

Stichting IFLA Foundation
located, 's-Gravenhage

Report on the annual accounts
2023

For identification purpose
Govers Accountants/Adviseurs
Eindhoven

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MANAGEMENT BOARD'S REPORT

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

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 Vicki McDonald, Jaap Naber, Leslie Weir and Sharon 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 2023

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 a little over three years, running from the end of May 2021 to the end of December 2024 following an extension. In 2023 key actions have been:

- The completion of key parts of the original round of work packages – notably on rights retention, secondary publishing rights and open norms, and strong progress on the others;
- New work packages commissioned on research rights, supporting the voice of authors, and technological protection measures, due to conclude in 2024;
- Further recruitment of national coordinators to join the network, including the running of a workshop in Brussels for the coordinators in June 2023 and new structures for monitoring their work;
- An intensification of actions on the national level, supported by the Programme, and designed to bring more people into the orbit of the Programme, with demonstrable successes in terms of change to legislative frameworks and the strengthening of networks.

General reserves

The general reserves of SIF as per December 31, 2023, amounts to € 6,581.

Budget and activities 2024

Throughout 2024, and in line with its own Statutes, SIF will focus on meeting its objective of supporting activities of the International Federation of Library Associations and Institutions (IFLA) in the following areas: to promote and support international cooperation, exchange of information, education, research and development within the scope of the library and information service sector, and to protect, preserve and document written and printed cultural heritage.

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A significant part of the work of SIF is the delivery of the Knowledge Rights 21 Programme, supported by a grant from the Arcadia Fund. This is focused on building capacity for engagement in copyright law and policy reform across Europe, as well as on promoting change in the short-term in laws. The overall goal is to ensure that libraries and their users benefit from rules that are fit for purpose for providing access to research, education and culture in the 21st century. In this context, we will also explore the possibility of a renewal of the grant, enabling us in particular to continue with the work done during the first phase of the Programme under a new European Parliament and Commission.

In this context, SIF will support activities that:

- Strengthen the capacity of library fields at the national level in Europe in order to advocate effectively for copyright law and policy reform, both through direct advocacy, and through the mobilization of networks of libraries and other stakeholders. In particular, we will support the work of national coordinators in order to deploy their time and knowledge to achieve their goals, as well as support smaller grants in order to make possible activities that would otherwise not take place, and which contribute to the achievement of Programme goals.
- Support wider advocacy by delivering research reports that fill evidence gaps and build the case for copyright laws and policies that facilitate the work of libraries. In 2024, we anticipate in particular producing reports that focus on whether library eBook markets are working well, technological protection measures, research exceptions to copyright laws, and more, as well as a training course on copyright and advocacy and more work on rights retention policies.
- Shape attitudes and priorities in Brussels, in particular in the run-up to and beyond the next European elections and the shaping of agendas for 2024-2029, through supporting a presence in Brussels, as well as remote and in-person engagement by people involved in the Programme.

In addition, in the course of 2024, we will also explore possibilities to secure a renewal of the grant. We have already had it indicated that Arcadia will in principle support a further grant over 5 years of 5.5MEUR, which can be confirmed once we have submitted a formal plan.

The work of the Programme is governed by committees – a Management Committee made up of partner organisations (IFLA, LIBER, SPARC Europe), ensuring quality assurance and risk management, and a Policy Committee made up of independent experts, guiding the policy direction and relevance of activities. Calls for projects are made openly through the Knowledge Rights 21 website, and in line with the governance rules agreed between Programme partners.

The budget 2024 has a budget with around € 1,199,000 expenditure for the KR21 Programme. The activities meet the goals of the SIF and the strategic directions of IFLA.

's-Gravenhage, 13 August 2024

Vicki McDonald
President

Leslie Weir
President-elect

Jaap Naber
Treasurer

Sharon Memis
Secretary General

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BALANCE SHEET AS AT 31 DECEMBER 2023

(After proposal distribution of result)

	<u>31 December 2023</u>	<u>31 December 2022</u>
	€	€
ASSETS		
Current assets		
<u>Receivables</u>		
Other receivables, prepayments and accrued income	1.689	42.299
<u>Cash and cash equivalents</u>	1.681.847	1.629.799
	<u>1.683.536</u>	<u>1.672.098</u>

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	<u>31 December 2023</u>		<u>31 December 2022</u>	
	€	€	€	€
EQUITY AND LIABILITIES				
Net assets				
Earmarked reserves	68.785		77.485	
Other reserves	<u>22.424</u>		<u>6.581</u>	
		91.209		84.066
Current liabilities				
Payables to banks	1.292		-	
Other payables	1.382.188		1.483.520	
Accruals and deferred income	<u>208.847</u>		<u>104.512</u>	
		1.592.327		1.588.032
		<u><u>1.683.536</u></u>		<u><u>1.672.098</u></u>

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STATEMENT OF INCOME AND EXPENSES FOR THE YEAR 2023

	2023	Budget 2023	2022
	€	€	€
Income	1.119.162	1.675.068	466.762
Expenses			
Other expenses	9.001	10.000	10.289
Project costs	1.100.333	1.675.068	466.675
General expenses	2.685	2.790	1.803
Total of sum of expenses	<u>1.112.019</u>	<u>1.687.858</u>	<u>478.767</u>
Total of net result	<u>7.143</u>	<u>-12.790</u>	<u>-12.005</u>
Proposal Appropriation of result			
Earmarked reserve	-8.700		-10.000
Other reserves	15.843		-2.005
	<u>7.143</u>		<u>-12.005</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)).

