

**Stichting IFLA Foundation**  
located, 's-Gravenhage

Report on the annual accounts  
2022

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## **MANAGEMENT BOARD'S REPORT**

Stichting IFLA Foundation (SIF) is a Foundation which is head-quartered in The Hague.

### Governing Board

The SIF Board is responsible for the governance and financial and professional direction of the Foundation and represents the Foundation in legal and other formal proceedings. Its duties include the annual adoption of a budget and a current policy plan that provides insight into the work to be carried out by the Foundation for the realisation of its objectives, the manner which income is to be raised, the management of the capital of the Foundation and the deployment thereof. The Board consists of B. Lison, V. McDonald, J. Naber and S. Memis.

### The Articles of Association

The Foundation was incorporated on January 26, 2007 and the objects of the foundation are to promote and support international cooperation, exchange of information, education, research and development within the scope of the library and information service in general, as well as to protect, preserve and document written and printed cultural heritage, and all that is linked with the above in the broadest sense of the word.

The Articles of Association were last amended on August 31, 2017.

### Activities 2022

In 2021 a grant agreement was signed with The Arcadia Philanthropic Trust. In the financial statements this grant is referred to as the 'Arcadia Grant'. This grant is for the Knowledge Rights 21 (KR21) Programme, which aims to strengthen advocacy capacity around copyright issues at the national level and support the achievement of policy reform goals. The grant comes to a total of € 3,000,000 over three years, running from the end of May 2021 to the end of July 2024. In 2022 the Programme focused on defining and launching a first round of work packages, recruiting national coordinators, and building profile in Brussels.

The received grant amount has to be spent according to the grant agreement so cannot be recognized as capital but will be presented as a liability as unspent funds.

The Statement of income and expenditure over 2022 presents a detailed overview of budget and actual expenditure. The SIF Report on Activities 2022 on the website provides more detail.

### General reserves (other reserves)

The general reserves of SIF as per December 31, 2022, amounts to € 6,581.

### Budget and activities 2023

In the first half of 2023, the KR21 Programme will focus on finalising the first round of work packages, commissioning the second, and expanding and intensifying the work of our networks:

In particular, we would anticipate seeing:

- The launch and completion of work packages delivering new research insights on questions around eBooks (both scholarly and trade), open norms, contract override and technological protection measures (and their impact on the enjoyment of limitations and exceptions to copyright), rights retention and open licensing, and a secondary publishing right.
- The launch of a copyright and advocacy training course which would focus on building capacity among libraries across Europe to advocate for reforms to copyright laws and policies.

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- The development of a database of contacts across Europe, as well as an understanding of the landscape around open knowledge and copyright within European countries. These will form the basis of the establishment of a set of national networks bringing together libraries and others. We will start to open the possibility up to national networks to bid for funding to support their own activities around copyright advocacy
- This database will also allow for the identification of individuals who may be able to act as regional coordinators, providing additional support for the work of national networks.
- The launch of communications around key issues covered by the Programme.

In the second half of 2023, assuming that the Arcadia Fund chooses to continue to fund the Programme, the focus will move onto the following:

- Drawing on research and other results from the first round of work packages in order to inform training and advocacy at the national level
- Identifying further areas where research or other investment of effort would be helpful in achieving the goals of the programme as a whole
- Building further the capacity of national networks to form and take action in support of the goals of the programme, including through the awarding of sub-grants
- Building further the network of regional coordinators who can support copyright capacity building at the national level across Europe

The budget 2023 has a budget with around € 1,675,000 expenditure for the KR21 Programme. The activities meet the goals of the SIF and the strategic directions of IFLA.

