

General Assembly Documents

Treasurer's Report

22nd September 2011



The EUROPARC Federation Treasurer's Report, Fiscal Year 2010

General Assembly 2011

2010 saw the move of the EUROPARC Federation headquarters from Grafenau in the Bavarian Forest to Regensburg, as well as some staff changes. This did not impact on the excellent service the Federation provided to its members and as a result membership grew steadily from 423 registered members in 2009 to 435 at the end of 2010.

Financial governance was reviewed and a number of internal policies and procedures initiated, which were subsequently adopted by the Council in 2011. These include a strategic risk management assessment and a reserves policy. The reserves policy and strategy continue to be overseen by the Council and are implemented by the Directorate and the staff.

This report is an analysis and explanation of the figures contained in the balance sheet and financial statement received from our auditors and focuses on financial year (FY) 2010, starting from the 1st of January 2010 and ending on the 31st of December 2010.

The starting balance on 1st January 2010 amounted to 313.459,94. The cash balance at the beginning of the period was 304.782,94.

The deficit of €91.000 was mainly due to a shortfall in membership fees, delayed income from EUROPARC Consulting (some funds were deposited in 2011) and pre-financing of current projects. The latter will be offset in later statements.

Auditor's Report

In March 2011 the EUROPARC Federation's auditors, WP StB Bernhard Thom from Leidel Puching & Partner, Kinoweg 4, D-94209 Regen audited our accounts. The audit is made in accordance with the rules of the "Institut der Wirtschaftsprüfer (IDW) – German Public Association of Accountants". A summary of the balance sheet and financial statement are contained in the Annual Report.

Revenues, expenses, and other changes in Net Assets

- The income received during the FY2010 amounted to 533.025,07€, down from 726.921,29€
- Total expenditure in FY 2010 decreased from 738.996,94€ in 2009 to 624.289,88€ in 2010
- Actual income from fees by member organisations decreased by €29.894,62€, amounting to €320.778,12 overall
- The European Commission core grant amounted to €95.144,95 as opposed to €101.600 in 2009.
- Net cash flow result of the Federations operations was a loss of € 91.264,81 compared to a loss of € 12.075,65 in the financial year 2009.

Membership Information 2009, 2010 and 2011

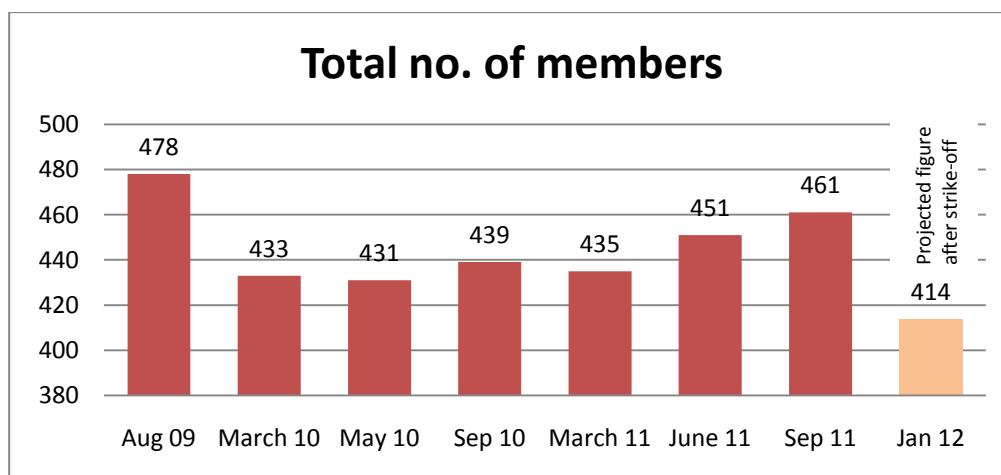
Date	Total number of members	Number of countries	Membership fees invoiced as shown in the annual report	Actual income on December 31st	Receivable fees as of 31st December	Comments
31.12.2009	423	36	350.672,74 €	320.601,74 €	30.071,00 €	27.000 were written off in December 2009
31.12.2010	435	36	320.778,12 €	294.428,12 €	26.350,00 €	32.600 written off in December 2010
31.07.2011	457	37	292.933,00 €	212.385,91	80.547,09* € *As of 31.07.11	33.000 expected to be written off in December 2011

Debts written off in 2010:

