

## **9 – FINANCE AND AUDIT COMMITTEE REPORT**

### ***9.1 – Projected result and budget monitoring statement***

Note by the Secretariat

#### **INTRODUCTION**

In order to assist in facilitating the comprehension and the reading of the financial documents, a new presentation is prepared, based on the format of the audited financial statements.

This new presentation includes the following elements:

- the follow up of the approved budget, as of 31 October 2020;
- a presentation of the Academy figures;
- a projection of the budget execution for the rest of the period (November to December); and
- a forecast of the final consolidated result that includes both IALA and Academy components.

This table is presented in annex 9.1.1 and has been prepared in accordance with the recommendations of the Auditor and will replace the previous cash-flow presentation.

#### **BUDGET EXECUTION**

##### **• Income**

Total revenue as of October 31, 2020 is 2,2 million euros out of 2,6 million euros budgeted (85%).

1.9 million euros were received for contributions for the year 2020 and 70% of the budgeted overdue contributions were cashed. These collection rates are similar to those of last year but on a reduced budget. The difficult context due to the global pandemic makes the collection of contributions more difficult and some members have been granted additional payment time.

##### **• Expenditure**

Total expenses as of October 31, 2020 account for 1,9 million euros out of 2,4 million euros budgeted (80%). The budget overrun on salaries (due to the retirement of a senior staff member) is compensated by a reversal of provisions and appears under “Other Operating Income” in the new presentation. The previously established budget included these two elements.

#### **PROJECTION OF THE RESULT**

The revised budget is expected to be fully used (+ €11,429 in operating result). However, the final result is also determined by other elements such as:

- “other operating income and expenses” mainly impacted by the reversal of provisions (concerning income) and by depreciations (for the expenses); and
- financial and exceptional items that have been estimated (see projections).

Those elements have been all estimated with the aim of obtaining a provisional income statement.

With respect to the Academy, it has been determined with the Auditor that, unlike previous years, the result of the Academy would be neutralized each year and therefore equal to zero. Unused sponsorships are allocated to respective dedicated funds and carried over to the following year for later use. The total available is thus transferred to the “commitment on allocated resources” line.

In conclusion, the consolidated net result for the year 2020 is expected to be positive, provided that at least K€125 is received for membership contributions between November and December 2020.

#### **THE COUNCIL IS INVITED TO**

**Note** the projected result and budget monitoring statement.