



Presentation of the Annual Accounts by IFLA Treasurer, Donna Scheeder at the General Assembly of the 79th IFLA World Library and Information Congress in Singapore

Treasurer:

Last year I promised you that I would do my best to come back to you with a better result than I reported for 2011.

GOOD NEWS!!!!

We ended 2012 with a surplus!

I am very pleased to report to you that IFLA had a very positive financial result in the year 2012. The audited financial statements for 2012 show a consolidated net profit of 183,385 euros. When we began the 2012 budget year we had projected a potential loss of 49,358 euros so this is a very positive development. The positive result of IFLA HQ amounted to 177,043 Euros and the core activities contributed a profit of 6,342 euros.

There are a number of areas that contributed to this positive result.



Contributing Factors

- Helsinki conference/ New conference model
- Voucher scheme
- Higher income from membership fees
- Sales and Royalties
- Grants income
- Expense cuts and savings



The Helsinki conference was the first to be held under the new corporate structure and I am pleased to report that the new conference model achieved its desired effect. Income included conference services fees to IFLA of 210,000 euros. Our balance sheet includes 110,260 euros which is IFLA's shareholding in the IFLA Holding B.V., IFLA is the only shareholder.

The voucher scheme earned 7,000 more euros than in 2011 mainly due from increased interest earnings.

Income from membership fees is higher than in 2011 when we had a 4% drop in membership numbers due to the economic crisis. In 2012 membership fees and numbers have returned to the levels received in 2009 when we managed to stabilize membership numbers after several years of decreases. The membership fees total of 758,000 euros represents an approximate increase of 25,000 euros over the 2011 figure

Income from sales and royalties of IFLA publications increased by 11,000 euro over 2011. However, 2012 is the final year for the subscription model partnership with Walter de Gruyter GmbH. This year we began a new arrangement where IFLA will publish 3-4 times a year with editing done by a contracted editor. Less income is expected from this arrangement. However, within our publishing we are making more IFLA content freely available to the membership.

More income from other IFLA funds and grants of 10,000 euros

Efforts to cut expenses also contributed to the positive outcome. Thanks to the staff and to Governing Board members, there were savings of 27,000 euros on expenditure for conferences, meetings and the office of the president.

So that you can understand more clearly the impact of these factors I would like to present both the income sources and expenditures.



Annual Accounts: **Income**

	2012	2011
Membership fees	758,157	733,099
Other contributions Core Activities	143,005	129,345
Corporate Partners	42,972	52,889
Dutch Government	16,000	16,000
Contributions Bill & Melinda Gates Foundation	380,818	320,440
Contributions Stichting IFLA Foundation	62,085	42,053
Sales of publications and royalties	69,731	59,220
Conference services fee	210,000	42,642
Managemnet fees	22,851	10,323
Interest and other financial income	6,715	6,315
Result subsidiary IFLA Holding B.V.	108,242	0
Income voucher scheme	62,755	55,930
Income UNESCO	0	13,980
Income Shawky Salem Training Fund	451	414
Income Margreet Wijnstrom Fund	640	659
Income other IFLA Funds	9,417	0
Income Congress Grants	2,527	0
Miscellaneous	16,623	15,310
Total Income	1,912,989	1,498,619
Note: All figures in Euros		



Income and expenditure summary



Statement of Income and Expenditure Summary

Income	2012	2011
Headquarters	1,750,283	1,369,274
Core Activities	162,706	129,345
Total	1,912,989	1,498,619
Expenditure		
Headquarters	1,573,240	1,565,315
Core Activities	156,364	156,903
Total	1,729,604	1,722,218
Result	183,385	-223,599
General Reserves	783,715	572,195
Note: All figures in Euros		

