

**C. ACCOUNTS FOR 01.05-31.12.2007  
SECOND MAILING**

**Treasurer's report on ILGA-Europe  
accounts for 8 months to 31<sup>st</sup> December 2007**

In this document the following are included:

- 1) Report on ILGA-Europe's finances for 8 months to 31 December 2007
- 2) The ILGA-Europe Income and Expenditure Account for 8 months to 31 December 2007, and explanatory notes
- 3) Balance Sheet for ILGA-Europe as at 31 December 2007
- 4) Analysis of movements on individual grant funds

(The same information, presented in formats required by Belgian law will be sent in the third mailing).

**1. Report on ILGA-Europe's finances for 8 months to 31 December 2007**

**Overview**

The accounts presented are for an 8 month period, from 1st May to 31<sup>st</sup> December 2007. This 'short' accounting period is a one-off measure needed to move ILGA-Europe's accounting year-end from April to December. The purpose of this change, which was approved at the 2007 Annual Conference, is to simplify ILGA-Europe's financial reporting and audits and to change ILGA-Europe's financial year to coincide with the calendar year.

The short accounting period makes comparison with previous years difficult. However, the underlying trend in income and expenditure levels was again upwards and shows a real continuity and stability in our financial situation.

The actual accounts show a 884 456 euros income and a expenditure of 874 097 euros (the difference to balanced income and expenditure accounts is explained by grant allocated expenditure that was deferred from 2007 to 2008).

Expenditure was balanced by income, reflecting the fact that the great majority of ILGA-Europe's expenditure is derived from grants awarded for specific purposes. European Commission (EC) funding contributed approximately 61% of the total grant income, with the Sigrid Rausing Trust, the Open Society Institute, COC Nederland, Tides Foundation, UK funder and certain member organisations contribution to the Scholarship Angel Scheme (i.e. Pink Cross, CIG Milano) providing the rest.

**Comparison to budget**

The indicative budget for the 8-month period for 2007 approved at the Vilnius conference proposed expenditure of € 1 028 000 for 8 months. In the end, total expenditure over the 8 months (874 097 euros) was around 85% of the proposed budget which indicates a more realistic expenditure related to the activities that were

undertaken with the existent resources (especially of time) of the organisation over a 8 months period. There has been an under spending of the EU grant budgeted, mainly due to staff<sup>1</sup> and travel& subsistence<sup>2</sup> expenditure in conjunction with the ‘short’ 8 months financial year. Moreover, the EU grant budget was prepared in the end of 2006 giving little space for a more accurate vision on the future actual expenditure and with no space for a budget revision as it is usual with a 12 months financial year. It has to be noted again that it is nearly impossible to reallocate EU grant money from a heading to another and it is mainly this non flexibility that lead to the final under spending. Whereas for other grants the 2007 under spending is only “virtual” as the underspent money is spent in 2008. Our goal is to avoid any underspending in any of the grants received.

If we look at the structure of income and expenditure it can be noted that there is a broad continuity with our previous financial year. It is also clear that both income and expenditure are generally consistent with what was budgeted. If we look at the main headings of the accounts, there are just few discrepancies with the budget and when there are it is explained by the impact of the transitory period of 8 month financial year on the organization’s capabilities.

If we look in more detail, it appears that there was slightly underspending on **staff**, due to the gap in appointment of new recruitments. Same “overspending” on **office and coordination** costs, notably because of the process of computers renewal in the office and costs incurred for preparation of up-coming Family and the Horizontal directive campaigns.

The other discrepancies with budget are listed below:

- an under spending on **Governing Bodies** (Board meetings – explained by the difference in the budgeted number of board members versus the actual and conference costs: due to the location of the 2007 conference the actual total costs were lower than in previous years and than the budgeted figures)
- an underspending in **Work Programme Activities** mainly explained by the deferred dates for events (the Families conference took place in 2008).
- an underspending in **Grant-Making** mainly explained by the timing of the call for proposals and the duration of the grant-making process.

In spite of the difficulties that a 8 month transitory periods may have created, the overall results are good. This is also demonstrated by the large growth of our assets and liabilities as shown in the ILGA-Europe assets sheet document.

Moreover, the above-mentioned aspects point to the fact that ILGA-Europe is an evolving organization which is currently moving towards a stable-paced growth having the ability to sustain its growth.

Pierre SERNE, Treasurer (with a large help from Olimpia Ciripoiu, Finance and Administrative Manager)

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<sup>1</sup> Staff costs are below the budgeted levels of expenditure reflecting the gaps in appointments (start dates of staff members budgeted under EU grant were later than in the budgeted start date)

<sup>2</sup> Travel& subsistence underspent is explained by events being postponed for 2008 (due to delayed start of new staff to support the budgeted activities) or the lower attendance levels at events (less number of participants than the budgeted figures).

