

**International Federation of Library Associations and
Institutions (IFLA)**
located, 's-Gravenhage

Report on the annual accounts
2022

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REPORT FROM THE GOVERNING BOARD

The International Federation of Library Associations and Institutions (IFLA) is a Federation which is headquartered in The Hague.

Governing Board

IFLA's Governing Board (GB) is responsible for the governance and financial and professional directions of IFLA and represents the Federation in legal and other formal proceedings.

The Board consists of the President, the President-elect, Treasurer, five members elected at large, the Chair of the Professional Council, the Chair of the Regional Council and the Chair of the Management of Library Associations Section's Standing Committee.

Up to three further GB members may be co-opted to provide expertise or represent special interests. IFLA's Secretary General serves as the Board's Secretary.

Statutes

IFLA completed a Governance Review which resulted in changes to IFLA's governance structure. In order to change the structure, amendments to IFLA's Statutes were required. The amended statutes came into force in August 2021, one day after the General Assembly took place. IFLA Statutes have been translated into Dutch, and the notarial deed of the amendment of the Statutes of IFLA were executed in the Dutch language, to comply with Dutch law. Inevitably, differences may occur in translating this text into Dutch, and if so, the Dutch text will by law prevail.

IFLA Strategic Plan 2019-2024

Following the dynamic Global Vision Process and the development of new major projects funded by SIGL (Stichting IFLA Global Libraries), the IFLA Governing Board decided it was necessary to close the IFLA Strategic Plan 2016 – 2021 earlier than expected. A new Strategic Plan was developed using an inclusive process and incorporating the views and voices of IFLA's members and Professional Units. It was adopted in August 2019.

The IFLA Strategy 2019-2024 is a document for the library field, by the library field.

It is designed to be a reference point, not only for IFLA's own Professional Units, headquarters, and regional and languages offices, but also for our membership and the library field as a whole. It should be the catalyst for a new energy and a new alignment in our efforts.

Our Strategic Directions highlight four areas of focus in delivering our mission:

- 1. Strengthen the Global Voice of Libraries*
- 2. Inspire and Enhance Professional Practice*
- 3. Connect and Empower the Field*
- 4. Optimise our Organisation*

In each Strategic Direction, four Key Initiatives provide a framework around which we can all develop actions to strengthen our field and achieve our vision. IFLA's mission and goals are mainly achieved by funding through IFLA's members, the yearly World Library and Information Congress (WLIC), donations and external grants.

Activities 2022

In the detailed financial statements for 2022 the financial results of all the activities are presented. On IFLA's website there is a detailed description of all IFLA's activities.

Results 2022

2022 closed with a deficit of € 472,334 . The Statement of income and expenditure for 2022 presents a detailed overview of the budget and actual income and expenditure. IFLA was granted NOW financial aid (Covid-19 support) from the Dutch Government of € 134,811 (2021: € 448,983) to contribute to staff costs for the 1st quarter of financial year 2022. It should be noted that the Dutch Government still has to formally approve and settle the final amount for this financial aid for Q1 2022.

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The results also reflect the extraordinary legal and other costs associated with staff departures including the settlement with IFLA's previous Secretary General and to ensure effective ongoing management of the Federation.

Covid and its economic repercussions continued to impact IFLA's activities and revenue in 2022 with, for example, fewer paying participants compared to pre-pandemic levels at the World Library and Information Congress 2022 in Dublin. Nonetheless, numbers were higher than expected and the congress broke even.

General reserves

The general reserves of IFLA on December 31, 2022, stood at € 1,755,887.

This met an important financial KPI (key performance indicator) for IFLA to ensure general reserves cover the operating costs for one year, sufficient to close down the organisation.

Budget 2023

Financial year 2023 shows a balanced budget with total income streams and expenditures of approx. € 2,850,000.

IFLA's Board understands the importance of a balanced budget and therefore the Board has requested the Finance and Risk committee (FRC) to analyse and develop a multi-year plan to grow and diversify income streams and/or reduce expenditures in the long term.