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**BALANCE SHEET AS AT 31 DECEMBER 2022**

*(After proposal distribution of result)*

	<u>31 December 2022</u>		<u>31 December 2021</u>	
	€	€	€	€
<b>ASSETS</b>				
<b>Current assets</b>				
<u>Receivables</u>				
Other receivables, prepayments and accrued income		42.299		15.357
<u>Cash and cash equivalents</u>		1.629.799		1.042.281
		<u>1.672.098</u>		<u>1.057.638</u>

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	<u>31 December 2022</u>		<u>31 December 2021</u>	
	€	€	€	€
<b>EQUITY AND LIABILITIES</b>				
<b>Net assets</b>				
Earmarked reserves	77.485		87.485	
Other reserves	<u>6.581</u>		<u>8.586</u>	
		84.066		96.071
<b>Current liabilities</b>				
Other payables	1.483.520		926.194	
Accruals and deferred income	<u>104.512</u>		<u>35.373</u>	
		1.588.032		961.567
		<u>1.672.098</u>		<u>1.057.638</u>

**STATEMENT OF INCOME AND EXPENSES FOR THE YEAR 2022**

	<u>2022</u>	Budget <u>2022</u>	<u>2021</u>
	€	€	€
<b>Income</b>	<u>466.762</u>	<u>1.431.299</u>	<u>50.806</u>
<b>Expenses</b>			
Other expenses	10.289	10.000	4.400
Project costs	466.675	1.431.299	50.806
General expenses	<u>1.803</u>	<u>2.520</u>	<u>2.565</u>
<b>Total of sum of expenses</b>	<u>478.767</u>	<u>1.443.819</u>	<u>57.771</u>
<b>Total of net result</b>	<u>-12.005</u>	<u>-12.520</u>	<u>-6.965</u>
<b>Proposal Appropriation of result</b>			
Earmarked reserve	-10.000		-4.400
Other reserves	<u>-2.005</u>		<u>-2.565</u>
	<u>-12.005</u>		<u>-6.965</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Entity information**

#### Registered address and registration number trade register

The registered and actual address of Stichting IFLA Foundation is Prins Willem-Alexanderhof 5, 2595BE in 's-Gravenhage. Stichting IFLA Foundation is registered at the Chamber of Commerce under number 27296674.

### **General notes**

#### The most important activities of the entity

Foundation's purposes are to promote the international support, cooperation, exchange of information, education, research and development with the scope of the library and information in general as well as to protect, preserve and document written and printed cultural heritage, and all that is in connection with the above in the broadest sense of the word.

The Foundation strives to achieve these purposes by supporting the activities of The International Federation of Library Associations and Institutions (IFLA).

The Foundation is designated by the Dutch Tax Authorities as a Public Benefit Organisation (Algemeen Nut Beogende Instelling (ANBI)).

#### Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the management of Stichting IFLA Foundation make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

### **General accounting principles**

#### The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with the provisions and the pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'), particularly Accounting Standard C1 Not-for-profit small organisations.

Valuation of assets and liabilities and determination of the result takes place under historical cost convention. Unless presented otherwise at the relevant principle for the balance sheet item, assets and liabilities are presented at nominal value.

Income and expenses are accounted for on accrual basis. Profit is only included when realised on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

### **Accounting principles**

#### Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable.

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If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

### Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

### Earmarked reserves

Earmarked reserves are special funds concerning core activities and other funds. These reserves are at the disposal of the specific activities. Reference is made to the statement of the profit and loss account for the appropriation of the result 2022.

### Other reserves

The other reserves concern the portion of the Foundation's net assets over which the authorised organs of the Foundation can dispose within the purpose for which the Foundation was established.

### Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

### Accounting principles for determining the result

The result is determined as the difference between the income and expenditures over the reporting year. Incomes is recognised in the year in which it is realised.

### Income

The income of the Arcadia Grant is equal to the costs actually spent on the project in the financial year.

### Project costs

Project costs represent the direct and indirect expenses attributable to project income.

### Other costs

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

**NOTES TO THE BALANCE SHEET**

**Current assets**

Receivables

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
<u>Other receivables, prepayments and accrued income</u>		
Arcadia LIBER subgrant paid in advance	17.207	-
Arcadia SPARC subgrant paid in advance	13.323	15.357
Arcadia prepaid expenses	11.769	-
	<u>42.299</u>	<u>15.357</u>

Cash and cash equivalents

ABN AMRO Bank N.V. 80.01.90.033	1.538.732	951.214
ABN AMRO Bank N.V. 80.01.90.068 (Savings)	91.067	91.067
	<u>1.629.799</u>	<u>1.042.281</u>

Net assets

	<u>Earmarked reserves</u>	<u>Other reserves</u>	<u>Total</u>
	€	€	€
Balance as at 1 January 2022	87.485	8.586	96.071
Appropriation of result	-10.000	-2.005	-12.005
Balance as at 31 December 2022	<u>77.485</u>	<u>6.581</u>	<u>84.066</u>

Stichting IFLA Foundation has been bequeathed a Legacy to the Stichting IFLA Foundation for the purposes of supporting the WLIC through grants and a social event. This Legacy is used to support young librarians taking part in IFLA's annual conference and for them to benefit from a professional and personal cultural exchange.

