



## Annual Accounts by the Treasurer

### Treasurer:

Dear IFLA Members

I have the privilege to present the Treasurer's annual report for the year 2014 as accepted by the Governing Board in its April meeting.



### Statement of income and expenditure for the year 2014

	2014	2013
Income	2,011,399 €	1,726,385 €
Expenditure	1,784,044 €	1,796,705 €
Result	+225,355 €	-70,320 €
General Reserves on 31/12	941,373 €	723,419 €



### Income and expenditure

The final budget for the year 2014 shows a positive net result amounting to 225,335 €. This positive result has to be compared to the consolidated net result for the years 2013, which was a deficit of 70,320€, and 2012, which was a profit of 183,385€. The positive result lies in reduced expenditures on the one hand, on strong income on the other.

The surplus was placed under our reserves, bringing our general reserves to 941,737€, level which is around 50% more than what is required under our general reserves policy. These reserves are an important asset for IFLA to be able to implement its ambitious strategic plan in the years to come.



## Statement of income and expenditure for the year 2014

	2014	2013
	€	€
<b>Income</b>		
Membership fees	755.502	755.116
Corporate Supporters	32.500	31.250
Dutch Government	16.000	16.000
Contributions Core Activities	107.094	131.322
Contributions Bill & Melinda Gates Foundation for Key Initiatives	338.852	59.891
Contributions Stichting IFLA Foundation for Key Initiatives	56.952	173.650
Contributions OSF for Key Initiatives	16.511	2.899
Contributions IREX for Key Initiatives	32.516	22.461
Contributions Stichting IFLA Foundation for Congress Grants	6.190	39.650
Contributions Sage for Congress Grants	2.200	2.438
Contributions ARL for Congress Grants	1.500	1.500
Contributions Bill & Melinda Gates Foundation for Web and IT	15.848	37.587
Sales of publications and royalties	36.541	36.994
Conference services fees	235.000	225.000
Management fees	156.166	77.732
Interest and other financial income	23.844	14.165
Result subsidiary IFLA Holding B.V.	126.363	48.444
Income vouchers scheme	40.083	49.191
Income Shawky Salem Training Fund	244	355
Income Margreet Wijnstroom Fund	924	720
Income other IFLA Funds	10.569	0
Miscellaneous	0	20
<b>Total Income</b>	<b>2.011.399</b>	<b>1.726.385</b>



### Annual accounts: Income

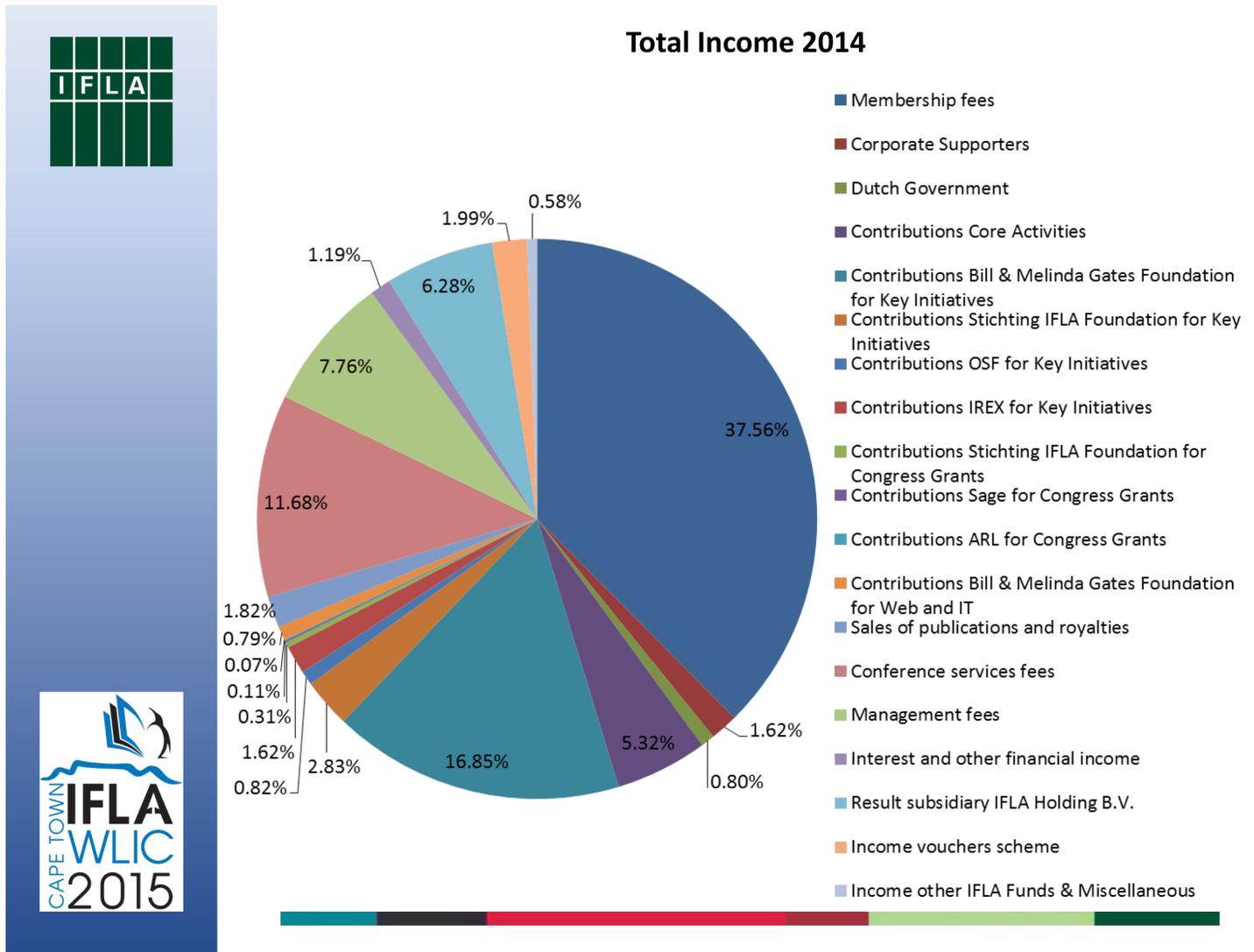
The total income for the year 2014 was slightly above 2 million euros, significantly more than it 2013. The reasons for it are twofold.