Report from the Treasurer

Financial year 2022 was a challenging one for IFLA in several ways. The organisation was still recovering from the global economic impact of Covid-19. Furthermore, costs for the organisation in 2022 were higher than the previous year due to some exceptional items including higher than usual legal, staff and governance costs related to settlement agreements, contract changes and new governance frameworks. There was also a reclassification of costs from staffing to consultancy as, post-Covid, some staff members chose to end their employment contracts and work remotely as consultants.

The 2022 final result was a deficit of € 472,334. When factoring out the exceptional costs of 2022, the normalised result comes to a deficit of € 107,297. It is worth noting that income from membership held up at € 749,068 and that WLIC 2022 in Dublin was both a successful conference and broke even financially. Stichting IFLA Global Libraries (SIGL) continued directly to fund a range of projects managed by IFLA and, in addition, contribute to IFLA's operational costs (€ 778,003 in 2022).

As the SIGL funding (legacy funding from the Bill and Melinda Gates Foundation) is finite, one of my key priorities as Treasurer is to work with the Governing Board and IFLA Headquarters' team to build long-term financial sustainability by looking for more (diverse) ways of funding for IFLA. In the coming year, we will review IFLA's cost structure and develop a fundraising and income diversification strategy to ensure that IFLA can continue to make a difference in the global library field. We are IFLA and together we can!

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BALANCE SHEET AS AT 31 DECEMBER 2022

(After distribution of result)

	<u>31 December 2022</u>		<u>31 December 2021</u>	
	€	€	€	€
ASSETS				
Fixed assets				
<u>Property, plant and equipment</u>				
Other tangible assets		16.297		17.805
<u>Financial assets</u>		361.385		282.733
Current assets				
<u>Receivables</u>		1.063.969		525.689
<u>Cash and cash equivalents</u>		4.229.329		5.201.436
		<u>5.670.980</u>		<u>6.027.663</u>

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	31 December 2022		31 December 2021	
	€	€	€	€
EQUITY AND LIABILITIES				
Equity				
Earmarked reserves	66.547		71.375	
Other reserves	<u>1.755.888</u>		<u>2.223.394</u>	
		1.822.435		2.294.769
Long-term liabilities				
Bill & Melinda Gates Foundation IAP Grant		825.477		1.016.923
Current liabilities				
Payables relating to taxes and social security contributions	347.976		66.945	
Deferred income	64.154		41.151	
Other liabilities	<u>2.610.938</u>		<u>2.607.875</u>	
		3.023.068		2.715.971
		<u>5.670.980</u>		<u>6.027.663</u>

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STATEMENT OF ACTIVITIES FOR THE YEAR 2022

	2022	Approved budget 2022	2021
	€	€	€
Benefits	2.212.866	2.400.148	1.896.289
Expenses			
Conference costs	12.776	31.000	75
Project expenses	329.759	511.155	288.970
Governance	83.667	72.000	16.721
Staff expenses	1.575.065	1.546.460	803.612
Professional Activities	28.600	50.000	30.792
Advisory Committees	7.514	13.500	1.823
Costs of publications	45.331	42.500	40.749
Web and IT	153.854	112.600	98.874
Consultancy fees, advisors and office costs	492.004	195.625	185.726
Miscellaneous	4.589	5.000	2.822
Expenses voucher scheme	11.130	16.350	17.608
Expenses against earmarked reserves	8.692	10.803	1.080
Business travel	4.215	27.500	5.413
Total of sum of expenses	<u>2.757.196</u>	<u>2.634.493</u>	<u>1.494.265</u>
Total of operating result	-544.330	-234.345	402.024
Financial income and expense	-6.656	-14.000	-9.490
Total of result	-550.986	-248.345	392.534
Share in result of participations	78.652	-	157
Total of net result	<u>-472.334</u>	<u>-248.345</u>	<u>392.691</u>
	<u>2022</u>		<u>2021</u>
	€		€
Appropriation of result			
Earmarked reserves	-4.828		1.158
Other reserves	-467.506		391.533
	<u>-472.334</u>		<u>392.691</u>

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NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of the International Federation of Library Associations and Institutions (IFLA) is Prins Willem-Alexanderhof 5, 2595BE in 's-Gravenhage. International Federation of Library Associations and Institutions (IFLA) is registered at the Chamber of Commerce under number 40407191.

