

Agenda item 8 – FINANCIAL MATTERS**8.1 Budget for 2016****• Income**

The total expected income for 2016 is €2,280,200 which comes mainly from member's contribution with the usual 3% increase.

As the WWA with the new permanent staff is considered more and more as an administratively associated part of IALA it has been considered appropriate to lower the repayment of Secretariat support from World Wide Academy to IALA to better reflect the actual situation.

• Expenditure

The total budget is €2,097,350 with the personal cost budget based on 8 employees and 4 consultants.

Some investments will be required in 2016:

- To operate and maintain the new IT equipment in Plenary and meeting rooms; and
- To develop the branding project (harmonization of the premises with the new image; redesign of the IALA website and printing of new editorial supports).

The Council is invited to approve the budget for 2016.

8.2 Revised four year budget 2016-2019

With the usual 3% annual increase in membership fee over the 4 coming years, IALA will be able to prepare the Secretariat etc. for the new situation as an IGO. That includes:

- To finalize the investments in 2016 (related to IT equipment and branding project);
- To start recruitment in 2017 for a Technical Expert and a reserve funds for changing the Deputy Secretary-General position to a at full time position;
- To reinforce the team in 2019 after the conference with a new Administrative employee and a position for translation.

If the creation of a new meeting room on the terrace (details were given in the Secretary-Generals report under agenda point 5) is agreed at a later council meeting, the budget will be revised to take into consideration the cost of this expansion programme. At this stage, only architects' fees are accounted in the proposed IALA budget. It is envisaged that building costs can be taken from the IALA funds already available.

The Council is invited to note the four year budget 2016-2019.

8.3 Cash flow situation as of 31 October 2015

The Cash Flow statement (C61- 8.3) shows a positive surplus of €200,182 at the end of October.

The cash flow is considered acceptable and the adhesion of new members enable IALA to maintain a good level of its cash reserve which is still equivalent to at least one year of the total annual operating budget.

The Council is invited to note the Cash-flow situation as of 30 October 2015.

8.4 Member contributions status

647K€ is still remaining due and the rate of recovery of contributions by end of October is 72%.

The critical accumulated debts are shown in the table below:

| NATIONAL | 2015 | 2014 | 2013 | 2012 | 2011 | Total |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Mozambique | 14 400 | 14 000 | 13 600 | 13 200 | 12 800 | 68 000 € |
| Benin | 14 400 | - | 13 600 | 13 200 | | 41 200 € |
| Total | 28 800 € | 14 000 € | 27 200 € | 26 400 € | 12 800 € | 109 200 € |

| INDUSTRIAL | 2 015 € | 2 014 € | 2 013 € | 2 012 € | 2 011 € | Total |
|---|-----------------|-----------------|-----------------|------------|------------|-----------------|
| Corilla Plastics – UK | 5 350 | 5 200 | 2 550 | | | 13 100 € |
| Oy Windside Production Ltd. - Finland | 5 350 | 5 200 | 2 000 | | | 12 550 € |
| GEM Elettronica – Italy | 5 350 | 5 200 | 5 050 | | | 15 600 € |
| Aster – Italy | 5 350 | 5 200 | 5 050 | | | 15 600 € |
| Advanced Oilfield Technologies Co. - Oman | 5 350 | 5 200 | 5 050 | | | 15 600 € |
| Total | 26 750 € | 26 000 € | 19 700 € | - € | - € | 72 450 € |

Mozambique is now in a position to be taken out of the list of members with a debt amounting €68,000. The Council is invited to advice on this issue, taking into consideration repeating intentions from this country to stay an IALA member.

Benin has requested in 2014 a grant of 40 to 50% of the 2012 and 2013 contributions. It has been refused and they were invited to pay the full amount according to a schedule of payment established by the Secretariat. This calendar of payment has never been respected. Benin very recently recalled its intention to remain a member.

Other members are currently under negotiation with IALA for the payment of their debts.

It is recommended to make another effort with Benin who has showed a lot of interest and paid the contribution for 2014. The Council may recommend a grant of 50% of the 2012 and 2013 contributions if Benin pays all or part of the debts before next Council 62 in 2016.

For Mozambique, to avoid a suspension, it is recommended to send a letter explaining that IALA is ready to cancel the contributions for 2011 and 2012 if Mozambique pays the contribution for 2015 and enter into a plan for payment of contribution for 2013 and 2014. Otherwise Mozambique will be deleted from the list of National Members.

The Council is invited to advice on the membership contribution status.