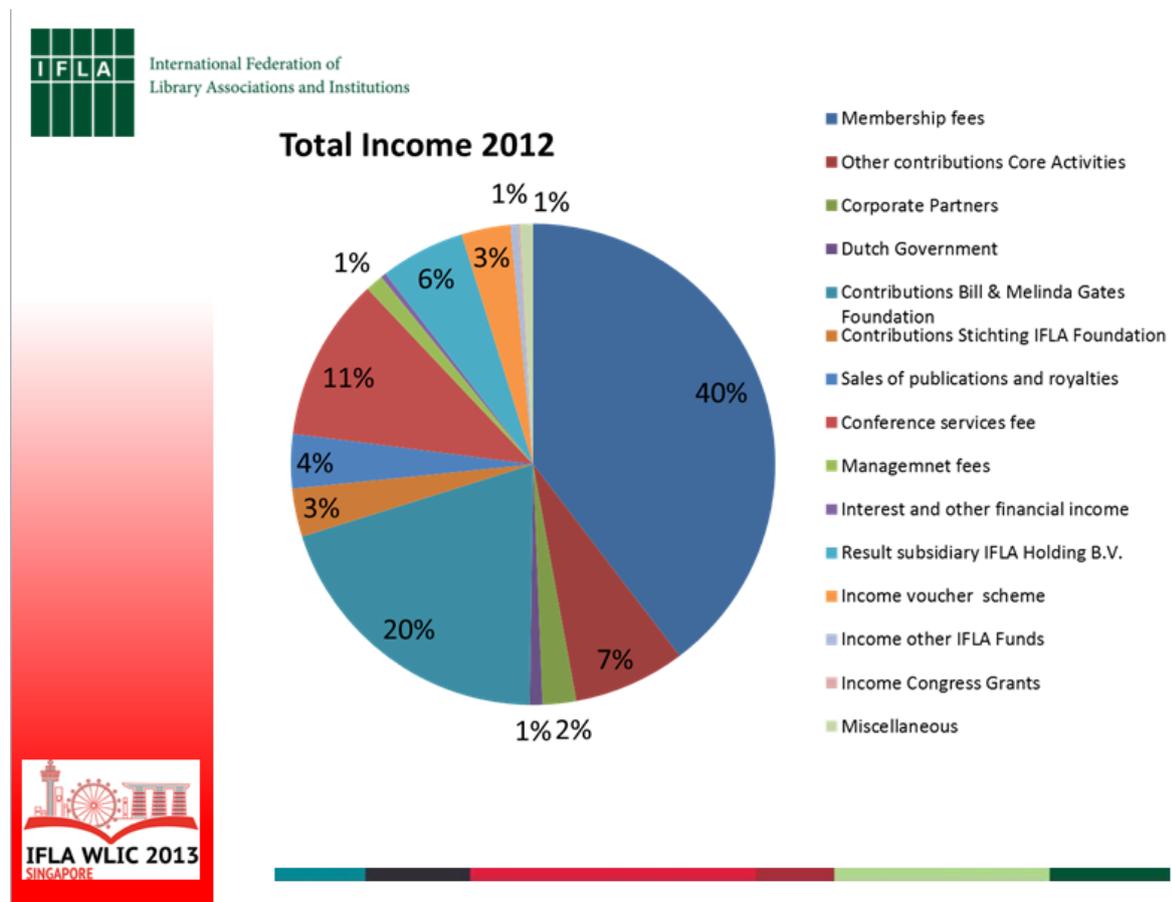


The consolidated income of 1,912,989 euros was higher than the budgeted income for 2012 of 1,414,804 and the income total for 2011. Almost every income category except for corporate partners saw an increase in 2012 over 2011. Of particular note is the positive impact of our guaranteed income under the new conference model for our conference services fee. It is also higher than the 1,729,604 expenditure total resulting in the surplus.

Staff and Board members continue to look for ways to trim expenditures.

Notable on the 2012 list are reduced costs for meetings and the Office of the President, and publications including free publications. Though overall costs rose in 2012. This was more than offset by the increased income.

In order to more clearly present the income for 2012 I will call your attention to this pie chart.



Membership fees represent the largest portion of IFLA income, approximately 40%.

The contribution of the Bill and Melinda Gates Foundation is the next largest source of income at 20%, a slight drop of 2% over the previous year.

One of the most notable changes from last year's chart is the addition of two new categories I previously mentioned, conference services fee which now represents 11% of our assets and shareholding from the IFLA Holding Company BV.

Publications and royalties remains at 4 %.

The income from the voucher scheme continues to be a stable source of income for IFLA. The income for 2012 represents an increase of over 6,000 euros from 2011.

Expenditures



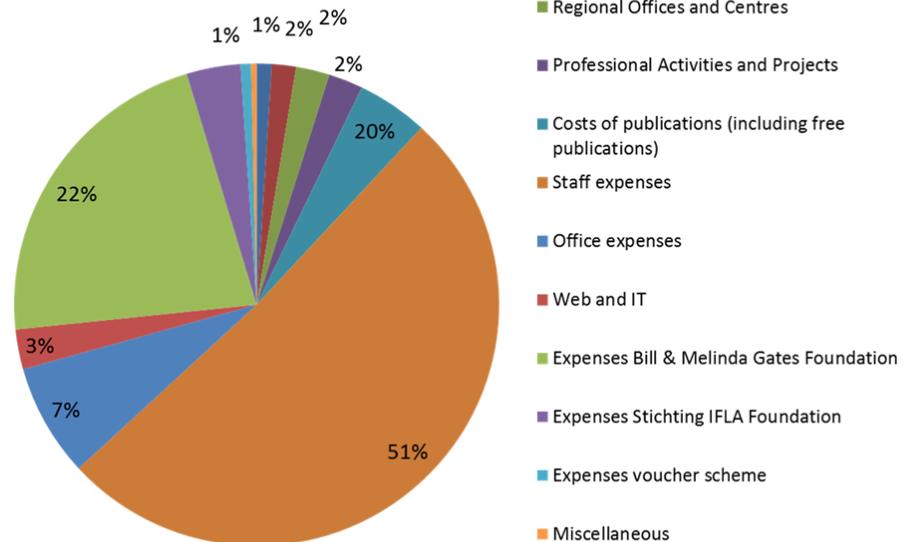
	2012	2011
Conference costs	17,170	11,714
Meetings and office president costs	27,987	39,786
Regional Offices and Centres	38,709	31,086
Professional Activities and Projects	39,615	123,783
Costs of publications (including free publications)	82,049	88,284
Staff expenses	885,597	878,179
Office expenses	130,746	120,458
Web and IT	46,212	20,235
Expenses Bill & Melinda Gates Foundation	379,945	320,440
Expenses Stichting IFLA Foundation	62,085	42,053
Expenses voucher scheme	12,042	5,250
Expenses UNESCO	0	13,980
Expenses Shawky Salem Training Fund	1,013	1,331
Expenses HP Geh Grant	0	108
Expenses Margreet Wijnstrom Fund	0	0
Expenses Guust van Wesemael Literacy Prize	0	281
Interest and other financial expenses	0	873
Result subsidiary IFLA Holding B.V.	0	15,982
Miscellaneous	6,434	8,395
Total Expenditure	1,729,604	1,722,218
Note: All figures in Euros		



