

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

**Treasurer's report on ILGA-Europe
accounts for 8 months to 31st 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 31st 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 staff¹ and travel& subsistence² expenditure in conjunction with the ‘short’ 8 months financial year. Moreover, the EU grant budget was prepared in the end of 2006 given 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.

¹ 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)

² 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 months to 31 December 2007		Budget for 8 months to 31 December 2007		
INCOME					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	
TOTAL INCOME		884456		1028000	
 EXPENDITURE					
 PROGRAMMES: EU-COFUNDED ACTIVITIES AND THEMATIC PROJECTS, GRANT-MAKING, COUNCIL OF EUROPE AND OSCE					
SECRETARIAT COSTS					
Staff costs	371018		398000		
Office and coordination costs	124870	495888	104000	502000	4
GOVERNING BODIES					
Board meetings	17476		27500		
Annual Conference (incl New Member State scholarships)	78687	96163	104000	131500	5
WORK PROGRAMME ACTIVITIES					
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	218739	109000	286000	7
GRANT-MAKING					
Human Rights Violations Fund	20864		49500		
Advocacy Project Re-granting	39530	60394	50500	100000	8
TOTAL PROGRAMMES EXPENDITURE		871184		1019500	
Other costs		2913		8500	9
TOTAL EXPENDITURE		874097		1028000	
Net income/loss		10359		0	10
Transfer to reserves		0		0	

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

	31 12 2007		30 04 2007	
ASSETS				
Current assets				
Cash at Bank		586843		338405
Accounts Receivable				
European Commission	58594		104987	
Other	7017	65611	18087	123074
Total Current Assets		652454		461479
Fixed Assets		23256		10324
TOTAL ASSETS		675710		471803
LIABILITIES & RESERVES				
Current Liabilities				
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
Loan		32500		32500
Scholarship Fund		1188		5441
East Europe Development Fund		10000		10000
Anonymous 1+2		198490		116468
NIS Funds		-43026		35532
Reserves		43445		33086
TOTAL LIABILITIES & RESERVES		675710		471803

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