

## IALA COUNCIL 76<sup>th</sup> session



**12-16 December 2022**  
**Rio de Janeiro**  
**Brazil**

### 9 – FINANCE AND AUDIT COMMITTEE REPORT

#### *9.2 – Budget for 2023*

Note by the Secretariat

#### INTRODUCTION

The 2023 budget is presented in Annex 9.2.1.

#### OPERATING INCOME

The income budget for 2023 amounts to K€3,009 which represents an increase of 1% compared to 2022. It is anticipated to attract new members and to receive 80% of the contributions for the current year and 60% for the contributions in arrears.

#### OPERATING EXPENSES

The total expenditure budget for 2023 is K€3,113 (+15% compared to 2022).

54% of the budget is devoted to staff cost; 44% to running expenses and 2% to small investments.

The budget anticipates the following costs:

- The 20<sup>th</sup> IALA Conference in Brazil with Councils 77 and 78 organized at the same time.
- The IMC event during the Conference in Brazil (budget line: Events/IMC Fund) which costs have been anticipated from previous years by the constitution of a Reserve for Associative Project in the balance sheet, as recommended by the auditor.
- A conference on the General Regulations planned in Japan, open to all Member States.
- The organisation of a full Committee session in the fall (instead of 2 sessions in normal years).
- The recruitment of a new staff member in the administrative section in charge of logistics and general services.
- A possible extension of the IT student's apprenticeship contract.
- Provisions for personnel calculated on the basis of 14 employees.
- Legal fees to be paid to lawyers regarding the change of status project (transfer of staff rights) and concerning the litigation with the printing company.
- Design costs for all publications (Technical catalogue, VTS Manual, Nav-Guide, Manual prepared by the ENAV Committee, Annual Report, MBS...).

The final projected result of the 2023 budget amounts to -K€89. **This result will be absorbed by the dedicated reserve at the time of closing the 2023 accounts. This reserve, established according to French accounting standards, will appear in the balance sheet of the closing financial statements.**

**The Finance and Audit Committee also recommends for the future the introduction of a new budget line of K€20 for a "Familiarization Package" for members and potential members (travel costs, visits, documentation...). The purpose of this new budget line is to signal that the IALA's Strategic Vision for the change of status project is well reflected in the budget.**



## THE COUNCIL IS INVITED TO

Approve the budget for 2023.

	2022 budget	2023 proposed budget	Variance in %	Comments
<b>OPERATING INCOME</b>				
Membership contributions	2 241 216	2 418 224	+8%	Anticipated collection rate of 80% + increase in the numbers of members
Contributions in arrear	502 200	393 102	-22%	Anticipated collection rate of 60% of all dues in arrears
Sales of publications & advertising	12 000	12 000	0%	
Seminars & workshops	14 400	28 000	+94%	One workshop on sustainability is planned in Japan (350 persons expected)
Miscellaneous (memorabilia...)	2 000	2 000	0%	Sales of memorabilia and publications
World-Wide Academy	80 000	80 000	0%	Secretariat support
Voluntary contributions (apprenticeship support)	12 850	10 000	-22%	Financial support from French government for IT student
Reversal of amortization, depreciation & provisions, transfer of expenses	111 799	66 000	-41%	KE66 for transfer of charges related to benefit in kind on salaries
<b>Total operating income</b>	<b>2 976 465</b>	<b>3 009 326</b>	<b>+1%</b>	
<b>OPERATING EXPENSES</b>				
<b>Personnel costs</b>				
Salaries & consultant fees	935 000	996 000	+7%	Recruitment of a new person in the administrative section + IT student
Taxes & social security charges	560 000	604 000	+8%	
Abondements to Staff saving schemes	51 000	57 000	+12%	Based on 14 employees
Other staff costs	42 000	30 500	-27%	Training, transportation, health check...
<b>Total personnel costs</b>	<b>1 588 000</b>	<b>1 687 500</b>	<b>+6%</b>	
<b>Operating costs</b>				
Running expenses	297 800	263 200	-12%	Budget transferred to other lines (Consultant & Design fees for publications)
Contingencies	70 000	90 000	+29%	Legal fees (change of status' project, litigation with printing company...)
Corporate flat rental	150 000	110 000	-27%	One flat was given back in 2022
Car expenses	35 000	30 000	-14%	Leasing contract payments + maintenance & insurances for 3 vehicles
Building costs	57 000	54 000	-5%	Co-ownership fees + building taxes
Events (workshops, meetings, Council...)	95 000	348 000	+266%	IALA Conference in Brazil, Conference on General Regulations, visits at HQ...
Travel costs - Missions	90 000	100 000	+11%	
Publications	28 000	29 000	+4%	Technical catalogue, Annual report, MBS, Nav-Guide, VTS Manual...
Depreciation and amortization of non-current assets	220 000	200 000	-9%	
Provisions for contingencies, liabilities	30 000	145 000	+383%	KE80 for Staff severance pay + KE65 for retirement provision
Other expenses	700	700	0%	Possible accounting adjustments of calculations
<b>Total operating costs</b>	<b>1 073 500</b>	<b>1 369 900</b>	<b>+28%</b>	
<b>Investment costs</b>				
IT equipment & website dev.	30 000	30 000	0%	Assets < €600 or used in the year (such as licenses)
Software & licences	20 000	20 000	0%	
Other equipment (furniture, appliances...)	4 000	6 000	+50%	
<b>Total investment costs</b>	<b>54 000</b>	<b>56 000</b>	<b>+4%</b>	New staff
<b>Total operating expenses</b>	<b>2 715 500</b>	<b>3 113 400</b>	<b>+15%</b>	
<b>Operating result (from budget)</b>	<b>260 965</b>	<b>(104 074)</b>	<b>-140%</b>	
<b>FINANCIAL RESULT</b>				
Interest and other financial income	15 000	17 000	+13%	Annual interests on bank accounts
Interest and other financial expenses	2 000	2 000	0%	Exchange losses on foreign currency transactions
<b>Total</b>	<b>13 000</b>	<b>15 000</b>	<b>+15%</b>	
<b>EXCEPTIONAL RESULT</b>				
Exceptional income	31 589	31 589	0%	Part of the 1M€ subvention transferred to the result every year
Exceptional expenses	30 000	30 000	0%	Charges for previous year paid in 2022
<b>Total</b>	<b>1 589</b>	<b>1 589</b>	<b>0%</b>	
Income tax	2 400	1 600	-33%	
<b>Total income</b>	<b>3 023 054</b>	<b>3 057 915</b>	<b>+1%</b>	
<b>Total expenses</b>	<b>2 749 900</b>	<b>3 147 000</b>	<b>+14%</b>	
<b>Benefit or (loss)</b>	<b>273 154</b>	<b>(89 085)</b>		