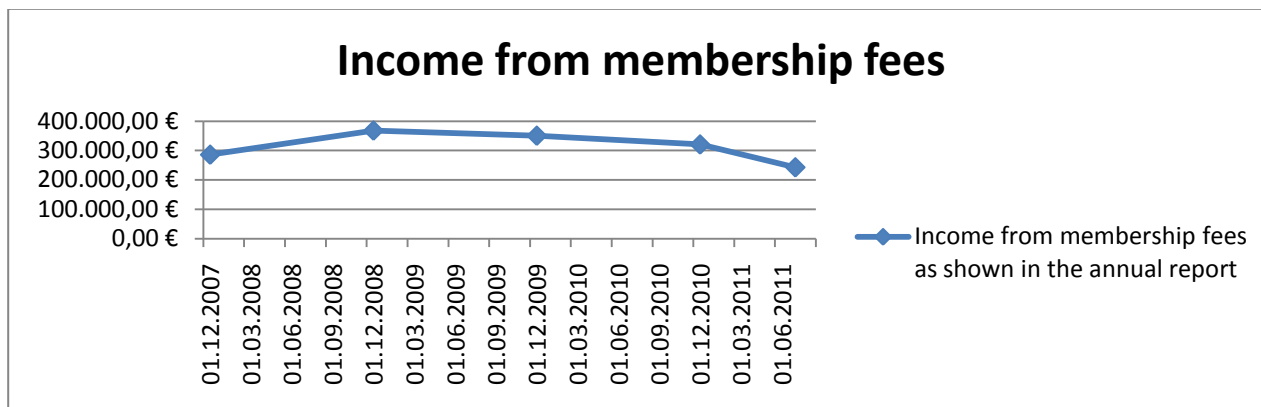
17 creditors from 12 countries = € 12.700 in membership fees were written off in December 2010 in addition to € 19.900 from 34 Italian parks. This equates to € 59.600 worth of yearly membership fees having been written off for 2009 AND 2010. For 2010 the loss in income from membership fees was therefore €32.600.

The current rate of payment for 2011 is at 67%. If membership fee payments stay at the current rate EUROPARC expects to write off 13 members from different countries worth 12,597 Euro as well as 34 Italian members worth 20.475 Euro in membership fees by the end of 2011. The total loss for 2010/11 will be 65.600 Euro.

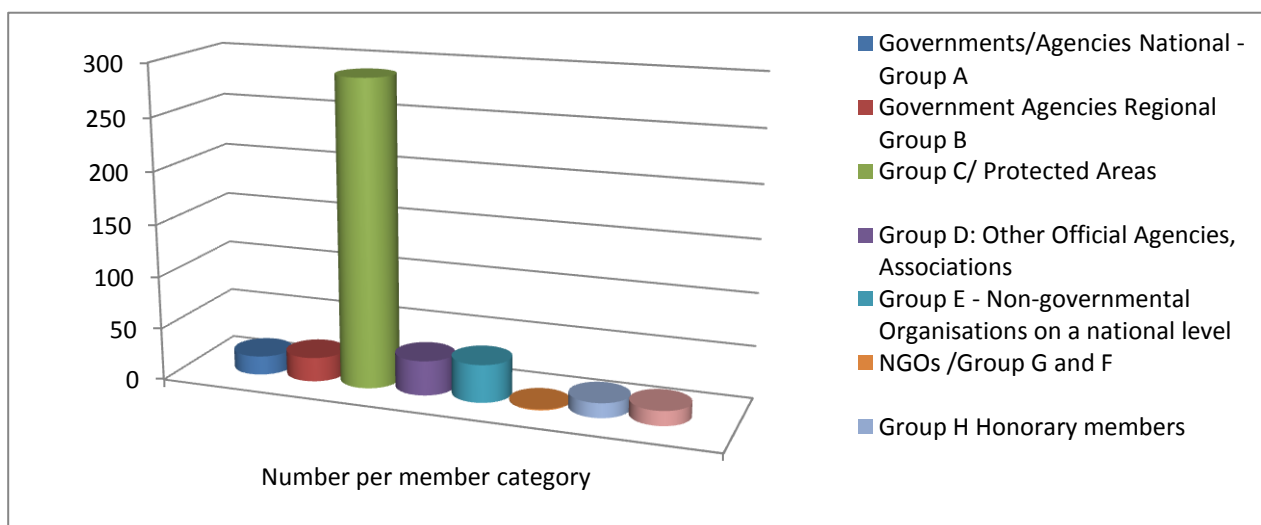
Graphic 1: Total number of members in the Federation since August 2009



