

**C. ACCOUNTS FOR 01.01-31.12.2008
SECOND MAILING**

**Treasurer's report on ILGA-Europe
accounts for 12 months to 31st December 2008**

In this document the following are included:

- 1) Report on ILGA-Europe's finances for 12 months to 31 December 2008
- 2) The ILGA-Europe Income and Expenditure Account for 12 months to 31 December 2008, and explanatory notes
- 3) Balance Sheet for ILGA-Europe as at 31 December 2008
- 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 12 months to 31
December 2008**

Overview

The accounts presented are the audited income and expenditure for 12 months for the period January to December 2008 with comparison to the indicative budget for 2008 approved at our Vilnius conference. 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 € 1,565,016.43 income and an expenditure of € 1,552,205.58 (the difference of € 12,810.85 to balanced income and expenditure accounts is explained by setting-up the first instalment of the legally required staff reserve fund).

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 62% of the total grant income, with the remainder coming from the Sigrid Rausing Trust, the Open Society Institute, COC Nederland, the Tides Foundation, UK funder and Dutch Government. We are grateful for their continuing support.

Comparison to budget

The indicative budget for 2008 approved at the Vilnius conference proposed expenditure of € 1 452 000 for 12 months. In the end, total expenditure over the 12 months (of € 1,552,205.58) was around 106.9% of the proposed budget which was mainly due to ILGA-Europe ability to obtain new or increased sources of funding (e.g. the project on Hate Crime was awarded in May 2008 for a period of 4 years).

There has been a slight under spending of the EU grant budgeted, mainly due to staff¹ and travel& subsistence² expenditure. It should be noted that this under spending is limited to about 3% of the EU budgeted expenditure, which is really low. Moreover, it should also be mentioned that it is rather difficult to reallocate EU grant money from a heading to another and it is mainly this non flexibility that led to the final under spending. Our goal remains to avoid any under spending 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 major changes that took place inside the organization in 2008 (i.e. changes in the total number of staff members, rental of office space that could accommodate the growth in staff etc)

If we look in more detail, it appears that there was slightly under spending on **staff**, due to the gap in appointments of new recruitments and temporary interruptions in service from staff members. Same “overspending” on **office and coordination** costs, notably because of the process of finding and providing office space that suits the needs of the organization (increase in staff, location, utility etc) and preparation of Family and Horizontal directive campaigns.

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

- **Staff costs:** expenditure is running below budget, mainly because of a gap of some months before the start date of new Programmes Policy Officer, Communication officer and the maternity leave for the Policy Director.
- **Office costs:** expenditure is above the budget due to the impact of increased number of staff and preparation of Family and the Horizontal directive campaigns.
- **Board meetings:** expenditure is at 85% of the total budget for 12 months.
- **Annual conference:** small overspent on the expenditure side.
- **EU network:** running below budget, partly due to lower costs for the second EU network and slightly decreased number of participants.
- **Grant making:** running below budget due to the timing of awarding the Advocacy project grants
- **Other seminars and project activities:** an overspending mainly explained by the deferred expenditure from 2007 to 2008 and the start-up of new projects such as the Hate Crime Project.

To conclude, the above-mentioned results show that ILGA-Europe is moving towards a stable growth pace having the ability to sustain this process.

Pierre Serne, Treasurer of ILGA-Europe, 10/08/2009
(with the help of Olimpia Ciripoiu, Finance and Administrative Manager)

¹ Staff costs are below the budgeted levels of expenditure reflecting the gaps in appointments (start dates of staff members budgeted under EC grant were later than in the budgeted start date).

² Travel& subsistence under spending is explained by the expenditure on events of our partners being lower than the proposed budget (e. g.. TGEU and IGLYO projects) or the lower attendance levels at events (less number of participants than the budgeted figures).

