

## **Draft Finance Report to the WFEO Executive Board on 6 April 2019 in Ljubljana**

Dear Executive Board Members,

I am pleased to submit my Report for your approval.

The report includes information on:

- 1- 2018 Audited Accounts;
- 2- Actualization for 2019.

### **1. AUDITED 2018 ACCOUNTS**

The audited 2018 accounts, prepared by our Auditors “In Extenso”, are presented through the “Financial Statement for 2018” and the “Financial Report” that also indicates the corresponding figures for 2016 and 2017.

Here are some comments on the main items:

#### **○ EXPENDITURE:**

##### **○ Administration expenses:**

- Staff costs (salaries + charges, A10 and A20) slightly exceed the provisions made for the budget approved in Kyoto in 2015. A dotation for provision for holiday pay (+6,920€) was added to the A10 account (staff salaries) mainly because the staff did not take enough holidays in 2018. It will be largely corrected in 2019, thus increasing the revenues. The corresponding charges (+2,860) were added in A20 (other staff costs). Total impact : 9,780€
- A provision for financial depreciation of 4,414€ was registered in A60 (exchange and depreciation) because our bonds fund had a deceiving result end of 2018. Markets are improving now (the loss would be less than 2,000€ only as of 31 March)
- Accountancy and Audit fees (A70) have decreased
- Total administration costs are completely in line with the Budget

##### **○ General Activity & Projects**

- The total reaches 23,626€ instead of 48,100 in the budget
- The “General activity” expenses are largely under the budget (2,434€ instead of 7,500€): few travels in Europe to meet members (G60), reprint of our biennial report on a limited scale. (G10, communication)
- Only 35% (10,521€) of the total of 30,000€ earmarked for projects: it concerned only the 50<sup>th</sup> anniversary, for which large events organized were mainly paid by participants (social event in March in Paris, Gala Dinner in London).

- Associate awards (P30) above budget because of the new GREE award expenses.

**Total expenditures amount to 278,587 €, largely below the initial budget (-7.5%).**

#### **INCOME:**

- 2018 was a difficult year to get the member fees paid, but thanks to the efforts of the secretariat and the board we reached a total of almost 89% of the budgeted subscriptions (208,621€ instead of 235,000€ - I10 +I20).
- We reached an excellent level of payment from associates, 32,972€, as almost all of them paid their dues.
- We are in line with the budget for associates subventions (I40 – Khatib & Alami) and sponsors (I42)
- Like in 2017, we received 1,500 € by our Indian member IEI, coming from a CIC conference, which are included in “I45 – special donations from members”. A total of 5000€ was expected in the budget.
- Compared with the budget, the total income reached 282,545€, almost 95% of what was expected. It is more than expected in London (91%).
- We almost reached the budgeted level of sponsoring (I42 – 20,000€)

**The Federation’s income for 2018 reached 282,545€. This figure is 5% below the initial budget, but higher than expected in October 2018 (271,000€).**

#### **○ YEAR-END RESULT:**

**The positive result of 3,958€ at year-end is good news compared with the budget (-3509€), and even more with the deficit forecasted in London (-16,700€).** After years of deficits –last ones were 2015 (-4158€) and 2016 (-50,180€) - we now have a second year in a row of positive outcome.

The Federation’s financial reserves as at December 31<sup>st</sup>, 2018 reached 457,468€, almost 20 months of expenditures.

It is recommended to the Executive Council to approve the audited 2018 accounts and the year-end balance sheet.

## **2. FORECAST FOR 2019**

The attached table “Draft Estimate 2019” shows estimated figures for the year-end accounts of 2019, compared with the budget and the estimate for London (October 2018).

○ **EXPENDITURE**

- Administration expenses: the Staff charges estimated at 151,000 € (A10) together with the Welfare charges at 70,950 € (A20) are exactly in line with the global budget for both lines. They include a compensation of the negative impact of the provision for holidays in 2018 (+6,878 in A10 and A20).
- Because there is appeal in our court case, we put €2,500 in legal costs –a minimum. But an improbable conviction would impact only our 2020 accounts.
- There should be no further loss in our bonds.
- Total Administration expenses (255,626€) are below the budget, as we have some lower than expected expenses (printing, postage, computer, accountancy...).
- The “General activity” expenses are slightly below the budget (8,000€ instead of 8,500€): few travels to meet members (G60), printing of our biennial report (G10, communication)
- We kept a total of €30,000 for projects, with a split between 50<sup>th</sup> anniversary / WED / others which is indicative.

**Total expenditure for 2019, estimated at 306,326€ is slightly below the initial budget.**

○ **INCOME**

- The year should be better than 2018, because of the General Assembly. We maintained a global level of subscriptions from members at the same level as the budget (I10 + I20) 245,000€ in total.
- We anticipate far better year than budgeted for associates subscriptions, but remain very prudent on the lines I40/I42 (associates subvention – only CCC – and other sponsoring – GREE plus conference fees)
- Total income would reach 316,530€, a 4.7% increase compared with the budget.

○ **BALANCE**

**Based on real expenses for 2018, the new WFEO estimate for 2019 shows an improved positive result to €10,207 (+9,200€ compared with London estimate).**