

EGPA GENERAL ASSEMBLY
21 September 2007

Financial Report
by the IIAS Director General

Preamble:

As with any study, the basic format presents the facts and on the basis of these facts conclusions can be drawn. We are presenting you with another vision: the opposite effect. Let us begin by the conclusions with a view to drawing your attention directly to certain gaps and then let us develop these conclusions via an analysis based on figures that set out the facts.

What results emerge from the analysis:

The financial situation of IIAS and its two constituent bodies is disquieting. The analysis of receipts and expenditure confirms a rather fragile reality. It is definitely time to take the necessary measures to ensure the collection of contributions/membership fees requested. This is especially evident with regard to EGPA and IASIA.

A better annual follow up could booster results considerably. Taking into consideration that contributions/membership fees represent 50% of all receipts, the management of unpaid fees is primordial. Re-contacting Member States having a record of significant unpaid contributions is essential.

A decrease in unpaid fees could indeed finance the new expenditure policy (invest in research costs – working groups).

For information, at the end of 2006, the total for provisions relative to unpaid contributions amounted to + 70% of overall contributions demanded for 1 year.

We are particularly concerned with drawing attention to IIAS and EGPA. Since 2004, EGPA has drawn down the global results of the IIAS and its two constituent bodies. The crucial point of its receipts is represented by meetings. But receipts from meetings do not provide a profit, notably because related personnel and conference costs are significant.

It would thus be advisable to review a strategy in which these two costs were decreased. And why not devote one member of staff to managing the unpaid fees during well-defined periods during the year.

You will discover two analyses. One covers IIAS and its two constituent bodies and the other is centred on EGPA. These two analyses attempt to set out the difficulties so that they can be remedied.

Generally speaking, you will see that concerning the 2005 - 2007 study, the development of activity tends to follow a seesaw progression (high-low). The 2006 financial year exploded in relation to 2005 with regard to both receipts and expenditure, without for as much increasing profits. The 2007 budget tends to conserve the 2006 profit by decreasing receipts and expenditure by 10%.

[Analysis of receipts and expenditure \(please see charts\)](#)

The reference documents underpinning the analysis are the management radars which have been distributed to you.

On the basis of Management Radar 1:

A) Receipts:

▪ Contributions/membership fees:

As the 2007 financial year is not yet over, let us concentrate for the moment on 2005-2006 developments. If we take the IIAS and its two constituent bodies as a single block, we will see that contributions/membership fees progressed by 3%. It is obvious that this increase is due to IIAS membership contributions paid directly to IIAS. In fact, IIAS alone saw a 12% increase in the amount of contributions paid.

The two other constituent bodies (IASIA and EGPA) regressed. The cause of this decrease may be attributed to weak growth in membership fees requested and an increase in unpaid membership fees.

As you will notice on the Management Radar 1 document, 2006 membership fees requested by IASIA amounted to approximately 50,000 Euros. The analysis shows us that 73% of its membership fees are unpaid compared with 55% in 2005.

Within EGPA this phenomenon is comparable. The membership fees requested amount to a little less than 28,000 Euros. In this case, the percentage of unpaid fees amounts to 54% compared with 30 % in 2005.

In summary, with regard to the progression of membership fees, in spite of a 3% increase between 2005 and 2006, the situation remains worrisome.

You will have thus noticed a definite effort by IIAS. It was able to halve its percentage of unpaid fees (14% unpaid contributions in 2005 compared with 7% in 2006). This example should be followed by the two constituent bodies so that IIAS is not alone in providing the major turnover. Approximately 50% of receipts are derived from contributions/membership fees. Let us repeat: EGPA and IASIA must take adequate measures to decrease this proportion of unpaid fees.

▪ Reviews and Publications :

A 12% progression of sales may be seen over the 2005-2006 period. Almost 13% of this outcome came from SAGE royalties. In 2007, this item has been reviewed downwards but remains a pillar for this kind of receipt.

▪ Major Meetings:

In both 2005 and 2006 EGPA contributed to approximately 43% of receipts relative to Major Meetings; IIAS and IASIA collaborated. This is the reason that we have kept this objective in the 2007 budget.

B) Expenditure:

The expenditure policy is becoming focussed - and this is a plus - mainly on the increase in research costs for working groups. The amount allotted for this slot has been increased by 5 in two years.

To ensure this new policy - this new enriching vision (invest in research), the IIAS and its two constituent bodies have had to reduce their costs. The motivation has been a reduction in personnel and operational costs (office supplies and printing).

From 2005 to 2006, the costs linked to major meetings were very significant: an increase of 32%. Further to this observation, the 2007 budget attempts to regularize the situation.

Let us not be so pessimistic. The final outcome estimated for 2007 is a profit of 10,000 Euros. This result will be allocated to the reserves. The analysis attempts simply to show that outcomes could be much more significant if a better follow up was adopted.

On the basis of Management Radar 2:

By targeting EGPA (please see Management Radar 2), you will observe that the seesaw effect (high-low) is much more flagrant.

We cannot really estimate in a budgetary plan such expenses as conferences and activities as these depend on negotiations in the field from day to day - not even receipts from major meetings (which follow in the same spirit). On the other hand, we can adjust them during the year to bring them into line.

The unique item that EGPA can influence is, as mentioned above, the management of both the membership fees requested and unpaid fees – a better follow up (this is a reiteration of the same thing). By keeping the same vision of work in the other areas and the same rigor, the result could only be better.

You know now what you must do.
Bring under control what can be brought under control!

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