General notes

The purpose of the legal entity

The federation is an independent, international, non-governmental not for profit organisation and has the objective to promote the interest of libraries and information services, from librarians and those who are working for them, wherever in the world.

The Federation seeks to achieve this purpose by:

- a. promoting high quality library and documentary services and professional practice, and the accessibility, protection and preservation of documentary cultural heritage, through the strengthening of professional education, development of professional standards, dissemination of best practices and development of scientific and professional knowledge;
- b. promoting broad-based awareness of the value and importance of quality library and documentary services in the public, private and voluntary sectors;
- c. promoting the interests of its Members throughout the world.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of International Federation of Library Associations and Institutions (IFLA) make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with the provisions and the pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'), particularly Accounting Standard C1 Not-for-profit small organisations.

Valuation of assets and liabilities and determination of the result takes place under historical cost convention. Unless presented otherwise at the relevant principle for the balance sheet item, assets and liabilities are presented at nominal value.

Income and expenses are accounted for on accrual basis. Profit is only included when realised on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

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Accounting principles

Property, plant and equipment

Tangible fixed assets are valued at acquisition costs or production costs plus additional costs less straight-line depreciation based on the expected life, unless stated otherwise. Impairments expected on the balance sheet date are taken into account.

Subsidies on investments will be deducted from the historical cost price or production cost of the assets to which the subsidies relate.

Financial assets

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. If and insofar as International Federation of Library Associations and Institutions (IFLA) can be held fully or partially liable for the debts of the participation, or has the federation intention of enabling the participation to settle its debts, a provision is recognised for this.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognised in the statement of activities.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

In the event of an impairment loss, valuation takes place at the recoverable amount; an impairment is recognised and charged to the statement of activities.

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Earmarked reserves

Earmarked reserves are special funds concerning core activities and other funds. These reserves are at the disposal of the specific activities. Reference is made to the statement of the profit and loss account for the appropriation of the result 2022.

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Other reserves

The other reserves concern the portion of the Foundation's net assets over which the authorised organs of the Foundation can dispose within the purpose for which the Foundation was established.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. If there is no premium / discount or if there are no transaction costs, the amortised cost price is the same as the nominal value of the debt.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the statement of activities on the basis of the effective interest rate during the estimated term of the long-term debts.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is determined as the difference between the income and expenditures over the reporting year. Incomes is recognised in the year in which it is realised.

Income

Membership fees are attributed to the financial year to which they pertain. The income of projects is normally equal to the costs actually spent on the project in the financial year. Other income like conference service fee and other income is recognised in the year in which it is realised.

Project costs

Project costs represent the direct and indirect expenses attributable to project income.

Wages

The benefits payable to personnel are recorded in the statement of activities on the basis of the employment conditions.

Applied policy of pension costs

International Federation of Library Associations and Institutions (IFLA) applies the liability approach to account for all pension schemes. The premium payable during the reporting year is recorded as an expense. Changes in the pension provision are also charged to the result. The contributions are recorded as personnel costs from the date that they become payable. Prepaid contributions are reported as accrual if this results in a repayment or a reduction in future payments. Contributions that are not yet paid are included as a liability in the balance sheet.

Depreciation of property, plant and equipment

Tangible fixed assets are depreciated from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to buildings, investment property, other tangible fixed assets. Land is not depreciated.

Future depreciation is adjusted if there is a change in estimated future useful life.

Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

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Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

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NOTES TO THE BALANCE SHEET

Fixed assets

Property, plant and equipment

	Other tangi- ble assets
	€
Balance as at 1 January 2022	
Cost or manufacturing price	348.494
Accumulated depreciation	<u>-330.689</u>
Book value as at 1 January 2022	<u><u>17.805</u></u>
Movements	
Additions	5.975
Depreciation	<u>-7.483</u>
Balance movements	<u><u>-1.508</u></u>
Balance as at 31 December 2022	
Cost or manufacturing price	354.469
Accumulated depreciation	<u>-338.172</u>
Book value as at 31 December 2022	<u><u>16.297</u></u>

The annual depreciation rate on the other tangible assets is 20%

Financial assets

	<u>2022</u>	<u>2021</u>
	€	€
<u>Participation in group company IFLA Holding B.V. (100%) The Hague</u>		
Book value as at 1 January	282.733	282.576
Result	<u>78.652</u>	<u>157</u>
Book value as at 31 December	<u><u>361.385</u></u>	<u><u>282.733</u></u>

The result of participation in IFLA Holding B.V. includes the result of the Holding, including its participations (IFLA Conference I B.V., IFLA Conference II B.V., IFLA Conference III B.V.). The result 2022 of € 78.652 is higher than previous years, mainly caused by the positive contribution of the WLIC 2022 in Dublin and Dutch Government financial aid.

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Current assets

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
<u>Receivables</u>		
Accruals and prepaid expenses	<u>1.063.969</u>	<u>525.689</u>
<u>Other receivables, prepayments and accrued income</u>		
Amounts due from memberships	5.606	18.532
Prepayments conferences	2.344	2.056
Receivable Stichting IFLA Foundation	13.500	-
Receivable Stichting IFLA Global Libraries	661.534	141.412
Receivable IFLA Conference I B.V.	227.000	-
Receivable royalties	6.807	6.044
Other prepayments and accrued income	120.057	50.860
Dutch Government financial aid receivable	<u>27.121</u>	<u>306.785</u>
	<u>1.063.969</u>	<u>525.689</u>

The contribution from Stichting IFLA Global Libraries was billed and received in 2023. In the previous year, a larger amount was paid during the year. Therefore, the receivable at the end of the year is higher than last year.

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
<u>Cash and cash equivalents</u>		
Cash	4.008	2.570
ABN AMRO Bank N.V.	3.087.602	4.068.300
Rabobank	1.097.709	1.077.066
Multisafe web-account	37.829	51.319
PayPal account	<u>2.181</u>	<u>2.181</u>
	<u>4.229.329</u>	<u>5.201.436</u>

Cash and cash equivalents are € 972.000 lower than previous years. This is mainly caused by the negative result of 2022 and the increase of other receivables.

Equity

	<u>Earmarked reserves</u>	<u>Other reserves</u>	<u>Total</u>
	€	€	€
Balance as at 1 January 2022	71.375	2.223.394	2.294.769
Appropriation of result	<u>-4.828</u>	<u>-467.506</u>	<u>-472.334</u>
Balance as at 31 December 2022	<u>66.547</u>	<u>1.755.888</u>	<u>1.822.435</u>

Proposal to appropriate the result for the financial year 2022.

Reference is made to the statement of income and expenses for the appropriation of the result 2022.

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	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
<u>Earmarked reserves</u>		
Core Activities Fund	7.342	7.342
Margreet Wijnstroom Fund	11.595	12.180
Shawky Salem Training Fund	30.365	30.365
Other IFLA Funds	6.122	11.710
Congress Grants	11.123	9.778
Total	<u>66.547</u>	<u>71.375</u>

Core Activities Fund

The main purpose of this fund is to support the advisory committees of IFLA.

Margreet Wijnstroom Fund for Regional Library development

This fund was established by decision of the Executive Board on March 29, 1982. In 1987, the name of the fund Regional Library Development Fund was changed to Margreet Wijnstroom Fund for Regional Library Development. Its main purpose is to support regional activities.

Shawky Salem Training Fund

In 2003, this joint fund was transferred from FID to IFLA. Its objective is to sponsor Arabic-speaking librarians to attend IFLA seminars and conferences.

IFLA funds

Since 2008, surplus from the ILDS conference has been reserved in the IFLA ILDSS Fund to support delegate participation in the next ILDS conference. Since 2012, CPDWL funds have been reserved to support CPDWL activities. Since 2014, excess funds from some IFLA sections have been reserved to support activities of those sections.