Proposal to appropriate the result for the financial year 2022.

Reference is made to the statement of income and expenses for the appropriation of the result 2022.

**Current liabilities**

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
<u>Other payables</u>		
Arcadia unspent funds	<u>1.483.520</u>	<u>926.194</u>

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	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
<u>Accruals and deferred income</u>		
Arcadia LIBER subgrant payable	-	11.828
Arcadia IFLA subgrant payable	13.500	-
Arcadia policy committee members payable	13.500	14.400
Arcadia management committee members payable	750	-
Arcadia staff expenses payable	6.076	-
Arcadia project costs payable	70.686	9.145
	<u>104.512</u>	<u>35.373</u>

**NOTES TO THE STATEMENT OF INCOME AND EXPENSES**

	2022	<i>Budget</i> 2022	2021
	€	€	€
<b>Income</b>			
Arcadia Grant	466.674	1.431.299	50.806
Other contributions	88	-	-
	<u>466.762</u>	<u>1.431.299</u>	<u>50.806</u>
<b>Other expenses</b>			
Expenses A. Bersekowski Legacy Grant	10.000	10.000	4.400
Grants for disasters	289	-	-
	<u>10.289</u>	<u>10.000</u>	<u>4.400</u>
<b>Project costs</b>			
Costs for Arcadia project	<u>466.675</u>	<u>1.431.299</u>	<u>50.806</u>
<u>Costs for Arcadia project</u>			
Network mobilisation	25.115	68.757	2.857
Work packages (research)	85.167	358.333	-
Regional coordinators	58.766	326.750	-
National networks	4.840	128.750	-
Communications	50.335	60.875	11.828
Management committee honoraria	14.415	12.377	1.786
Policy committee honoraria	33.000	36.000	18.000
Project management (IFLA)	108.500	139.513	-
Staffing (Brussels Lead)	59.168	116.667	-
Travel	7.223	121.527	-
Project Management (SIF)	6.296	-	-
Overhead	13.850	61.750	16.335
Total	<u>466.675</u>	<u>1.431.299</u>	<u>50.806</u>

Spending in 2022 increased significantly compared to 2021 due to the launch of a number of work packages and the recruitment of national coordinators, allowing us to get far closer to budgeted spending levels. Spending in 2023, similarly, will represent an important increase, thanks to possibilities to hold meaningful international events, the closing of the first round of work packages and the launch of the second, and a growing number of national coordinators.

Furthermore, we are already looking to launch discussions around Year 3 work packages, ahead of the start of the year (although their launch of course remains conditional on ongoing support from the Funder), and will work to increase spending on projects at the national level that exploit the results of current work packages, with a view to promoting the policy changes targeted by the Programme as a whole. Other measures we have taken include encouraging and enabling our growing range of national coordinators to carry out smaller projects. Through this, we expect to reach expected spending levels, and have clear plans for how any underspend at the end of the Programme can serve to support Programme goals over a defined timeframe.

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	<u>2022</u>	<i>Budget</i> <u>2022</u>	<u>2021</u>
	€	€	€
<b>General expenses</b>			
General management fee	2.420	2.420	2.420
Bank expenses	110	100	66
Overhead expenses	-727	-	79
	<u>1.803</u>	<u>2.520</u>	<u>2.565</u>

**OTHER NOTES**

**Average number of employees**

Disclosure of average number of employees during the period

During the year 2022 the Foundation had 1 employee in service (2021: 0).

's-Gravenhage, 20 July 2023

Ms. B.H. Lison  
President

Ms. V.G. McDonald  
President-elect

Mr. J.J. Naber  
Treasurer

Ms S.D. Memis  
Secretary General