

IALA COUNCIL
69th session



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Rotterdam
The Netherlands

9 – FINANCE AND AUDIT COMMITTEE REPORT

9.1 – 2018 Audited Financial Statements

Note by the Secretariat

1. STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

The audit of the annual accounts was conducted by the new external auditor RSM Paris who were appointed by Council 68. The main events of the financial year are the following:

- In 2018, the association held a Conference in South Korea generating an impact of K€100 on its operating costs;
- An error correction has been made regarding the accounting of IMC-related (Industrial Members Committee) flows. This correction resulted in the recognition of exceptional income of €299,802.

2. FINANCIAL REVIEW

The financial statements (balance sheet and income statement) in annex 9.1.1 are presented on a consolidated form and shows a surplus of €179,998 derived from IALA's activities (+€180,983) and the World-Wide Academy's activities (-€984).

• **IALA:**

The negative operating result (-157k€) in the Income statement can be explained as follows:

- higher operating expenses due to the Conference in South Korea and the Pre-Diplomatic Conference in Morocco;
- increased personnel costs due to the overlapping staff in 2018; and
- a higher provision for bad debts (K€243) to cover the risk of non-payment of the contributions. This provision should disappear in 2019 due to a change in the method of accounting required by new French accounting regulations.

The cash level remained at a satisfactory level at the end of the year 2018.

• **WORLD-WIDE ACADEMY:**

Reserves and fund balances were fully used for the execution of the Master Plan endorsed by the WWA Board.

The detailed statutory report on the financial statements (including consolidated statements and explicatory notes on provisions, depreciations etc.) is available on the IALA website.

3. THE COUNCIL IS INVITED TO

- Note the financial statements.