Congress Grants

The main purpose of this fund is to support delegate attendance at the next WLIC.

	<u>2022</u>	<u>2021</u>
	€	€
<u>Margreet Wijnstroom Fund</u>		
Balance at 1 January	12.180	13.100
Income	-	-
Expenditure	-585	-920
Balance at 31 December	<u>11.595</u>	<u>12.180</u>
<u>Other IFLA Funds</u>		
Balance at 1 January	11.710	11.710
Income	-	-
Expenditure	-5.588	-
Balance at 31 December	<u>6.122</u>	<u>11.710</u>
<u>Congress Grants</u>		
Balance at 1 January	9.778	7.700
Income	3.865	2.238
Expenditure	-2.520	-160
Balance at 31 December	<u>11.123</u>	<u>9.778</u>

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Long-term liabilities

Long-term liabilities

	Balance as at 31 December 2022	Repayment due	Remaining pay-back time > 1 year
	€	€	€
Total	825.477	-	825.477
		<u>31-12-2022</u>	<u>31-12-2021</u>
		€	€
<u>Bill & Melinda Gates Foundation IAP Grant</u>			
Non-current other payable		<u>825.477</u>	<u>1.016.923</u>

This represents unspent grants from the IAP (International Advocacy Programme) Grant from the Bill & Melinda Gates Foundation. The total amount of unspent grants is € 1,141,239. From this amount, € 315,762 is budgeted to be spent in 2023 as part of the IAP and is presented under current liabilities.

Current liabilities

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
<u>Payables relating to taxes and social security contributions</u>		
Value added tax	11.917	5.375
Wage tax	320.109	45.048
Social security charges	364	771
Pension premiums	15.586	15.751
	<u>347.976</u>	<u>66.945</u>

The amount of wage tax is higher than the previous year and higher than budgeted, primarily as part of settlements with staff who left the organisation.

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
<u>Deferred income</u>		
Membership prepaid for next year	53.951	32.982
Other received in advance	10.203	8.169
	<u>64.154</u>	<u>41.151</u>

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	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
<u>Other liabilities</u>		
Provisions for holiday remuneration and days	81.389	121.764
Bill & Melinda Gates Foundation IAP Grant (short-term)	315.762	303.248
Audit costs payable	30.000	20.125
Advisors and consultants payable	39.638	61.981
Accounts payable journal	1.617	8.447
Payable sections	9.339	4.957
Accommodation expenses payable	21.070	20.020
Staff expenses payable	12.173	2.973
Liabilities vouchers	2.045.269	2.040.061
Other creditors and other liabilities	54.681	24.299
	<u>2.610.938</u>	<u>2.607.875</u>

Liabilities for vouchers

The liability for vouchers relates to vouchers issued which have not yet been redeemed. The vouchers in portfolio amount to € 37,512 (2021: € 752). These are the vouchers held by IFLA headquarters. These vouchers have not been valued in the financial statements since they can be classified as quasi-goods and have no value until they are issued.

Off-balance sheet commitments

There are off balance sheet commitments for the lease of a copier machine. The rental cost for this is €14,000 per year and the lease agreement runs until mid-2025.

Fiscal unity

The Federation forms a fiscal unity for VAT with IFLA Holding B.V. and the other group companies; consequently, the Federation is jointly and severally liable for the resulting debts.

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NOTES TO THE STATEMENT OF ACTIVITIES

	<u>2022</u>	<i>Approved budget</i> <u>2022</u>	<u>2021</u>
	€	€	€
Income			
Contributions Stichting IFLA Global Libraries Joint Account Agreement	778.003	695.293	540.175
Membership fees	749.068	740.000	717.522
Conference services fees	227.000	243.000	212.000
Contributions Bill & Melinda Gates Foundation for Key Initiatives	178.935	303.249	266.350
Contributions Stichting IFLA Foundation (Arcadia)	132.100	173.447	-
Corporate supporters, grants and donations	46.982	96.000	59.674
Income vouchers scheme	32.495	40.000	29.003
Sales of publications and royalties	32.311	30.000	30.532
Contributions Unesco, Document Delivery, Media Literacy	18.724	34.459	11.287
Other income	17.248	14.700	18.413
Corporate supporters	-	30.000	-
Unesco Grant	-	-	11.333
	<u>2.212.866</u>	<u>2.400.148</u>	<u>1.896.289</u>

