

PASCALE TARAMAZZO

EXPERT — COMPTABLE

MEMBRE DE L'ORDRE DES EXPERTS COMPTABLES DE LA PRINCIPAUTE DE MONACO

Independent auditor's report

International Hydrographic Organization
4, Quai Antoine I'
98000 Monaco
MONACO

As auditor appointed by the IHO Secretary-General, for the financial years 2022 following the unilateral resignation of PwC in April 2022, and subject to the endorsement of our appointment by the forthcoming meeting of the IHO Finance Committee 1st May 2023, we present our report.

Report on the audit of the financial statements

Our opinion

In our opinion, International Hydrographic Organization's financial statements present fairly, in all material respects, the balance sheet of the Organization as at December 31, 2022, and its profit and loss statement for the year then ended in accordance with the accounting principles selected and disclosed by the Organization as set out in the notes to the financial statements, under the following limitation :

In the context of the new contract with GAN VIE to fully externalize the pension obligations set out by the Staff Regulations for the Organization's local staff and following the provisions taken from the 2021 result of €498,975, settled in the 2022 financial year, we have noted that your financial statements as at 31/12/22 include new flat-rate provisions which have been accounted for by an allocation from the 2021 result of €220,000 and by an allocation taken from the 2022 result for €250,000. The documentation provided to date does not allow us to reconcile these amounts with the totality of the contributions provided for in the contract with the insurer and to measure these contributions to the valuation of a commitment at the end of 2055 updated to 31/12/22.

What we have audited

International Hydrographic Organization's financial statements are comprised of:

- The balance sheet as at December 31, 2022 ;
- The profit and loss statement for the years then ended ;
- The notes to the financial statements.

Basis for opinion

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

Independence

We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Basis of accounting and restriction on distribution and use

We draw attention to Note 1 "Accounting policies" to the financial statements, which describes the basis of accounting. The financial statements are prepared for the Organization's member states. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Organization's member states and should not be distributed to or used by parties other than the Organization's member states. Our opinion is not modified in respect of this matter.

Other information

The Secretary General is responsible for the other information. The annual Report 2022- Part 2- Finances-Table 3 constitutes the other information for the year ended December 31, 2022. It includes the financial statements referred to here above and our auditor's report thereon as well as the Profit and Loss Statement as of 31 December 2022.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except for the financial statements subject to our auditor's report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements.

Responsibilities of the Secretary General and those in charge of governance for the financial statements

The Secretary General is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles selected and disclosed by the Organization as set out in the notes to the financial statements, and for such internal control as Secretary General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Secretary General is responsible for assessing the Organization'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 Secretary General either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those in charge of governance are responsible for overseeing the Organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report the includes our opinion. Reasonable assurance in 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, the could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Date: 19/04/2023

Pascale TARMAZZO
Le Commissaire aux comptes

A handwritten signature in black ink, appearing to read 'Pascale Tarmazzo', written over a horizontal line.