



European Federation of Allergy and Airways  
Diseases Patients' Associations

# Accounts 2015 & Budget 2016

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**Treasurer**

23 May 2016 EFA AGM, London

# Key issues 2015

- Accrual accounting system
- Clear view on EU project expenditure, including staff cost and income
- New management accounts system: monthly budget planning, Quarterly reports to Board, mid year forecast
- Speculative income budgeted not received, but savings implemented
- Move to integrated accounts with new provider: accounts and management accounts in same software for 2016
- Significant deficit, but clean accounts moving forward

# Move to accrual accounting

- Restricted EU project incomes from 2013 thereon identified and taken as a deficit for 2015 when received before 2015 and used 2015: 74.171, and remaining 72.829 deferred to 2016. In total 147.000.
  - Unclaimed expenses, charges and deferred corporate income, which has been carried over for more than 2 years or payable since 2014. Total 14.645,46
  - VAT status checked: VAT implemented for 2015 and 2014 for EU services outside Belgium: 43.843,54
- **RESULT:** significant deficit of 205.489 but clean accounts

# Financial report 2015

- **Liquidities, made up of cash on 31 December 2015:**

31/12/15	31/12/14	31/12/13
376.459	424.523	704.132

# Financial report 2015

				31-déc-15	31-déc-14
<b><u>INCOME</u></b>	<b><u>Operating Programme</u></b>			<b><u>244.000</u></b>	<b><u>285.524</u></b>
		EC Operating Grant			221.524
		Grants		244.000	64.000
	<b><u>Membership Fees</u></b>			<b><u>15.500</u></b>	<b><u>12.512</u></b>
	<b><u>Projects</u></b>				
	<b><u>Grants</u></b>			-	<b><u>179.407</u></b>
	<b><u>EFA Projects</u></b>			<b><u>250.000</u></b>	<b><u>182.000</u></b>
		Allergy			50.000
		Asthma		120.000	30.000
		Capacity Building		60.000	62.000
		COPD		70.000	40.000
	<b><u>EU Projects</u></b>			<b><u>48.554</u></b>	<b><u>3.248</u></b>
		Airprom		0	
		EARIP		20.100	
		U-Biopred		1.078	
		Medall		0	3.248
		MyAirCoach		27.376	
<b><i>Sub-total</i></b>				<b><i>558.054</i></b>	<b><i>483.284</i></b>
	Recovery Miscellaneous			500	1.459
	Regularisation previous year			49.599	
	Financial Income			465	793
<b>Total Income</b>				<b>608.618</b>	<b>664.944</b>

# Financial report 2015

<b>EXPENDITURE (1/2)</b>	<b>Operating Programme</b>				
	<b>Staff</b>			<b><u>182.941</u></b>	<b><u>150.960</u></b>
	<b>Governance</b>			<b><u>118.938</u></b>	<b><u>106.139</u></b>
		Office		59.181	67.249
		Communication		18.015	24.108
		Lawyer		7.392	
		Financial Management		17.388	13.032
		Accountant & Audit		15.712	
		Membership Fees		1.250	1.750
	<b>Activities</b>			<b><u>51.304</u></b>	<b><u>81.549</u></b>
		Events		26.348	51.641
		AGM & Network Meetings		24.956	29.907
	<b>Fundraising</b>			<b><u>44.822</u></b>	<b><u>64.302</u></b>

# Financial report 2015

<b>EXPENDITURE (2/2)</b>	<b>Project Programme</b>			
	Staff			83.320
	<b>EFA Projects</b>		<b>224.770</b>	<b>142.770</b>
	Allergy Project			30.908
	Asthma Project		131.356	12.363
	Capacity Building Project		39.164	39.079
	COPD Project		54.249	58.706
	Oxygen			
	Project Programme			1.713
	<b>EU Projects</b>		<b>74.171</b>	<b>32.518</b>
	AirProm		4.538	3.986
	EARIP		24.529	16.071
	Europrevall - 2013			9.331
	U-Biopred		13.167	1.458
	Medall		10.257	1.814
	Health Vent Project			-143
	MyAirCoach		21.679	
	<b>Financial Charges</b>		<b>968</b>	<b>12.263</b>
<b>Sub-total</b>			<b>697.914</b>	<b>590.501</b>
	Regularisation EU projects		72.829	
	Regul. previous year, invoices to receive (incl. VAT)		43.365	
<b>Total Expenditure</b>			<b>814.108</b>	<b>673.820</b>
<b>Result of the year</b>			<b>-205.489</b>	<b>-8.876</b>