The objective of Stichting IFLA Global Libraries, which is exclusively charitable and educational, is to empower public libraries to improve people's live and support growth of sustainable societies. To meet these objectives Stichting IFLA Global Libraries enters in several projects with several parties. With The International Federation of Library Associations and Institutions the foundation entered in a joint account agreement. The contribution 2022 from this is higher than previous years, because of a higher cost level of the federation in 2022. A substantial part of these higher costs was budgeted.

The contributions Bill & Melinda Gates Foundation, Stichting IFLA Foundation and Unesco, Document Delivery, Media Literacy correspond with the expenses for these projects as stated below. The contributions can be higher or lower, depending on the progress of the project. The contribution to Stichting IFLA Foundation relates to the Arcadia project.

Conference costs

Conference costs	<u>12.776</u>	<u>31.000</u>	<u>75</u>
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	<u>2022</u>	<i>Approved budget</i> <u>2022</u>	<u>2021</u>
	€	€	€
<u>Project expenses</u>			
Expenses Bill & Melinda Gates Foundation for Key Initiatives	33.985	40.000	4.772
Expenses Stichting IFLA Foundation (Arcadia)	132.100	173.447	-
Expenses other projects	8.987	24.387	7.143
Expenses Unesco	-	-	11.333
	<u>175.072</u>	<u>237.834</u>	<u>23.248</u>
Staff expenses Bill & Melinda Gates Foundation for Key Initiatives	144.950	263.249	261.578
Staff expenses other projects	9.737	10.072	4.144
	<u>329.759</u>	<u>511.155</u>	<u>288.970</u>

The project expenses correspond with contributions for projects as stated under income. The expenses can be higher or lower compared with previous year and budget, depending on the actual progress of the project.

The expenses for Key Initiatives Bill & Melinda Gates Foundation and Arcadia contain staff expenses from the federation that have been reclassified from Wages and salaries to Expenses projects and other costs related to the projects.

Governance

Steering bodies, board meetings, travel expenses	68.495	40.000	6.552
Office president (including travel)	15.172	27.000	8.317
Other costs	-	5.000	1.852
	<u>83.667</u>	<u>72.000</u>	<u>16.721</u>

Due to Covid-19 governance costs were in previous years relatively low. In 2022 an increase of costs is caused by the increase in in-person Governing Board meetings.

Staff expenses

Wages and salaries	1.293.989	1.197.556	516.592
Social security premiums and pensions cost	281.076	348.904	287.020
	<u>1.575.065</u>	<u>1.546.460</u>	<u>803.612</u>

**International Federation of Library Associations
and Institutions (IFLA)
's-Gravenhage**

	2022	<i>Approved budget 2022</i>	2021
	€	€	€
<u>Wages and salaries</u>			
Gross salaries	1.695.155	1.553.967	1.217.987
Sickness insurance staff	63.601	56.166	44.479
Other staff expenses	42.699	36.500	16.221
Received sick-pay	-85.868	-	-44.298
	<u>1.715.587</u>	<u>1.646.633</u>	<u>1.234.389</u>
Dutch Government financial aid	-134.811	-	-448.983
Charged to other projects	-9.737	-12.381	-7.236
Project expenses Stichting IFLA Foundation (Arcadia)	-132.100	-173.447	-
Project expenses Bill & Melinda Gates Foundation of Key Initiatives	-144.950	-263.249	-261.578
	<u>1.293.989</u>	<u>1.197.556</u>	<u>516.592</u>

The wages and salaries 2022 comprise the compensation for employee's inclusive annual increases of compensations and payments for new employees, as well as settlement payments. In the budget 2022 employees have been foreseen which functions have not been fulfilled during the year.

