

Report on the current financial position and the indicative budget for 2009

A) Report on ILGA-Europe's financial position at 31 August 2008

The attached statement compares the income and expenditure for the period January to August 2008 with the indicative budget for 2008 approved at our Vilnius conference.

Expenditure

Total expenditure amounted to € 868,582 or 59 % of the indicative budget. The period January -- August represents 66% of the year. The latter part of the year sees much higher levels of expenditure with the annual conference, diversity projects, evaluation and production&distribution of IE reports falling into this period.

A comparison of certain items of January-August expenditure with the budget follows.

- **Staff costs:** expenditure is running according to the budget for the 8 months calendar year.
- **Office costs:** expenditure is only slightly overmatching 66% of the total budget for 12 months.
- **Board meetings:** expenditure is matching 50% of the total budget for 12 months with board meetings taking place every quarter.
- **Annual conference:** small increment on the expenditure side. As mentioned above, the costs of the conference will be incurred in the second part of the year.
- **Policy work and information dissemination:** the expenditure is slightly running above the budget for 8 months.
- **EU network:** running below budget, partly due to the timing of the second EU network meeting, and partly due to higher costs expected in the latter part of the year
- **Diversity Project and Strategic litigation:** expenditure is slightly running below budget, mainly because of the gap in the timing due to the projects' specificity
- **Other seminars and project activities:** running above budget, with study visits/advocacy training events, strategic meetings phased in the earlier part of the year and Board members' representational trips not being fully budgeted under 2008 expenditure.
- **Grant making:** running below budget due to the timing of awarding the Advocacy project grants and second call of Human Rights Violations Fund. Higher costs expected in the latter part of the year

Outlook for 2008 as a whole

It is anticipated that expenditure will be contained within available income levels, ensuring that there is no deficit or surplus.

DETAILED BUDGET VS ACTUAL INCOME AND EXPENDITURE AT 31.08.08

	Actuals at 31.08.2008	Budget for 2008
	Euros	Euros
	01/01/2008-31/08/2008	01/01/2008 - 31/12/2008
INCOME		
European Commission grant	493311	837500
Sigrid Rausing Trust	141908	275217
OSI Advocacy Project	40697	74570
COC/NIS Project	14323	79413
Anonymous Donor 1	132868	137226
Anonymous Donor 2	18480	22500
Funding raised from other sources	6995	25574
TOTAL INCOME	848582	1452000
EXPENDITURE		
SECRETARIAT COSTS		
Staff costs	439425	673000
Office and other co-ordination costs	80071	119000
GOVERNING BODIES		
Board meetings	18263	36500
Annual Conference (incl New Member State scholarships)	608	104000
WORK PROGRAMME ACTIVITIES		
Policy Work and Information Dissemination	47300	69000
EU Co-ordination Network Meetings	17461	39000
Diversity project	6600	0
Strategic Litigation	5781	20000
IGLYO project	16348	54000
TGEU project	27016	54000
Contribution to ILGA World scholarships	20000	20000
Other seminars and project activities	116734	125000
GRANT-MAKING		
Human Rights Violations Fund	32475 ¹	57500
Advocacy Project Re-granting	10500 ²	72000
TOTAL EXPENDITURE	838582	1443000
Other costs (office costs)	10000	9000
TOTAL EXPENDITURE	848582	1452000
Net income	0	0

¹ This amount is made of grants received by 12 of our member or partner organizations.

² Amount granted to partner organization from Moldova. Two of the other partner organizations will be receiving the grant transfers in the last part of the year.

B) Commentary on indicative budget for twelve months of 2009

1. Summary

The attached indicative budget for the 12 months to 31 December 2009 envisages total expenditure of € 1,800,000 and covers the same amount of expected income.

2. Basis for preparation of the budget

The new budget covers the 12 months up to 31 December 2009, in line with the change to ILGA-Europe's accounting period agreed at last year's annual conference. It is based on detailed grant budgets. This budget is indicative and it is largely built upon assumptions of income that we are almost certain that we will get (grants already decided or for which we received positive feedbacks).

3. Commentary on budget for 12 months (2009)

3.1. Income

Total income is estimated at € 1,800,000. The European Commission grant represents 50% of total income and this grant is part of the 3 year partnership agreement that we have signed in 2007. However a firm commitment towards the total amount of the grant will be given to us by the end of the year. The Sigrid Rausing Trust, OSI Health Project, COC/NIS project and the Dutch government are all based on existing grants. For the Tides Foundation (Anonymous 1) we have received positive feedback while for the UK-based donor the grant instalments will finish in 2009. The application for the EIDHR grant took place in 2008 and was successfully approved by the European Commission. "Funding raised from other sources" consists mainly of estimated levels of fees payable for participation in the Vienna conference, and the Angels Conference Scholarship Scheme but also some anticipated new funding opportunities.

