

Annual Accounts 2021 - Statement from the Treasurer

The financial result of the year 2021 shows a surplus of €392,691, compared to a surplus of €293,495 for 2020. The surplus of 2021 brings our general reserves to €2,223,394, and earmarked reserves to €71,375. These reserves are an important asset for IFLA to secure our work and sustainability into the future.

Financial year 2021 was – just like 2020 - a very special and challenging year on many levels. On a financial level, the impact of Covid-19 led to some major deviations in comparison with previous years:

- 1) The cancellation of IFLA's World Library Information Congress 2020 in Dublin led to a loss of approximately € 160,000 due to costs charged by external parties for work and services performed for the conference. Furthermore, IFLA was not able to charge the yearly management fees of € 212,000 to the conference to cover for IFLA staff performing work for the conference.

IFLA's World Library Information Congress 2021 was held in a virtual way and closed with a balanced budget, with the support to the Dutch Government Financial aid related to loss of turnover due to Covid-19 for the IFLA Conference BV's of approximately € 180,000. From this amount, the Dutch Government still has to settle the aid from Q4 2021 of approximately € 99,000 and therefore precaution is advised for the amount of financial aid that is included in the result.

- 2) IFLA's consolidated income streams were approximately 50% lower compared to 2019 (pre-covid). Main reason for this was the decrease of approximately 80% in conference income because of the lower ticket prices for the virtual WLIC and lower attended delegates (WLIC 2019 approximately € 1,500,000 income for the conference compared to € 280,000 for WLIC 2021).

The Dutch Government recognized the need for financial aid which is based on the decrease % of group income and the amount of internal staff expenses and this has led to a financial aid to cover for IFLA's staff expenses of approximately € 449,000 (2020: € 476,000). However, the Dutch Government still has to settle the aid from October 2020 until December 2021 of approximately € 591,000, and therefore – like above already mentioned - precaution is advised for the amount of financial aid that is included in the result.

Thanks to long-term funding from the Bill and Melinda Gates Foundation, IFLA was able to cover for the staff expenses involved in the International Advocacy programme. Furthermore, IFLA works strongly together with Stichting IFLA Global Libraries (SIGL) on projects primarily funded by the Bill and Melinda Gates Foundation through its Legacy Grant and Data Grant. Therefore, a part of IFLA's staff and overhead expenses is jointly borne by IFLA and SIGL.

Though we show a positive result of € 392,691, it should be stated that without the Dutch Government special Covid-19 related financial aid for financial year 2021 of approximately € 630,000, IFLA would have a major deficit in 2021. Furthermore, it is thanks to the continuous support of IFLA's member organisations and individuals who support us through donations and hosting activities, and to the organisations that support our initiatives and projects through grant funding that IFLA was able to present this positive financial report for 2021.

It remains uncertain what financial impact the Covid-19 pandemic will have on the coming years for both IFLA and her members worldwide. It remains important for IFLA to explore additional funding opportunities and aim to have a balanced relation between income development and costs structure to ensure our ongoing viability.

IFLA's audited financial statements 2021 are available on the website.

Balance Sheet as at 31 December 2021

(after appropriation of result)

Assets	31 December 2021		31 December 2020	
	€	€	€	€
<i>Tangible Fixed Assets</i>		17,805		25,630
<i>Financial Fixed Assets</i>		282,733		282,576
<i>Current assets</i>				
Receivables	525,690		415,444	
Cash at bank and in hand	5,201,436		5,042,988	
		<u>5,727,126</u>		<u>5,458,432</u>
		<u>6,027,664</u>		<u>5,766,638</u>
Liabilities				
<i>Equity</i>				
Earmarked reserves	71,375		70,217	
General reserve	2,223,394		1,831,861	
		<u>2,294,769</u>		<u>1,902,078</u>
<i>Long-term liabilities</i>				
Bill & Melinda Gates outstanding		1,016,923		1,327,139
<i>Current liabilities</i>				
Deferred income	41,151		34,109	
Other liabilities	2,674,821		2,503,312	
		<u>2,715,972</u>		<u>2,537,421</u>
		<u>6,027,664</u>		<u>5,766,638</u>