**ILGA-EUROPE**  
**INCOME AND EXPENDITURE ACCOUNT FOR 8 MONTHS TO 31ST DECEMBER 2007**

|   | Euros   |                      | Euros   |                       | Notes |
|---|---|----------------------|---|-----------------------|-------|
|   | Actual results for 8<br>months to 31<br>December 2007 |                      | Budget for 8 months<br>to 31 December<br>2007 |                       |       |
| <b>INCOME</b>   |   |                      |   |                       | 1     |
| European Commission grant funding   | 542777  |                      | 605229  |                       | 2     |
| Other income from grant funds   | 285917  | 828694               | 382746  | 987975                | 3     |
| Other donations   |   | 6278                 |   | 5558                  |       |
| Participants contributions to Annual Conference   |   | 47368                |   | 34467                 |       |
| Interest  |   | 2116                 |   | 0                     |       |
| <b>TOTAL INCOME</b>   |   | <u><b>884456</b></u> |   | <u><b>1028000</b></u> |       |
| <br><b>EXPENDITURE</b>  |   |                      |   |                       |       |
| <br><b>PROGRAMMES: EU-COFUNDED ACTIVITIES AND<br/>THEMATIC PROJECTS, GRANT-MAKING, COUNCIL<br/>OF EUROPE AND OSCE</b> |   |                      |   |                       |       |
| <b>SECRETARIAT COSTS</b>  |   |                      |   |                       |       |
| Staff costs   | 371018  |                      | 398000  |                       |       |
| Office and coordination costs   | 124870  | <b>495888</b>        | 104000  | <b>502000</b>         | 4     |
| <b>GOVERNING BODIES</b>   |   |                      |   |                       |       |
| Board meetings  | 17476   |                      | 27500   |                       |       |
| Annual Conference (incl New Member State<br>scholarships)   | 78687   | <b>96163</b>         | 104000  | <b>131500</b>         | 5     |
| <b>WORK PROGRAMME ACTIVITIES</b>  |   |                      |   |                       |       |
| Policy work and information dissemination   | 135358  |                      | 106000  |                       | 6     |
| EU Co-ordination Network meetings   | 14626   |                      | 26000   |                       |       |
| Diversity project   | 0   |                      | 30000   |                       |       |
| Strategic Litigation  | 3769  |                      | 15000   |                       |       |
| Other seminars and project activities   | 64985   | <u><b>218739</b></u> | 109000  | <u><b>286000</b></u>  | 7     |
| <b>GRANT-MAKING</b>   |   |                      |   |                       |       |
| Human Rights Violations Fund  | 20864   |                      | 49500   |                       |       |
| Advocacy Project Re-granting  | 39530   | <u><b>60394</b></u>  | 50500   | <u><b>100000</b></u>  | 8     |
| <b>TOTAL PROGRAMMES EXPENDITURE</b>   |   | <u><b>871184</b></u> |   | <u><b>1019500</b></u> |       |
| <b>Other costs</b>  |   | <u>2913</u>          |   | <u>8500</u>           | 9     |
| <b>TOTAL EXPENDITURE</b>  |   | <u><b>874097</b></u> |   | <u><b>1028000</b></u> |       |
| <b>Net income/loss</b>  |   | <u><b>10359</b></u>  |   | <u><b>0</b></u>       | 10    |
| <b>Transfer to reserves</b>   |   | <u><b>0</b></u>      |   | <u><b>0</b></u>       |       |

**NOTES ON THE ILGA-EUROPE INCOME AND EXPENDITURE ACCOUNT FOR 8 MONTHS TO 31 DECEMBER 2007**

1. The Budget is the indicative budget approved at the Annual Conference in Vilnius.
2. The European Commission grant amounts to 87% of EU co-funded expenditure incurred between May 2007 and December 2007, in line with the applicable funding contracts.
3. Other income from grant funds – see the attached statement “Analysis of movements on individual grant funds in the 8 months to 31 December 2007”. Other donations include also conference scholarships received from organisations such as Pink Cross, CIG Milano.
4. Office and coordination costs: rent, depreciation, office supplies, telephone/fax, travel associated with coordination activities, etc.
5. Annual Conference: this heading includes all expenses related to organizing the Annual Conference.
6. Policy work and information dissemination: the newsletter, website, publications and policy reports, writing of reports on human rights and family.
7. Other seminars and project activities: mainly travel and accommodation costs associated with capacity building seminars, participation in European Parliament hearings and conferences, meetings with member organisations, fact finding visits, Task Force meetings, events at the OSCE and Council of Europe, transgender group meetings, etc.
8. Grant-making: includes the costs for the Human Rights Violations Documentation Fund and Advocacy project re-granting scheme.
9. Other costs: various items such as office costs not eligible for support under the grant agreements conditions.
10. Net income: the majority of the net income consists of COC Nederland grant money for 2007 that was differed towards 2008 expenditure for organizing advocacy planning sessions under the COC project.