Disclosures about estimates, judgements, assumptions and uncertainties

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.

General reserve

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 2023.

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.

Expenses

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>31-12-2023</u>	<u>31-12-2022</u>
	€	€
<u>Other receivables, prepayments and accrued income</u>		
Arcadia SPARC subgrant paid in advance	1.389	13.323
Arcadia management committee members paid in advance	300	-
Arcadia LIBER subgrant paid in advance	-	17.207
Arcadia prepaid expenses	-	11.769
	<u>1.689</u>	<u>42.299</u>

Cash and cash equivalents

ABN AMRO Bank N.V. 80.01.90.033	86.921	1.538.732
ABN AMRO Bank N.V. 80.01.90.068 (Savings)	59.926	91.067
EUR-deposits	1.535.000	-
	<u>1.681.847</u>	<u>1.629.799</u>

Net assets

	<u>Earmarked reserves</u>	<u>Other reserves</u>	<u>Total</u>
	€	€	€
Balance as at 1 January 2023	77.485	6.581	84.066
Change from net income	-8.700	-	-8.700
Appropriation of result	-	15.843	15.843
Balance as at 31 December 2023	<u>68.785</u>	<u>22.424</u>	<u>91.209</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 2023.

Reference is made to the statement of income and expenses for the appropriation of the result 2023.

Current liabilities

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
<u>Payables to banks</u>		
Payables to banks	<u>1.292</u>	<u>-</u>
<u>Other payables</u>		
Arcadia unspent funds	<u>1.382.188</u>	<u>1.483.520</u>

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's-Gravenhage**

Accruals and deferred income

Arcadia project costs payable	137.881	70.686
Arcadia IFLA subgrant payable	48.360	13.500
Arcadia policy committee members payable	9.900	13.500
Arcadia staff expenses payable	7.320	6.076
Arcadia LIBER subgrant payable	5.085	-
Current account IFLA	301	-
Arcadia management committee members payable	-	750
	<u>208.847</u>	<u>104.512</u>

NOTES TO THE STATEMENT OF INCOME AND EXPENSES

	<u>2023</u>	<i>Budget</i> <u>2023</u>	<u>2022</u>
	€	€	€
Income			
Arcadia Grant	1.100.332	1.675.068	466.674
Other contributions	-	-	88
Arcadia grant - Interest	13.241	-	-
Interest income	5.589	-	-
	<u>1.119.162</u>	<u>1.675.068</u>	<u>466.762</u>
Other expenses			
Expenses A. Bersekowski Legacy Grant	8.700	-	10.000
Grants for disasters	301	10.000	289
	<u>9.001</u>	<u>10.000</u>	<u>10.289</u>
Project costs			
Costs for Arcadia project	<u>1.100.333</u>	<u>1.675.068</u>	<u>466.675</u>
<u>Costs for Arcadia project</u>			
Regional coordinators	289.496	469.931	58.766
Work packages (research)	212.891	347.085	85.167
National networks	97.703	171.667	4.840
Communications	92.864	62.125	50.335
Travel	70.482	172.960	7.223
Network mobilisation	72.854	148.800	25.115
Project management (IFLA)	81.027	90.000	108.500
Staffing (Brussels Lead)	37.431	75.000	59.168
Policy committee honoraria	32.724	36.000	33.000
Management committee honoraria	13.969	16.500	14.415
Project Management (SIF)	68.749	70.000	6.296
Overhead	30.143	15.000	13.850
Total	<u>1.100.333</u>	<u>1.675.068</u>	<u>466.675</u>

Spending in 2023 continued to reach towards expectations with some work packages closing and others being launched, as well as the hiring of further national coordinators and the possibility to hold international events. Spending in 2024, will reflect long-term plans much more closely, with further work packages, national initiatives and small grants, work with national coordinators, and additional international events.

In particular, we will focus on finalising open work packages, with new ones only in areas where these are necessary in order to deliver on project goals as closely as possible. We also plan to issue another call for national grants, open both to national coordinators and external bidders (with a preference for the former). These too will be strongly focused on delivering on the policy changes targeted by the Programme as a whole. Through this – and thanks to an extension of the Programme to the end of 2024 – we plan to be able to spend to expected levels by the end of the year with minimal underspend. Moreover, we are also working towards a second phase of the Programme or 2025-2029, and have in principle approval for this. This will be confirmed once we have submitted a business plan.

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	<u>2023</u>	<i>Budget</i> <u>2023</u>	<u>2022</u>
	€	€	€
General expenses			
General management fee	2.420	2.420	2.420
Bank expenses	111	120	110
Overhead expenses	154	250	-727
	<u>2.685</u>	<u>2.790</u>	<u>1.803</u>

OTHER NOTES

Average number of employees

Disclosure of average number of employees during the period

During the year 2023 the Foundation had 1 employee in service (2022: 1).

Subsequent events

Subsequent events

The International Federation of Library Associations and Institutions (IFLA) submitted an application for ANBI-status to the Dutch Tax Authorities in July 2024. If the application is successful, IFLA's Governing Board may decide to dissolve Stichting IFLA Foundation (SIF) on 31 December 2024. All assets and liabilities will then transfer from SIF to IFLA.

's-Gravenhage, 13 August 2024

Vicki McDonald
President

Leslie Weir
President-elect

Jaap Naber
Treasurer

Sharon Memis
Secretary General

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