHL course, as well as the Finnish MOFA; IOM and IOF granted funds for specific refugee/migration law courses.

(4) Earmarked contributions to training programme (IHL or Refugee) include funds assigned by donors to either training on IHL or Refugee law. For example: the Swiss Government granted funds for IHL military courses, a number of donors granted funds for the refugee law courses.

(5) Non-earmarked contributions to the IIHL: include those contributions given to the IIHL without a specific purpose. For example: the Italian Red Cross, the Regione Liguria made contributions that are not dedicated to specific courses/activities. This source of revenue also includes the membership fees to the IIHL, as well as other extraordinary contributions, such as the one of the Dutch MoD this year.

(6) Direct expenses include all costs associated to each of the courses/projects. For example, experts for training & coordination, travel, accommodation, meals, etc.

(7) Personnel include costs of staff under indefinite contracts, collaborators and consultants

(8) Other expenses include expenses not directly associated to a programme or activity. For example, Liaison Office in Geneva, professional fees, fixed office costs in Sanremo, utilities, etc.



Stefania Baldini
 Dr. Stefania Baldini
 Secretary-General



International Institute of Humanitarian Law
 Institutul Internațional de Drept Humanitar
 Istituto Internazionale di Diritto Umanitario

Financial Statement 2019

Section	IHL/LOAC	Round Table	Refugee and Migration Law	Summer Course	Other Projects	Total
Number of participants and courses						
Number of participants	711	256	617	43	122	1749
Numbers of courses/events (both in Sanremo and online)	23	1	20	1	4	49

Revenues

Registration Fees	690.200,00	25.500,00	180.000,00	57.500,00	12.500,00	966.900,00
Estimated contributions to specific courses (3)	67.051,23	84.676,95	417.004,89	8.274,56	0,00	576.947,75
Estimated contributions to a training programme (4)	7.475,30	0,00	340.816,01	9.902,04	230.014,84	688.208,19
Non-earmarked contribution to the IHL (5)	59.479,08	6.619,25	39.902,81	5.121,45	10.320,67	120.443,05
total revenues	824.206,61	117.196,20	876.723,61	81.138,07	253.235,51	2.252.499,00

Expenses

Direct expenses	405.820,13	75.614,37	800.395,10	37.712,67	145.503,18	1.465.045,65
Personnel expenses	213.545,98	59.307,42	71.713,25	25.342,46	72.326,16	442.235,27
General costs	165.143,73	18.378,35	104.316,32	14.219,70	32.352,15	334.410,27
total expenses	784.509,84	153.300,15	876.424,67	77.275,03	250.181,50	2.241.591,19

RESULT (6)	39.696,77	-36.103,95	298,94	3.863,04	3.054,01	10.807,81
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Financial Statement 2020

IHL/LOAC	Round Table	Refugee and Migration Law	Summer Course	Other Projects	Total
128	1495	403	24	664	2714
9	5	11	1	4	30

25.250,00	0,00	65.075,00	9.750,00	0,00	105.075,00
93.025,42	0,00	38.335,87	0,00	177.675,68	309.039,97
47.398,67	14.000,00	556.916,05	0,00	79.820,62	698.133,24
61.704,74	7.915,59	0,00	15.713,29	10.167,04	95.500,67
228.376,73	21.915,59	664.326,92	25.463,29	267.666,34	1.207.748,85

60.521,86	562,32	921.746,86	248,20	228.688,53	609.939,79
161.864,88	39.463,12	201.741,67	18.376,36	44.673,12	466.419,26
31.533,23	4.045,14	130.558,05	8.030,03	5.195,71	179.383,15
254.020,09	44.090,66	654.049,58	26.664,59	276.907,36	1.265.722,20

-25.643,36	-22.174,88	10.277,34	-1.191,30	-9.241,02	-47.973,33
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Draft Budget 2021

IHL/LOAC	Round Table	Refugee and Migration Law	Summer Course	Other Projects	Total
450	1200	500	30	350	2630
16	4	21	1	4	46

265.000,00	0,00	80.000,00	22.500,00	0,00	367.500,00
20.000,00	0,00	0,00	0,00	85.000,00	115.000,00
73.522,01	5.000,00	703.000,00	0,00	256.973,00	1.038.495,01
17.391,23	1.779,78	0,00	912,14	21.255,39	41.328,53
375.903,23	6.779,78	783.000,00	23.412,14	373.228,39	1.652.323,54

44.586,00	1.000,00	318.714,00	1.000,00	296.425,54	634.706,54
218.168,00	27.561,00	334.295,00	11.200,00	118.363,00	709.618,00
65.000,00	5.000,00	130.000,00	5.000,00	13.000,00	218.000,00
327.754,00	33.561,00	783.000,00	17.200,00	400.809,54	1.652.323,54

48.148,23	-26.781,22	0,00	6.212,14	-27.580,15	0,00
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 SANREMO INSTITUTE OF HUMANITARIAN LAW
 Stefania Baldini
 Secretary-General