# EXPENDITURE 2014 vs 2015

- Staff expenditure higher 2015 for core-programme as budgeted EU project staff expenditure was exaggerated
- Governance cost higher 2015 due to two audits and financial reports: EC operating grant and EFA in general, new management accounting system and lawyer cost to prepare registering a Belgium association
- Savings 2015 in core-programme and EFA project programme spending to balance not receiving speculative income
- Staff cost 2015 for EU projects accurately accounted directly to the projects
- 2015: regularisation of accounts while moving to accrual accounting



# Management accounts vs. budget

<b>2015 MANAGEMENT ACCOUNTS vs BUDGET</b>	<b>Budget</b>	<b>Forecast</b>	<b>Actual 2015</b>	<b>Variance (actual vs budget)</b>
Income Operating programme	308,000	250,000	259,500	-48,500
Income EFA projects	250,000	250,000	250,000	0
Income EU projects	138,596	138,596	48,554	-90,042
Cost of generating funds	-58,000	-48,000	-44,822	13,178
<b><u>Net income</u></b>	<b>638,596</b>	<b>590,596</b>	<b>513,232</b>	<b>-125,364</b>
Staff expenses	-326,704	-276,704	-278,857	47,847
Governance	-105,698	-117,662	-118,938	-13,240
Activities expenses	-68,000	-47,500	-51,304	16,696
Project expenses	-223,420	-217,321	-203,025	20,395
<b><u>Expenses</u></b>	<b>-723,822</b>	<b>-659,187</b>	<b>-652,124</b>	<b>71,698</b>
<b><u>Current net surplus/deficit</u></b>	<b>-85,226</b>	<b>-68,591</b>	<b>-138,892</b>	<b>-53,666</b>

# Accounts vs. budget

2015 ACCOUNTS vs BUDGET	Budget	Accounts 2015	Variance (actual vs budget)
Income Operating programme	308,000	259,500	-48,500
Income EFA projects	250,000	250,000	0
Income EU projects	138,596	48,554	-90,042
EU projects regularisation ( <i>deferred income into 2016, incl. Corrections on previous years</i> )	0	-72,829	-72,829
Other regularisation ( <i>recovery of past provisions made for anticipated but unclaimed payments and corporate income</i> )	0	50,564	50,564
Cost of generating funds	-58,000	-44,822	13,178
<b><u>Net income</u></b>	<b>638,596</b>	<b>490,967</b>	<b>-147,629</b>
Staff expenses	-326,704	-278,857	47,847
Governance	-105,698	-118,938	-13,240
Activities expenses	-68,000	-51,304	16,696
Project expenses	-223,420	-203,025	20,395
Other regularisation ( <i>corrections on previous years; invoices to be received, VAT</i> )	0	-44,332	-44,332
<b><u>Expenses</u></b>	<b>-723,822</b>	<b>-696,456</b>	<b>27,366</b>
<b><u>Current net surplus/deficit</u></b>	<b>-85,226</b>	<b>-205,489</b>	<b>-120,263</b>

# Auditor's report

## **INDEPENDENT PRACTITIONER'S REVIEW REPORT ON THE FINANCIAL STATEMENTS OF THE EUROPEAN FEDERATION OF ALLERGY AND AIRWAYS DISEASES PATIENTS' ASSOCIATIONS ( EFA ) FOR THE YEAR ENDED 31 DECEMBER 2015**

### **Report on the Financial Statements**

We have reviewed the financial statements of EFA, which comprise the balance sheet as at December 31, 2015, the income statement for the year then ended, and a summary of significant accounting policies and other explanatory information. ....

### **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the European Federation of Allergy and Airways Diseases Patients' Associations as at December 31, 2015, and the results of its operations for the year then ended, in accordance with the financial-reporting framework applicable in Belgium. ...

