

FCAG53.10

Anja Smit

THE TREASURER'S REPORT

ANNUAL ACCOUNTS 2017

The result of LIBER's activities shows a negative result of K71 end 2017 (see p.23):

1. Foundation	€ 42.701
2. <u>Projects</u>	<u>€ 27.831</u>
Total	€ 70.532

It is proposed that € 70.532 will be deducted from LIBER's General Reserve. This would result in a General Result of € 571.627 (see Annual Accounts 2017, Equity p.8).

Ad 1.

The result for the LIBER Foundation compares to previous statements in the profit and loss statements as follows:

Result in Budget 2017	Prognosis Oct 2017	Result end 2017
- € 3.700	- € 45.777	- € 42.701

As explained in the prognosis Profit&Loss October 2017,

- the LIBER Foundation received more income from membership fees and the Leadership Seminar, and
- due to the staff changes, had to spend more than budgeted for on interim management (director), support for the Annual Conference (events manager) and legal support. In Spring 2017, it was already foreseen that the staff changes would impact costs for the LIBER Foundation. The current result for the LIBER Foundation matches the Prognosis of this impact by LIBER's new director.

Ad 2.

For LIBER's Annual Accounts 2017, a different system has been adopted for accounts of the projects. EU project funding can be received by LIBER in advance, during or after the actual work is carried out. Before, all actually received income within a specific year for EU projects was made visible in the Annual Accounts (and Profit & Loss), with no connection to the time period the work for these projects would be carried out. In reviewing the situation with regards to financial control within LIBER, it was decided to provide more insight on an annual basis what the financial situation is with regards to the projects: is there over- or underspend? How much funding has been received in advance and how much is still expected for work, already carried out? The new Annual Accounts 2017 and the (pro forma) Annual Accounts 2016 provide this information. For 2016 and 2017 the 'old' way of reporting shows that in 2016 less funding was received than work done, and in 2017 this and more funding was received. In the new reports, the funding, received in 2017 for work done in 2016, is reported as income in 2016.

Projects €	Old 2016	New 2016
Income	247.746	559.582

Costs	600.697	571.942
Result	-352.851	-12.360

The impact of implementing the new system is further explained on p. 11 of the Annual Accounts 2017. The Annual Accounts 2017 show that € 27.831 will not be received by LIBER for project work. This is due to

- the result of the Audit of Future TDM and OpenAir: € 8.103 (Adjustments grants, p. 16)
- the fact that FOSTER and PASTEUR are funded 89% instead of 100%
- some overspend on OpenAIRE (€16.926) and LEARN (€2.753)

Per end 2017, for all current projects, a total of € 1.993.885 of funding is granted of which €370.457 is still to be spent.

Project funding per end 2017			
Total expected (Remaining budget, p. 23)	Received in advance (Other liabilities, p. 16)	Not yet received for work done (other receivables, p. 14)	Not yet received
€ 370.457	€ 155.096	€ 47.151	€ 215.361

BUDGET 2018

The overhead of the EU Projects (25%) is free to spend as LIBER wishes. In 2017, € 95.961 of the general costs of the LIBER Foundation could be charged to the project funding. It is not specified which costs this refers to – this is not needed. The situation today is such, that the income of LIBER apart from the project income, is barely sufficient to cover all current costs. As we saw in 2017, the loss for the foundation was caused by special circumstances and a (web)project. In 2018, a loss of € 52.499 is foreseen for the Foundation. The main reason is the project for enhancing financial control, however, the overall costs for the Foundation may not go back to the lower level before 2017. Several developments may result in an increased workload and require a structural higher budget:

- working on a significant number of EU projects at the same time generates income (the 25% overhead) but also requires a higher level of financial control and professional HR.
- the continued success of the Annual Conference requires professional support.
- the new strategy may increase activity that needs support.

Today, LIBER's finances are still healthy. We are able to develop our activities and organization as needed and support participation in a significant number of EU projects without any problems with our cash flow. However, it is necessary to ensure that the LIBER's budget is sustainable and able to continue to support LIBER's activities.

Therefore, it is recommended that:

- **the budget 2018 is approved.**
- **LIBER's Director is asked to put forward a proposal on how to create a healthy budget to support LIBER's strategy in 2019 – 2022. The Director will collaborate closely with the Treasurer. This proposal should be discussed and approved by the LIBER Board in time to be shared with LIBER's participants in November 2018 if needed.**