**ILGA-EUROPE BALANCE SHEET AT 31 DECEMBER 2007**

|   | <b>31 12 2007</b> |               | <b>30 04 2007</b> |               |
|---|-------------------|---------------|-------------------|---------------|
| <b>ASSETS</b>                           |                   |               |                   |               |
| <b>Current assets</b>                   |                   |               |                   |               |
| Cash at Bank                            |                   | 586843        |                   | 338405        |
| Accounts Receivable                     |                   |               |                   |               |
| European Commission                     | 58594             |               | 104987            |               |
| Other                                   | 7017              | 65611         | 18087             | 123074        |
| <b>Total Current Assets</b>             |                   | <b>652454</b> |                   | <b>461479</b> |
| <b>Fixed Assets</b>                     |                   | <b>23256</b>  |                   | <b>10324</b>  |
| <b>TOTAL ASSETS</b>                     |                   | <b>675710</b> |                   | <b>471803</b> |
| <br><b>LIABILITIES &amp; RESERVES</b>   |                   |               |                   |               |
| <b>Current Liabilities</b>              |                   |               |                   |               |
| Stichting ILGA-Europe                   | 0                 |               | 0                 |               |
| Sigrid Rausing Trust                    | 231364            |               | 92153             |               |
| Open Society Insitute                   | 0                 |               | 0                 |               |
| Accounts payable                        | 127144            |               | 73578             |               |
| Accruals                                | 6627              |               | 10876             |               |
| Other                                   | 67978             | 433113        | 62168             | 238776        |
| <b>Loan</b>                             |                   | <b>32500</b>  |                   | <b>32500</b>  |
| <b>Scholarship Fund</b>                 |                   | <b>1188</b>   |                   | <b>5441</b>   |
| <b>East Europe Development Fund</b>     |                   | <b>10000</b>  |                   | <b>10000</b>  |
| <b>Anonymous 1+2</b>                    |                   | <b>198490</b> |                   | <b>116468</b> |
| <b>NIS Funds</b>                        |                   | <b>-43026</b> |                   | <b>35532</b>  |
| <b>Reserves</b>                         |                   | <b>43445</b>  |                   | <b>33086</b>  |
| <b>TOTAL LIABILITIES &amp; RESERVES</b> |                   | <b>675710</b> |                   | <b>471803</b> |

**Current liabilities** includes the unspent elements of grants received (see attached analysis of movements on individual grant funds). "Other" current liabilities include holiday pay provisions in accordance with Belgian employment laws and ILGA World's contribution towards lease deposit. The **Loan** is from Stichting ILGA-Europe

**Fixed assets** comprise electronic equipment (depreciated at 33.3% per annum), and furniture and fittings (depreciated at 20% per annum).

**ILGA-Europe**  
**Analysis of movements on individual grant funds in the 8 months to 31 December 2007**

|  | European<br>Commission | Stichting<br>ILGA-Europe | Sigrid<br>Rausing<br>Trust | Open<br>Society<br>Insitute | COC<br>NIS<br>Project | Anonymous<br>1 | Anonymous<br>2 | Scholarship<br>Fund | Total   |
|--|------------------------|--------------------------|----------------------------|-----------------------------|-----------------------|----------------|----------------|---------------------|---------|
| <b>Grants received</b>                                       | 589170                 | 0                        | 267587                     | 35234                       | 0                     | 103270         | 22500          | 1188                | 1018949 |
| <b>Expenditure</b>   |                        |                          |                            |                             |                       |                |                |                     |         |
| EU co-funded activities                                      | -542777                | 0                        | -48007                     |                             |                       |                |                |                     | -590784 |
| East Europe, Council of<br>Europe and Transgender Programmes |                        |                          | -80369                     | -35234                      | -69951                |                | -8804          | -5441               | -199798 |
| Other expenditure  |                        |                          |                            |                             | -8607                 | -34945         |                |                     | -43552  |
| <b>Total Expenditure from grants</b>                         | -542777                | 0                        | -128376                    | -35234                      | -78558                | -34945         | -8804          | -5441               | -834134 |
| <b>Movement in funds during<br/>period</b>                   | 46393                  | 0                        | 139211                     | 0                           | -78558                | 68326          | 13696          | -4253               | 184815  |
| <b>Balance on fund at start of<br/>period</b>                | -104987                | 0                        | 92153                      | 0                           | 35532                 | 93968          | 22500          | 5441                | 144607  |
| <b>Balance on fund at end of<br/>period</b>                  | -58594                 | 0                        | 231364                     | 0                           | -43026                | 162294         | 36196          | 1188                | 329422  |
| <b>Represented by:</b>                                       |                        |                          |                            |                             |                       |                |                |                     |         |
| Amount due   | 58594                  |                          |                            |                             | 43026                 |                |                |                     | 101620  |
| Cash at bank   |                        | 0                        | 231364                     | 0                           |                       | 162294         | 36196          | 1188                | 431042  |

**Notes**

The above individual grant funds are "restricted funds". This means that they are subject to specific conditions imposed by the donor