Statement of income and expenditure for the year 2021

	2021	2020
	<u>€</u>	<u>€</u>
Income		
Membership fees	717,522	728,112
Corporate Supporters	0	0
Dutch Government Grant	16,000	16,000
General grants and donations	43,674	62,926
Sales of publications and royalties	30,531	32,018
Income vouchers scheme	29,003	20,999
Result subsidiary IFLA Holding B.V.	157	
Conference services fees	212,000	0
Other management fees	10,000	13,000
Interest and other financial income	0	485
Miscellaneous	6,175	7,382
Contributions Bill & Melinda Gates Foundation (BMGF) for Key Initiatives	266,350	273,205
WikiCite Satellite Event Grant	0	8,270
Media Literacy Grant	4,144	14,285
Document Delivery Grant	7,143	0
Arcadia Grant	0	0
Unesco Grant	11,333	0
Income Shawky Salem Training Fund	0	10,949
Contributions Sage for Congress Grants	2,238	2,328
	<u>1,356,270</u>	<u>1,189,959</u>

	2021	2020
	<u>€</u>	<u>€</u>
Expenditure		
Conference costs	75	360
Governance	16,721	24,714
Regional Offices and Centres	0	-47
Professional Activities	30,793	35,731
Advisory Committees	1,823	511
Costs of publications (including free publications to members)	40,749	35,465
Staff expenses	434,462	288,146
Business travel staff	1,804	612
Office expenses	82,330	18,119
Web and IT	32,958	30,142
Expenses voucher scheme	17,608	3,667
Result subsidiary IFLA Holding B.V.	0	159,478
Interest and other financial expenses	11,387	2,126
Miscellaneous	2,819	1,680
Expenses Key Initiatives BMGF	266,350	273,205
Expenses WikiCite Satellite Event	0	8,270
Expenses Media Literacy	4,144	14,285
Expenses Document Delivery	7,143	0
Expenses Arcadia	0	0
Expenses Unesco	11,333	0
Expenses Margreet Wijnstroom Fund	920	0
Expenses Congress Grants	160	0
	<u>963,579</u>	<u>896,464</u>
Result	<u><u>392,691</u></u>	<u><u>293,495</u></u>

The audited financial statements 2021 of IFLA are approved by the majority of the Governing Board. There were 9 members part of Governing Board at the time that the audit 2021 was concluded.

The following 7 GB-members have approved the audited financial statements 2021:

1. Barbara Lison (IFLA President)
2. Ntabiseng Kotsokoane (IFLA interim-President-elect)
3. Kirsten Boelt (IFLA interim-Treasurer)
4. Ayub Khan
5. Jonathan Hernandez-Perez
6. Mandla Ntombela
7. Halo Locher

The following board member has abstained from approving the financial statements. The reason for abstaining is included below:

Yasuyo Inoue - I cannot understand still some parts and I guess this statement should be explained by the former GB members, otherwise I cannot say to approve or not. As far as I am not a former GB member, I am abstaining.

The following board member has not approved the financial statements. The reason for not approving is included below:

Adjoa Boateng - I have been a member of the IFLA GB since August 2019. In 2022, during my current second term on the IFLA GB, it was discovered that key financial information had not be shared with the full previous GB. Since this revelation, the obfuscation and omission of information concerning IFLA finances has still continued, as I do not have confidence in the integrity of financial information provided and cannot approve.

OTHER INFORMATION

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Independent Auditor's report

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

A. Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 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 December 31, 2021, and of its result for the year 2021 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 2021;
- 2 the statement of income and expenditure for 2021; 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:

- 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; and contains the information as required by 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 other information in accordance of 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 are 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 Board are responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management and the Governing Board are responsible for assessing the Federations's ability to continue as a going concern. Based on the financial reporting framework mentioned, 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 assignment 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 these 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 misstatement 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 misstatement 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 Federations' internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management'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 Federations' 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 a Federation 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 represent 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.

Breda, July 4th, 2022

Accanthus
Accountants & Belastingadviseurs

**Edwin Dennis
Paul**

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