# Auditor's report

## **Report on Other Legal and Regulatory Requirements**

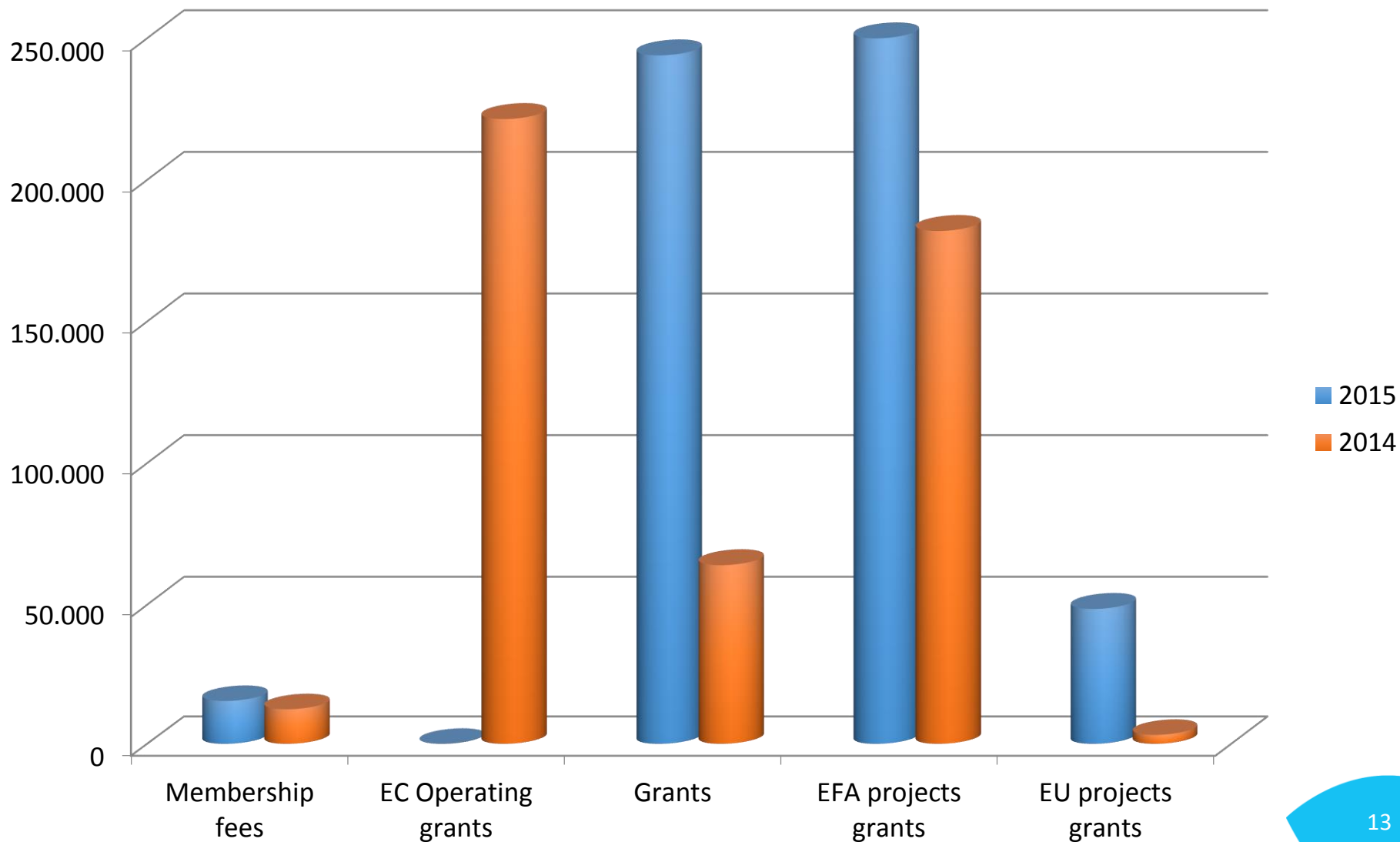
The board of Directors is responsible for the compliance with the law of 27 June 1921 on non-profit organisations, international non-profit organisations and foundations, with the by-laws and with the legal and regulatory requirements regarding bookkeeping.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standard on Review Engagements (ISRE) 2400 as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statements, which do not modify the scope of our conclusion on the financial statements:

Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.

EFA is registered as Not-for-Profit Organisation in Sweden. EFA is still currently working on its full registration in Belgium and ensuring compliance with the law and regulations. Based on our assessment there are no effects on the financial statements as stated above. There are no other transactions undertaken or decisions taken in breach of the by-laws or of the Law of 27 June 1921 on non-profit organisations, international non-profit organisations and foundations that we have to report to you.