During last year's conference in Lyon, the Bill and Melinda Gates Foundation announced giving a grant to IFLA amounting to 4.9M USD in the course of the following five years. A first transfer of 354,700€ in total was made during the last months of 2014, shown here under the Foundation's contributions to key initiatives and web and IT.

The second main cause for the high level of income is the positive result of the 2014 WLIC in Lyon. This result is shown through the result of the IFLA Holding BV, amounting to 126,363€, and through the level of conference service fees.

The main categories of income for IFLA are following:

- Membership fees represent 37% of the total income for 2014, and are stable at a similar level as the previous year. At the core of IFLA's budget, they are the basis on which IFLA is able to work.
- Grants by external organizations in support to IFLA and its projects, represent 31.1% of the 2014 income, under which 56% are made of the contributions by the Gates Foundation. IFLA can however also count on the continuous support from other important institutions or organizations, such as IREX or OSF, to our key initiatives, and on the first results of the new corporate supporters' programme that we put in place in 2014.
- The WLIC, including IFLA's participation as shareholder in the IFLA Holding BV and the conference service fees, represent 18% of the annual income in 2014, compared to 15.5% in 2013. IFLA's shareholding in the IFLA Holding BV from the Lyon Conference was 123,343€, compared to 48,444€ from the Singapore 2013 conference. Conference management fees, for the organization of the WLIC 2014, were higher than in 2013 by 10,000€, up to 235,000€.



The other significant sources of income include:

- Management fees: management fees are charged by IFLA to the IFLA Holding and the IFLA Stichting for managing these companies on the one hand, or are flagged under external grants to allow IFLA manage the funded projects. In 2014, management fees represented 7.76% of the total income, compared to 4% in the previous year;
- Sales of publications and royalties: representing 1,82%, they at a stabilized level compared to 2013 with 36,541€;
- Voucher Scheme: 2%, down from 2.8% in 2013;

- With 1,19% of the total, interest income have been higher than in 2013, due to the higher level of the reserves on the one hand, of the important grants received on the other.



## Statement of income and expenditure for the year 2014

	2014	2013
	€	€
<b>Expenditure</b>		
Conference costs	30.702	21.160
Meetings and office president costs	29.296	42.180
Regional Offices and Centres	35.428	45.275
Professional Activities and Projects	21.502	44.994
Costs of publications (including free publications to members)	57.529	67.568
Staff expenses	904.994	1.039.898
Office expenses	111.313	104.627
Web and IT	115.155	96.036
Expenses Key Initiatives	444.831	262.103
Expenses Congress Grants	9.655	43.350
Expenses voucher scheme	12.812	9.673
Expenses Shawky Salem Training Fund	976	85
Expenses Margreet Wijnstroom Fund	1.595	0
Expenses other IFLA Funds	0	5.693
Interest and other financial expenses	0	4.695
Miscellaneous	8.256	9.368
<b>Total Expenditure</b>	<b>1.784.044</b>	<b>1.796.705</b>
<b>Result</b>	<b>227.355</b>	<b>-70.320</b>