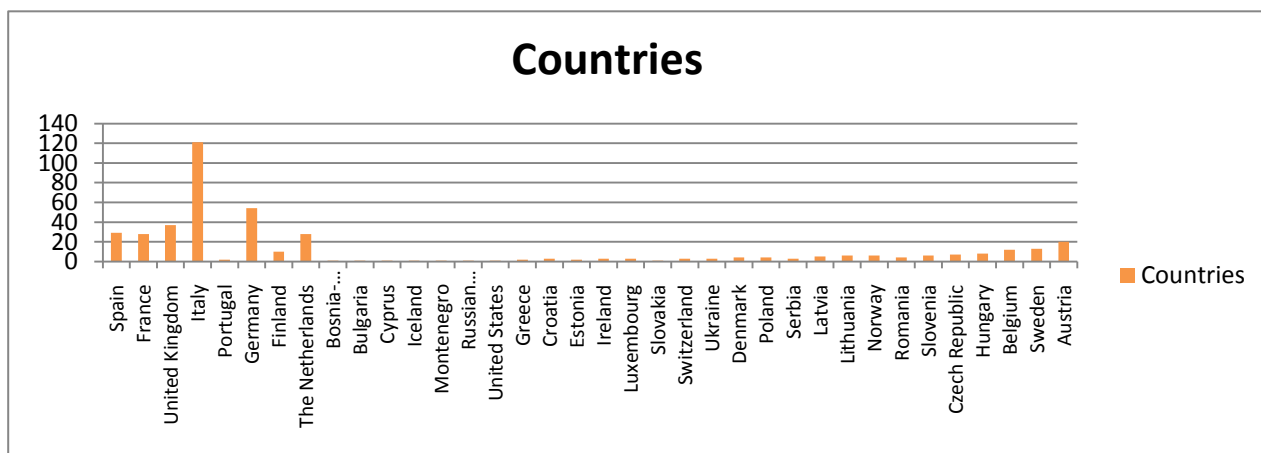
Graphic 2: Income from membership fees since December 2007



Graphic 3: Number per member category in 2010



Graphic 4: Number of EUROPARC members per country



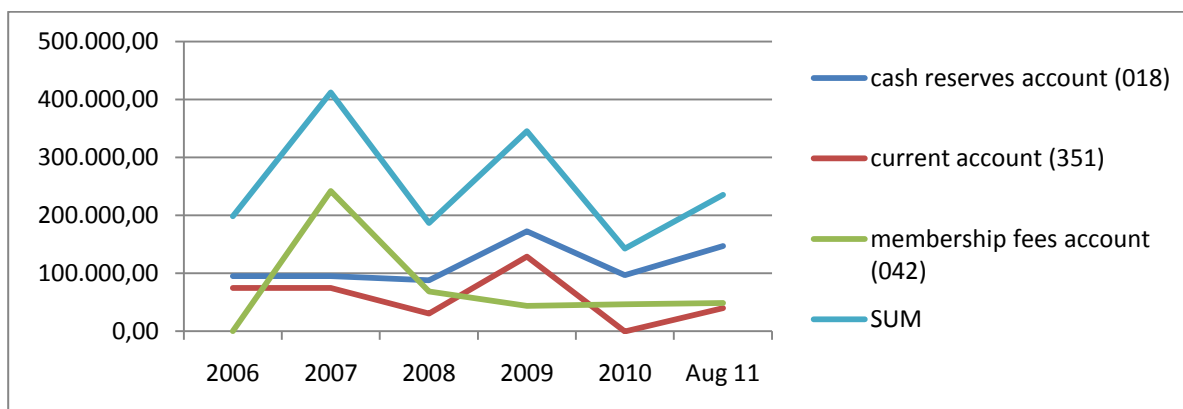
Total Assets

At the end of the financial year 2010, the Federation had total assets of € 278.082,59 down from € 313.459,94 in the financial year 2009. Although the cash flow profit and loss account noted a -91k result, assets were in place to offset this and cover the loss.

The bank balances of the organizations accounts on 31.12.2010 were as follows:

- Account no. 190007351 - 602,74 €
- Account no. 9185018 + 96.548,97 €
- Account no. 9185042 + 46.418,57 €

Federation accounts as of 31st December 2006 - 2010 and current status 31st August 2011



Financial activities, status, liquidity and capital resources

In 2010 the Federation received an NGO operating grant from the EU of 95.402 Euro, down from €101.600 in the previous year. There was a shortfall of about €50.000 from expected membership fees. The contribution from EUROPARC Consulting for 2010 (€20.000) did not arrive in our account until June 2011, so could not be included in the 2010 balance sheet and contributes towards the negative result. In addition EUROPARC had to pay €48.000 as compensation to an ex-member of staff following a legal court case.

In order to increase the cash flow during the end of the year for the current account € 50.000 had to be taken out of the reserve account in November 2010. This was returned in full in 2011 to restore the full balance of this account (€ 147.135). However, due to low income patterns at the end of each financial year, it is likely that another withdrawal may have to be made in the coming months.

Acting on the recommendation of the Directorate, the Council believes that our liquidity provided by the existing cash balances, will barely be sufficient to satisfy its cash flow requirements during the next 12 months.

Further efficiencies will be put in place. Multiple applications have been submitted in 2010 which, if successful will provide sufficient income for up to 2 years to offset the drop in membership. However, to make the Federation less vulnerable to fluctuations in membership income, the Council asked the Directorate to increase the submission of new project proposals in 2011. This has been achieved, with 6 different applications submitted over a range of funding mechanisms.

Membership fees will remain unchanged for the second year running and continue to provide essential core income for the Federation. We would like to take this opportunity to thank you as members for your continuing and unstinting support.

Respectfully,

Gabor Szilagy, Council Member

On behalf of the Treasurer

31st August 2011