# Income structure / evolution



# Budget 2016 details

EXPENDITURE (1/2)	Description	Budget (euros)
<b>Operating programme</b>		
<u>Staff</u>	Leadership and Administration	70.000
	Policy	77.000
	Communications and Membership	54.000
	Projects	70.000
<b>Sub-total Staff</b>		<b>271.000</b>
<u>Governance</u>	Office (rent, internet, supplies, post)	40.000
	Equipment depreciation and maintenance	1.000
	Website	5.000
	IT support	2.600
	Lawyer	9.000
	Financial management	13.000
	Accounts & Audit	12.000
	Membership fees (HEAL, EPF, ENSP)	1.250
	Communications (publications)	5.000
	Translations	
<b>Sub-total Governance</b>		<b>88.850</b>
<u>Activities</u>	Mission costs (board)	13.500
	Mission costs (staff)	3.000
	Working groups & alignment meetings	3.000
	Mission costs (AGM and Network meeting)	34.000
	Oxygen campaign	2.413
<b>Sub-total Activities</b>		<b>55.913</b>
<u>Fundraising</u>		<b>50.000</b>

# Budget 2016 details

EXPENDITURE (2/2)	Description	Budget (euros)
<b>EU Project programme</b>		
EARIP (EC)	Staff costs	included above
	Direct costs	9.300
AirProm (EC)	Staff costs	included above
	Direct costs	12.500
My AirCoach (EC)	Staff costs	included above
	Direct costs	3.450
<b>Sub-Total EU projects</b>		<b>25.250</b>
<b>EFA Project programme</b>		
CRD Campaign	Staff costs	included above
	Direct costs	41.000
Asthma adolescent	Staff costs	included above
	Direct costs	65.800
Interest Group EP Asthma	Staff costs	included above
	Direct costs	3.000
Capacity building	Staff costs	included above
	Direct costs	34.000
<b>Sub-total EFA projects</b>		<b>143.800</b>

# Budget 2016 details

INCOME (1/2)	Description	Budget (euros)
Operating programme	Air Liquide	30.000
	ALK Abello	30.000
	Astra Zeneca	30.000
	BI	30.000
	Chiesi	5.000
	GSK	30.000
	Novartis	30.000
	TEVA	30.000
	Stallergenes	30.000
	ROCHE	30.000
	<i>New SME partners category (15,000-5,000)</i>	20.000
	Deferred income 2015 COPD project	2.413
	Reserves (accumulated income for charitable activities)	35.000
<b>Sub-total</b>		<b>332.413</b>
Membership		<b>16.000</b>



# Budget 2016 details

INCOME 2016	Description	Budget (euros)	
EU Project programme			
EARIP (EC)	Staff	11.760	Deferred income from 2015: 30178; 22920 used in 2016
	Direct costs	11.160	
AirProm (EC)	Staff	11.760	Deferred income from 2015: 30178; 22920 used in 2016
	Direct costs	15.000	
My AirCoach (EC)	Staff	30.635	Deferred income from 2015: 5629; 34948 used in 2016; difference to be claimed to EC with financial report.
	Direct costs	4.313	
<b>Sub-total (EC)</b>		<b>84.628</b>	
EFA Project programme			
CRD Campaign	Staff	0	
	Direct costs	60.000	
Asthma adolescent	Staff	0	
	Direct costs	76.000	
Interest group of the EP in Allergy and Asthma	Staff	0	
	Direct costs	16.000	
Capacity building	Staff	0	
	Direct costs	48.000	
<b>Sub-total</b>		<b>200.000</b>	

# Budget 2016 overview

	Expenditure	Income
Operating programme	144.763	332.413
Membership		16.000
Staff	271.000*	
Cost of generating funds	50.000	
EC projects	25.250	84.628
EFA projects	143.800	200.000
<b>TOTALS</b>	<b>634.813</b>	<b>633.041</b>
Difference		<b>-1.773</b>

\*Includes staff cost for EFA and EU projects

## Budget – Key points

- Tight, but balanced budget
- Relatively high governance costs due to registration process in Belgium and more professional financial management process
- Need for new income sources to increase income: started approach for wider support than pharma

# Questions?

# THANK YOU!





European Federation of Allergy and Airways  
Diseases Patients' Associations

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