### Annual accounts: Expenditures

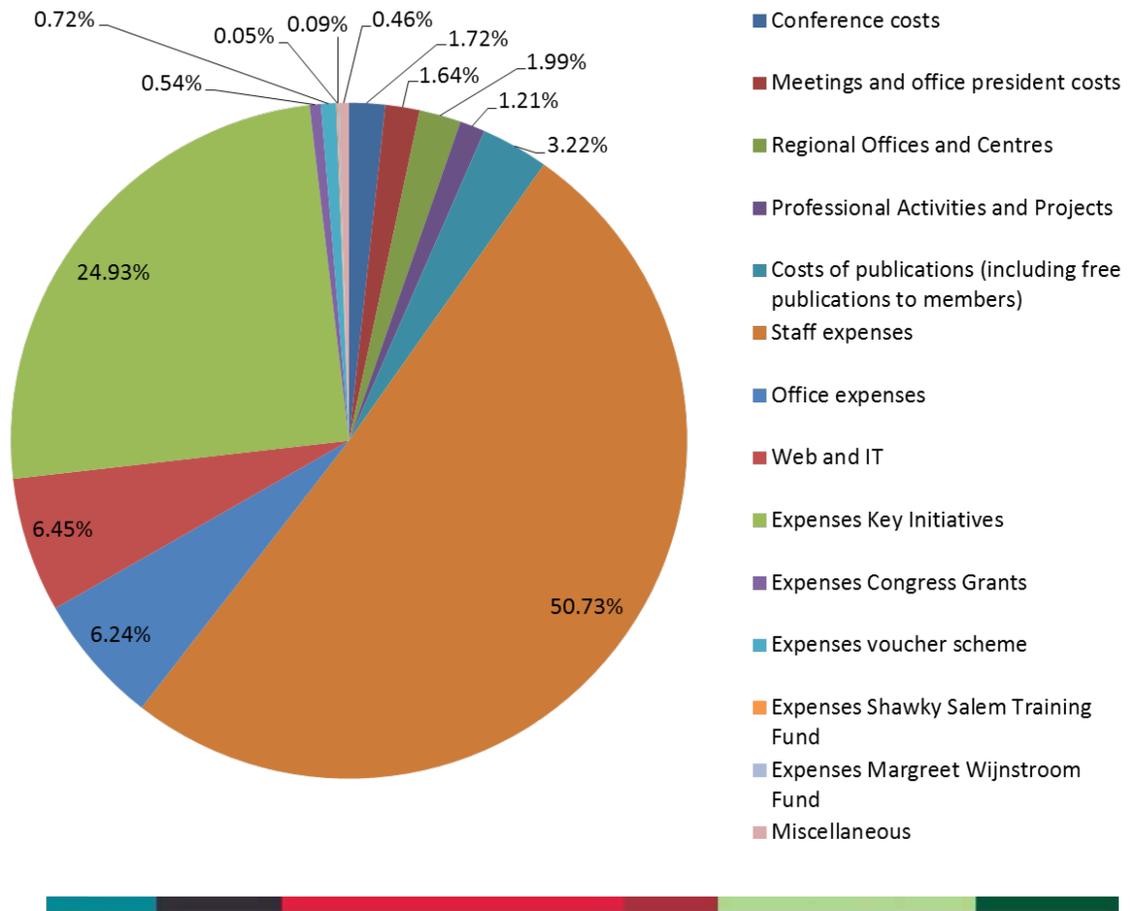
The major source of expenditure is of course the staff employed by IFLA, representing 50.7% of the total expenditure, down from 57% in the previous year, for an average number of 13 equivalent full-time employees. This expenditure is lower compared to 2013 due to several temporary vacancies within the HQ staff.

Other HQ, regional offices and centres related expenditure represent 16.3% of the total expenditure. Expenses related to web and IT continue to grow, by 19,000€ compared to 2013, mainly due to ongoing costs with running the IFLA Library and developing the multilingual website.

Expenditures for professional activities and projects, including projects granted by external organizations, represent 26.1% of the total expenditure. Costs for publications are down at 3.2%, compared to 4.7% in 2012. Less money was spent on conference grants than in the previous years, mainly due to the high level of grants given by other organizations to allow the participation in the Lyon WLIC.



## Total Expenditure 2014



These expenditures mean that nearly 30% of IFLA's financial resources in 2014 go to projects and services directly benefitting its members and the library community as a whole. This percentage is relatively high, but depends heavily on external donations on the one part, on the results of the WLICs on the other hand.

### Points of attention:

These elements are positive signs of a strong and well-managed budget, but some areas need a closer attention and may influence financial and programme activities in future years.