It is important to acknowledge the efforts of IFLA staff to monitor the budget throughout the year and make adjustments in the expenditure category.



Total Expenditure 2012



Looking at the consolidated expenditures for both HQ and the core activities, staff expenses represent 51% of total costs followed by 22% of the costs which are expensed to the Bill and Melinda Gates Foundation. Expenses related to web and IT more than doubled compared to 2011 and represented 2 % of the expense budget. It is expected that these costs will continue to grow as IFLA continues to innovate and improve the way it serves its members with new web services such as the IFLA Library and the addition of more web pages in official languages other than English.

When you examine expenditures related to IFLA headquarters the variations in the percentages are low in most cases.



Balance Sheet Summary 2012

Assets	31 December 2012	31 December 2011
<i>Tangible Fixed Assets</i>	71,920	117,218
<i>Financial Fixed Assets</i>	110,260	2,018
<i>Current Assets</i>		
Receivables	228,131	388,960
Cash at bank and in hand	2,367,007	2,267,370
Total	2,777,318	2,775,566
Liabilities		
<i>Equity</i>		
Earmarked reserves	59,969	88,103
General reserve	783,715	572,195
<i>Current liabilities</i>		
Deferred income	18,242	26,324
Other liabilities	1,915,392	2,088,944
Total	2,777,318	2,775,566
Note: All figures in Euros		



The Balance Sheet Summary

The balance sheet summary provides an overview of the tangible fixed assets and liabilities. IFLA has approximately 100,000 euros more in cash at hand and in hand than at the close of 2011. I am happy to point out that funds in the general reserve have increased by 211,520 euros over 2011 when we used the general reserve funds to cover the deficit. There are 2,777,318 euros in assets balanced by the same amount in liabilities.

2013

I would now like to finish with a few remarks on how financial matters are progressing this year. IFLA has considerable funds but due to changing financial models and changing taxation laws it can sometimes be a challenge to have the funds available in the right place at the right time. For example changes in the 2012 tax law now limit the amount of funds that the Stichting can receive from the Holding company so that only 50% of profit up to \$100,000 euros can be donated by the Holding Company to the Foundation. The Foundation made a 150,000 euro grant to IFLA in 2013 to support key initiatives such as the establishment of the IFLA Library. The limits on the money that

the foundation can receive from the Holding Company will mean that it is likely the Foundation will close the year with fewer funds.

As the Board did in 2012 the Board approved a budget for 2013 that contained a core business deficit of 134, 664 euros on the understanding that there were on-going discussions for external grant funding. I am pleased to report that those discussions resulted in a 1 million dollar grant from the Bill and Melinda Gates foundation and we are very grateful for their continued support.

This will allow us to undertake our Key Initiative 2, Building Strong Library Associations programme through to August 2016. While at this point total income is projected to be at 98.4% of what was budgeted, it is also projected to be higher than 2012.

Staff continue to monitor expenditures closely and to make adjustments. For example, total staff expenditures are projected to be less than budgeted. Total expenses for the core business is projected to only 87.4% of what was budgeted for 2013. As of the quarter ending June 30th, it appears that IFLA is on track to close the year with fewer expenses than were budgeted. Expenses for Governance, publications, core activities, staff, travel and Web and IT are all projected to be under what was budgeted.

The state of the key initiatives and core activities budgets are dependent on funding from the foundation, the holding company and other sources of grants. The Finance Committee will be watching these areas closely.

It has been a real pleasure to have the privilege to serve you as the IFLA treasurer for the last two years.



There are many people to thank for positioning IFLA financially to meet the challenges of the future. Secretary General Jennifer Nicholson should be commended for her thoughtful analysis, out of the box thinking and continuing vigilance over IFLA finances. I would also like to thank our Finance officer Christine Zuidwijk for her excellent work. Finally I would like to say thank you to the Finance

Committee, Ingrid Parent, Frederic Blin, Christine Mackenzie, and Lynne Rudasill for their sound advice and thanks to all of you for the time and attention you have paid to these important matters.

Are there any questions?

President:

Thank you, Donna. Do any Members have comments on the 2012 annual accounts or questions for the Treasurer?

[There were no comments or questions for the Treasurer]

Treasurer:

I move that the 2012 Annual Accounts be adopted.

President:

Informal consent is OK, no formal vote is required. Thank you, Donna and Members.

Donna Scheeder
IFLA Treasurer 2011-2013