The Dutch Government financial aid is called NOW. This is a financial aid provided as a compensation for decreasing revenues during Covid-19.

The project expenses Stichting IFLA Foundation and Bill & Melinda Gates Foundation is a reclassification within the statement of income and expenses from Wages and salaries to Project expenses.

Social security premiums and pensions cost

Pension premiums	143.486	162.488	138.822
Social security premiums	137.590	186.416	148.198
	<u>281.076</u>	<u>348.904</u>	<u>287.020</u>

Advisory Committees

Copyright and other Legal Matters	3.883	4.500	1.185
Freedom of Access to Information and Freedom of Expression	1.943	4.500	-
Cultural Heritage	1.688	4.500	638
	<u>7.514</u>	<u>13.500</u>	<u>1.823</u>

Costs of publications

Costs of publications Journal	45.331	41.500	40.749
Other costs	-	1.000	-
	<u>45.331</u>	<u>42.500</u>	<u>40.749</u>

**International Federation of Library Associations
and Institutions (IFLA)
's-Gravenhage**

	2022	<i>Approved budget</i> 2022	2021
	€	€	€
Web and IT			
IT support	43.084	7.500	3.916
Membership system	26.701	25.000	23.535
Hardware and software expenses	27.886	35.000	25.656
Online voting system	17.956	5.000	9.561
Consultancy IFLA HQ	13.250	13.800	13.408
Repository	12.332	14.000	12.180
Hosting	11.183	10.000	9.166
Network expenses	1.462	2.300	1.452
	<u>153.854</u>	<u>112.600</u>	<u>98.874</u>

Web and IT expenses are higher than budgeted and higher than previous year mainly caused by IT support. IT support was largely outsourced in 2022.

Consultancy fees, advisors and office costs

Consultancy	212.983	-	-
Legal advice	171.359	60.000	101.855
Audit	37.398	21.125	24.817
Advisors and advocacy	27.439	34.000	5.612
Accommodation expenses	21.070	28.000	20.020
Supplies, printing and duplication	17.941	30.000	16.070
Insurances	9.186	8.000	7.593
Postage, telephone, fax	7.401	19.000	19.132
Other office expenses	1.955	7.000	5.668
Canteen costs	296	2.500	429
Repair and maintenance	-	1.000	-
Handling fees minus credit card expenses	-13.196	-15.000	-13.642
	<u>493.832</u>	<u>195.625</u>	<u>187.554</u>
Charged to other projects	-1.828	-	-1.828
	<u>492.004</u>	<u>195.625</u>	<u>185.726</u>

Office expenses are higher than budgeted and higher than previous years. This is mainly caused by the employment of consultants who were in previous years on the payroll of the federation or hired from this year. Legal advice is higher because of employment related legal advice, as well as legal advice from notaries and legal advice for other items like commercial agreements.

Miscellaneous

Contributions and memberships	2.220	2.000	2.690
Awards and promotion materials	2.137	2.000	128
Other general expenses	232	-	4
Honors and awards	-	1.000	-
	<u>4.589</u>	<u>5.000</u>	<u>2.822</u>

Expenses voucher scheme

Interest costs	7.500	10.000	10.000
Printing costs vouchers	3.093	5.500	7.247
Bank costs	537	850	361
	<u>11.130</u>	<u>16.350</u>	<u>17.608</u>

**International Federation of Library Associations
and Institutions (IFLA)
's-Gravenhage**

	<u>2022</u>	<i>Approved budget</i> <u>2022</u>	<u>2021</u>
	€	€	€
Expenses against earmarked reserves			
Expenses other IFLA Funds	5.587	3.103	-
Expenses Margreet Wijnstroom Fund	585	2.000	920
Expenses Congress Grants	2.520	3.700	160
Expenses Shawky Salem Training Fund	-	2.000	-
	<u>8.692</u>	<u>10.803</u>	<u>1.080</u>

The expenses of other IFLA Funds, Margreet Wijnstroom Fund and Congress Grants are costs that are part of the appropriation of the result and will be subtracted from the earmarked reserves.