ILGA-EUROPE
INCOME AND EXPENDITURE ACCOUNT FOR 12 MONTHS TO 31ST DECEMBER 2008

	Euros		Euros		Notes
	Actual results for		Budget for 12		
	12 months to 31		months to 31		
	December 2008		December 2008		1
INCOME					
European Commission grant funding	834791		837500		2
Other income from grant funds	682216	1517007	588926	1426426	3
Other donations		447		400	
Participants contributions to Annual Conference		47436		25000	
Interest		126		174	
TOTAL INCOME		<u>1565016</u>		<u>1452000</u>	
EXPENDITURE					
PROGRAMMES: EU-COFUNDED ACTIVITIES AND THEMATIC PROJECTS, GRANT-MAKING, COUNCIL OF EUROPE AND OSCE SECRETARIAT COSTS					
Staff costs	644483		673000		
Office and coordination costs	216164	860647	119000	792000	4
GOVERNING BODIES					
Board meetings	31244		36500		
Annual Conference (incl New Member State scholarships)	111908	143152	104000	140500	5
WORK PROGRAMME ACTIVITIES					
Policy work and information dissemination	160330		159000		6
EU Co-ordination Network meetings	25523		39000		
Diversity project	30804		0		
Strategic Litigation	6400		20000		
Other seminars and project activities (incl TGLYO and TGEU projects)	247116	<u>470173</u>	163000	<u>381000</u>	7
GRANT-MAKING					
Human Rights Violations Fund	60462		57500		
Advocacy Project Re-granting	17772	<u>78234</u>	72000	<u>129500</u>	8
TOTAL PROGRAMMES EXPENDITURE		<u>1552206</u>		<u>1443000</u>	
Other costs		<u>0</u>		<u>9000</u>	9
TOTAL EXPENDITURE		<u>1552206</u>		<u>1452000</u>	
Net income/loss (set-up of staff provision)		<u>12811</u>		<u>0</u>	10
Transfer to reserves		<u>0</u>		<u>0</u>	

NOTES ON THE ILGA-EUROPE INCOME AND EXPENDITURE ACCOUNT FOR 12 MONTHS TO 31 DECEMBER 2008

1. The Budget is the indicative budget approved at the Annual Conference in Vilnius.
2. The European Commission grant amounts to 85.83% of EU co-funded expenditure incurred between January and December 2008, 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 12 months to 31 December 2008”.
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 magazine, 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, Family conference, 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, IGLYO Age Project 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 net income consists of the first instalment towards setting-up the legally required staff reserve in Belgium.

ILGA-EUROPE BALANCE SHEET AT 31 DECEMBER 2008

	31 12 2008		31 12 2007	
ASSETS				
Current assets				
Cash at Bank		123600		586843
Accounts Receivable				
European Commission	140630		58594	
Other	110268	<u>250899</u>	7017	<u>65611</u>
Total Current Assets		<u>374499</u>		<u>652454</u>
Fixed Assets		<u>109605</u>		<u>23256</u>
TOTAL ASSETS		<u><u>484103</u></u>		<u><u>675710</u></u>
 LIABILITIES & RESERVES				
Current Liabilities				
Stichting ILGA-Europe	0		0	
Sigrid Rausing Trust	149426		231364	
Open Society Insitute	10919		0	
Accounts payable	127786		127144	
Accruals	1790		6627	
Other	<u>72389</u>	362311	<u>67978</u>	433113
Loan		32500		32500
Scholarship Fund		1188		1188
East Europe Development Fund		10000		10000
Anonymous 1+2		21848		198490
NIS Funds		0		-43026
Reserves		43445		43445
Legal required staff reserve		<u>12811</u>		<u>0</u>
TOTAL LIABILITIES & RESERVES		<u><u>484103</u></u>		<u><u>675710</u></u>

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 12 months to 31 December 2008

	European Commission	Stichting ILGA-Europe (Dutch gov)	Sigrid Rausing Trust	Open Society Insitute	COC NIS Project	Anonymous 1	Anonymous 2	Scholarship Fund	Total
Grants received	750828	0	231830	64415	82732	0	22500	0	1152304
Expenditure									
EU co-funded activities	-834791		-105948						-940738
East Europe, Council of Europe and Transgender Programmes		-15388.83	-197748	-53495	-71070		-36849	0	-374551
Other expenditure			-10071			-175823			-185894
Total Expenditure from grants	-834791	-15388.83	-313767	-53495	-71070	-175823	-36849	0	-1501183
Movement in funds during period	-83963	-15388.83	-81938	10919	11662	-175823	-14349	0	-348879
Balance on fund at start of period	-58594	0	231364	0	-43026	162294	36196	1188	329422
Balance on fund at end of period	-140631	-15388.83	149426	10919	-31364	-13529	21848	1188	-17531
Represented by:									
Amount due	140631	15389			31364	13529			200912
Cash at bank			149426	10919			21848	1188	183381

Notes

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