- **Membership:** IFLA's membership numbers have been stable since 2010. However, there have been signs of some members, even large contributors, facing recent budgetary difficulties that may affect their participation in IFLA. This is in my view a cause for concern for IFLA and the library community as a whole.
- **World Library and Information Congress:** 2014 was the third year under which the WLIC was operated through IFLA Holding BV. The three conferences operated under this regime produced profits, a part of which came back to the IFLA budget through the IFLA Holding. It is however possible and expected that not every conference will make a profit: the management of the conferences through the Holding and its 3 subsidiaries gives us more security in this regard and allows us to have the WLIC in locations where the financial results could not be as favourable. However, WLIC are an important source of income for IFLA, and we must continue to manage their organization with the same professionalism as in the previous years.
- **IFLA Publications:** The publication activities of IFLA have had a net deficit of nearly 21,000€ in 2014, compared to over 30,000€ in 2013. The Professional Committee has been looking for alternative publishing

options, in line with IFLA's commitment to Open Access publishing. These options do not generally generate publishing income.

- External contributions: the new corporate supporters programme has encountered some success in 2014, in particular through the increased engagement of our traditional partners in IFLA's work beyond mainly WLIC and other sponsorship. However, we aim at developing this programme and have identified it as a priority growth area for 2015 and 2016.

All these points of attention are included in our Risk management policy that is revised every year, and is a very useful tool to help the Finance Committee manage the budget efficiently.



## Balance sheet as at 31 December 2014

	31/12/2014	31/12/2013
<b>Assets</b>	€	€
Fixed Assets	300.358	205.774
<i>Tangible Fixed Assets</i>	15.291	47.070
<i>Financial Fixed Assets</i>	285.067	158.704
Current Assets	3.897.557	3.178.841
<i>Receivables</i>	168.507	268.735
<i>Cash at bank and in hand</i>	3.729.050	2.910.106
<b>Total</b>	<b>4.197.915</b>	<b>3.384.615</b>
<b>Liabilities</b>	€	€
Equity	1.000.719	773.364
<i>Earmarked reserves</i>	59.346	49.945
<i>General reserves</i>	941.373	723.419
Current liabilities	3.197.196	2.611.251
<i>Deferred income</i>	16.698	19.005
<i>Other liabilities</i>	3.180.498	2.592.246
<b>Total</b>	<b>4.197.915</b>	<b>3.384.615</b>



As of December 31st, 2014, IFLA's assets, covering notably IFLA's shares in the IFLA Holding BV, of which IFLA is the sole shareholder, receivables and cash at bank and in hand, are at an exceptionally high level of 4,197,915€ compared to 3,384,615€ on December 31st, 2013. This amount is to be explained mainly by the two exceptional grants made by the Bill and Melinda Gates Foundation since 2013. These assets are balanced by the same amount of liabilities, including the IFLA Vouchers.

## Budget 2015:

I would like to end this report with a few elements on the budget for 2015.

During its December 2014 meeting, the Governing Board agreed on a draft budget for 2015 presenting a surplus of 28,621€. At this stage of the year, the forecast end of year result is a surplus of 106,773€.

Expenditures are on line with the initial budget, and all projects and key initiatives are being funded appropriately. The main reason for the improved forecast result lies in savings of salary costs for positions that were budgeted for a full year but not filled until during or at the end of the second quarter. However, the forecast figure does not include the result from this year's conference: I am happy to say that a small surplus is anticipated for WLIC 2015.

The financial situation I will pass over to the next Treasurer and Governing Board is therefore sound, and should permit the effective implementation of our ambitious strategic plan 2016-2021, beginning with our numerous key initiatives and activities for 2016-2017.



# Thank You

Secretary General

IFLA HQ Staff

and the Finance Committee



Before ending my term as IFLA Treasurer, I want to thank all IFLA members for their active participation in and support for the life of our Federation, all our funding partners for their strong and continuous support. I also thank the Secretary General Jennefer Nicholson and the Finance Officer Christine Zuidwijk for their deep knowledge and control over the quite complex financial structure of IFLA, and for helping me kindly and with patience in my function as a treasurer. My

thanks go as well to my colleagues on the Finance Committee, President Sinikka Sipilä, Barbara Lison, Russell Lynch and Glòria Pérez-Salmerón for their always relevant and constructive critical advice and contribution, and for the good collaborative atmosphere we have in our meetings. I eventually thank all the colleagues I worked with in the Governing Board during the last four years: I will keep the best of memories from this most exciting period in my career.

But before leaving the stage, I stay open to any questions you may have.

Thank you.

**Frédéric Blin**

IFLA Treasurer 2013-2015