

TRANSITION COUNCIL
3rd session



10-13 December 2024
Headquarters, France

9 – FINANCE AND AUDIT COMMITTEE REPORT

9.3 – Budget for 2025

INTRODUCTION

The budget for the year 2025 is presented in annex 9.3.1.

Although it is still difficult to predict a precise date for the transition of staff, assets and liabilities in 2025, the budget is drafted on the assumption that IALA will proceed to this transfer on or soon after 1 January 2025. This budget is therefore made for IALA as an intergovernmental Organization. The budget should be balanced at around €3.4 million in revenue and expenditure.

FINANCIAL IMPACTS OF THE CHANGE OF STATUS ON THE 2025 BUDGET

The budget for 2025 differs from future budgets because it will support some one-off changes related to the winding up of the Association, such as the reversal of certain staff provisions that are no longer appropriate. Some estimates still need to be confirmed with URSSAF (the Organizations for the Collection of Social Security and Family Benefit Contributions).

In 2025, the main financial impacts identified are the following:

MAIN FINANCIAL IMPACTS IN 2025 of the CHANGE OF STATUS		
SAVINGS		Comments
Internal tax	€ 59 000	5% levied from basic salaries from January 2025
Decrease in social contributions and taxes	€ 73 000	€K20 for Income tax + €K53 estimated decrease from salaries (in proportion)
Corporate flat	€ 40 000	€K20 for each flat
VAT exemption (20%)	€ 110 000	€K60 on running expenses + €K40 on professional fees + €K10 on equipment
Home leave	€ 10 000	Now limited to one return trip
Termination of one saving plan (PEE)	€ 16 000	15 persons X €1,000 + bank fees
Cancellation of pension provision	€ 184 000	From the Collective Convention which will no longer apply in 2025
	€ 492 000	
NEW EXPENSES or LOSS OF INCOME		
Contribution transfer and payment	€ 268 028	Arrears priors to 2024 are waived + terminations
One recruitment	€ 84 000	One document Controller in April (the replacement of the admin staff was anticipated)
Compensation in salaries	€ 102 356	In case of needed salary adjustment for the transferred staff only
New staff allowances	€ 23 000	Mainly the new Settle-in and separation indemnity
Rental of meeting rooms	€ 20 000	In case the current HQ is not large enough in 2025 for the Committees
Translation services	€ 40 000	Needed for the GA only for translating the Resolutions and the reports
Subscription to ILOAT	€ 1 000	International Labor Office - annual subscription for all staff members
Implementation of Intl accounting Standards	€ 15 000	To be made by KPMG, the current chartered accountant
	€ 553 384	
BALANCE	-€ 61 384	

The anticipated new costs should be absorbed by the budget and the result is expected to be positive.

The 2025 budget now provides for allowances in line with the Staff Rules and two recruitments are planned for early 2025 (one administrative support and one Document Controller).



The contributions in arrears to be received will only relate to the year 2024, as it has been decided to cancel the debts before 2024 for transferred members.

Also, the budget is impacted by the organization of the 1st General Assembly in Singapore in February 2025.

THE COUNCIL IS INVITED TO

Note the financial impacts and **agree** on the 2025 budget.