Business travel

Business travel	<u>4.215</u>	<u>27.500</u>	<u>5.413</u>
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Financial income and expense

Other interest and similar income	1.546	-	1.897
Interest and similar expenses	-8.202	-14.000	-11.387
	<u>-6.656</u>	<u>-14.000</u>	<u>-9.490</u>

Other interest and similar income

Other interest received	<u>1.546</u>	<u>-</u>	<u>1.897</u>
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Other interest received
Rate difference

	<u>1.546</u>	<u>-</u>	<u>1.897</u>
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Interest and similar expenses

Other interest expenses	<u>8.202</u>	<u>14.000</u>	<u>11.387</u>
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Share in result of participations

Result from IFLA Holding B.V.	<u>78.652</u>	<u>-</u>	<u>157</u>
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The result participation IFLA Holding B.V. includes the result of the Holding, including its participations (IFLA Conference I B.V., IFLA Conference II B.V., IFLA Conference III B.V.). The result 2022 of € 78.652 is higher than previous years, mainly caused by the positive contribution of the WLIC 2022 in Dublin and Dutch Government financial aid.

**International Federation of Library Associations
and Institutions (IFLA)
's-Gravenhage**

OTHER NOTES

Average number of employees

	<u>2022</u>	<u>2021</u>
Average number of employees over the period working in the Netherlands	<u>15,00</u>	<u>15,00</u>

's-Gravenhage, 20 July 2023

International Federation of Library Associations and Institutions (IFLA)

Ms. B.H. Lison
President

Ms. V.G. McDonald
President-elect

Mr. J.J. Naber
Treasurer

Mr. J. Hernández-Pérez
Board Member

Ms. N.A. Kotsokoane
Board Member

Ms. K. Boelt
Board Member

Mr. M.M. Ntombela
Board Member

Ms. Y. Inoue
Board Member

Mr. A.M. Khan
Board Member

Ms. T.P.F. Paringatai
Board Member

Ms. L. Garcia-Febo
Board Member

Ms T.P.F. Paringatai joined the General Board in December 2022 and Ms L. Garcia-Febo in April 2023. It is therefore appropriate that neither signs the Annual Accounts for the 2022 financial year.

INDEPENDENT AUDITORS' REPORT

To: The Members of the Governing Board of the International Federation of Library Associations and Institutions

A. Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of the International Federation of Library Associations and Institutions (IFLA), based in The Hague.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of IFLA as at 31 December 2022, and of its result for 2022 in accordance with the Guideline for annual reporting "C1" Not-for profit small organisations of the Dutch Accounting Standard Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the income statement for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of IFLA in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management report of the Governing Board;
- Other information as required by the Guideline for annual reporting "C1" Not-for profit small organisations of the Dutch Accounting Standard Board.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required the Guideline for annual reporting "C1" Not-for profit small organisations of the Dutch Accounting Standard Board.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Guideline for annual reporting "C1" Not-for profit small organisations of the Dutch Accounting Standard Board and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management board's report in accordance with the Guideline for annual reporting "C1" Not-for profit small organisations of the Dutch Accounting Standard Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of management and the Governing Board for the financial statements

Management and the Governing Board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting "C1" Not-for profit small organisations of the Dutch Accounting Standard Board. Furthermore, management and the Governing the board are responsible for such internal control as the management and board determines is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

As part of the preparation of the financial statements, management and the Governing Board is responsible for assessing the Federation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management and the Governing Board should prepare the financial statements using the going concern basis of accounting unless management and the Governing Board either intends to liquidate the federation or to cease operations, or has no realistic alternative but to do so.

Management and the Governing Board should disclose events and circumstances that may cast significant doubt on the Federation's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatements of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the federation's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Governing Board;
- Concluding on the appropriateness of the board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an organisation to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Eindhoven, 23 August 2023
Govers Accountants/Adviseurs

drs. W.A.J. de Wijs RA RC

Assurancekenmerk: 2023CA203