3.2. Expenditure

Total expenditure is budgeted at € 1,800,000, of which € 950,000 is in respect to Secretariat Costs such as Staff costs and Office and Coordination costs, € 204,000 in respect of the Governing Bodies (Board Meetings and the Annual Conference) while € 287,000 are dedicated to Work Programme Activities. It is important to draw the attention to the increase in our Grant Making scheme to our members and partner organizations. We budgeted to allocate € 161,500 for our joint programs with partners, the Human Rights Violations Fund, and Advocacy Projects and € 197,500 under the EIDHR project.

4 Fundraising

It is evident that, even with the actual very good resources of ILGA-Europe, fundraising continues to be a priority for the organisation, both to keep the existing flows of money and to get some alternative and/or new ones. ILGA-Europe will indeed continue its funding strategy, developing relationships with potential new donors/funders and continuing with the work

commenced in 2005 and which was so successful so far. We will also continue to work in partnerships, where opportunities arise to take our agenda forward in co-operation with other organisations. We need to further develop the income of the Scholarship Angels scheme.

To conclude, the indicative budget proposed to Vienna conference shows a clear growth in the financial capacities of our organisation. In a few years ILGA-Europe increased by more than 60% its budget. It is a great indicator of achievement of its capacity building objectives (and ILGA-Europe staff really has to be praised for that again). Anyway, this situation is not assured for ever. It is our collective task both to perpetuate our good situation and to seek for new sources of income for the future.

Pierre Serne – Treasurer

**DETAILED EXPECTED INCOME AND EXPENDITURE FOR FINANCIAL YEAR 2009
and comparison to 12 months from 01 Jan 2008 to 31 December 2008**

	Euros		Euros	
	01/01/2009 - 31/12/2009		01/01/2008 - 31/12/2008	
INCOME				
European Commission grant	907000	1*	837500	
Sigrid Rausing Trust	232000	2*	275217	
OSI Advocacy Project	63000	3*	74570	
COC/NIS Project	28000		79413	
Anonymous Donor 1/2	127000	4*	137226	
EIDHR	280000		22500	
Dutch gov	50000		0	
Funding raised from other sources (conference fees, Co-funding EIDHR, donations)	113000	5*	25574	
TOTAL INCOME	1800000		1452000	
EXPENDITURE				
SECRETARIAT COSTS				
Staff costs	810000	6*	673000	
Office and other co-ordination costs	140000	7*	119000	792000
GOVERNING BODIES				
Board meetings	29000	8*	36500	
Annual Conference (incl New Member State scholarships)	175000	9*	104000	140500
WORK PROGRAMME ACTIVITIES				
Policy Work and Information Dissemination	105000	10*	159000	
EU Co-ordination Network Meetings	44000	11*	39000	
Strategic litigation	15000		20000	
Other seminars and project activities	123000	12*	163000	381000
GRANT-MAKING				
Joint projects with partners	58000			
Human Rights Violations Fund	58500		57500	
Advocacy Project Re-granting	45000	13*	72000	
EIDHR project	197500	14*	0	129500
TOTAL EXPENDITURE	1800000		1443000	
Other costs			9000	
TOTAL EXPENDITURE	1800000		1452000	
Net income	0		0	

Notes to expected income and expenditure for financial year 2009

*Assumptions for year 2009:

1*- pending approval

2*-SRT grant received was less due to exchange rate fluctuations. The assumption is that Rausing Trust will grant ILGA-Europe 320000 euros for the year 2009/2010

3*- OSI grant received was less than 2008 because of exchange rate fluctuations. Assumption is the OSI will continue its funding in 2009/2010.

4*-the assumption is that Anonymous 1 will continue its funding for end of 2009 and future.

5*-currently IE is approaching potential funders for co-funding for EIDHR project

6*-11 full time staff members and 1 person for EHDIR project

7*- the office costs as budgeted in EC, SRT, COC, OSI and EIDHR applications.

8*- as budgeted under EC application: a total number of 4 board meetings, 10 persons, BXL

9*-as budgeted under EC and SRT applications

10*-the amount did not decreased as compared to 2008. Joint projects with partners' costs are moved under the heading GRANT-MAKING

11*, 12*- costs for 2009 are calculated using 2008 figures, the inflation rate, the consideration of previous underspending on travel, and the actions budgeted under grant applications

13*-the overall amount for Advocacy Project has not decreased as compared to 2008. Part of the budgeted amounts appear under the EIDHR project

14*- the EIDHR project grant was successfully approved by the EC in 2008. The project lasts for 3 years and it deals with Enhancing Pluralism and Combating Discrimination against Lesbian, Gay, Bisexual and Transgender (LGBT) people in Russia