



FINANCIAL REPORT 2019

EUROPE REGION EGM DOCUMENT # 3

November 2020



INSPIRING GIRL SCOUTS AND GUIDES ACROSS EUROPE



Financial Report 2019 – Europe Region

Executive summary

In 2019 the Regional Committee, regional volunteers and WAGGGS staff continued to work hard to deliver the regional strategy and WAGGGS value proposition to our MOs.

We implemented many of the key elements in the regional plan and continued to draw on our reserves. The level of European Voluntary Contribution (EVC) reserves has reduced quite significantly from EUR 249k (restated¹) to EUR 55k. It is expected that with planned activities in 2020, we will end the year with the reserves closer EUR 98k.

As a result of the Covid19 pandemic the Europe Committee understands that this has and will have a significant bearing on our MOs and as such the Region is closely monitoring their financial position.

INCOME

Total income in 2019 was EUR 547k, EUR 7k more than budgeted.

The majority of additional income to the Europe Region comes from EVC (59 per cent of total income in 2019) and External Grants (14 per cent in 2019).

INCOME - CATEGORY (IN EUROS)	2019 ACTUAL	2019 BUDGET	VARIANCE TO BUDGET
European Voluntary Contribution	323,911	313,544	10,367
WAGGGS General Funds	101,386	101,386	-
Other Income (Academy)	43,168	-	43,168
External Grants	78,237	125,223	(46,986)
TOTAL INCOME	546,702	540,153	6,549

European Voluntary Contribution (EVC)

European MOs contribute these restricted funds to enable the delivery of membership activities, in addition to what is provided to other regions across WAGGGS, as well as activities delivered in partnership with the European Scout Region.

In 2019, income was EUR 10k higher than budget due to the successful implementation of repayment plans.

WAGGGS General Funds

The allocation from WAGGGS general funds was exactly as budgeted however slightly higher than the previous year (EUR 90,058 in 2018) due to Regional Conference expenses.

¹ 2018 closing balance / 2019 opening balance restated following Annual Audit of WAGGGS in H1 2020.

It should be noted that the WAGGGS General Funds relate only to the unrestricted allocation from WAGGGS to the Region and covers costs attributable to the Regional Administrator, Office rent and Regional Conference expenses.

Other Income

We received EUR 43k Academy income.

External Grants

We had some success with grant applications in 2019, including EUR 50k from the Erasmus+ and EUR 28k from Leadership Training Fund.

EXPENDITURE

Having consulted Members, the Committee decided to increase the level of expenditure by accessing the reserves. Therefore, overall expenditure was EUR 117k higher in 2019 than budgeted.

EXPENDITURE - CATEGORY (IN EUROS)		2019 ACTUAL	2019 BUDGET	VARIANCE TO BUDGET
Strategic themes and initiatives	Adding value to Member Organisations	15,224	30,025	14,801
Joint work with WOSM	Academy	66,682	5,691	(60,991)
	Network & Partnerships	55,344	12,295	(43,049)
Governance	Regional Committee & Volunteers Meeting	18,076	75,797	57,721
	AISBL (Audit / Legal & Professional Fees)	14,565	14,565	-
Regional Conference	Regional Conference	36,968	36,267	(701)
Salaries/ Administration	Salaries and HR related costs	363,294	157,347	(205,947)
	Administration (including office cost, membership fees)	126,248	241,163	114,915
Communication	Materials to Raise visibility	288	6,695	6,407
TOTAL EXPENDITURE		696,690	579,845	(116,844)
NET SURPLUS / (DEFICIT)		(149,988)	(39,692)	(110,295)

Strategic themes and initiatives

Adding value to Member Organisations was underspent due to several factors. Firstly, we were able to take new approaches such as improved use of technology and using regional volunteers to support country visits.

Secondly, 2019 was the year of the European Guide and Scout Conference, the main strategic event that brought the Member Organisations together. In terms of adding value to members, this was an excellent and cost-effective opportunity for Relationship Manager Giulia, together with the committee country contacts, to meet with the Member Organisations to understand priorities and challenges. It was also the key event to share best practices, exchange ideas and bring people together from across Europe.

Another way of acting as the international hub and meeting many MO representatives in the same place, was the International Commissioner's Forum in Belgrade, where ICs came together to learn from each other, hear updates from WAGGGS and WOSM and exchange ideas. This year we also included an additional WAGGGS Day prior to the IC forum, in order to provide space to discuss topics relevant to WAGGGS ICs.

Joint work with WOSM

After salaries and administration, our most significant costs in 2019 came from investment in Joint work with WOSM. Indeed, we spent just over EUR 55k on a variety of activities and meetings with WOSM and this year it was our turn to host The Academy where we spent EUR 67k.

Governance

The governance costs this year covers the Lead Volunteers and Regional Committee Meetings along with an additional Committee meeting to prepare for the Conference. In addition to this EUR 14k covers the Audit and Legal & Professional Fees associated with the AISBL

Regional Conference

The cost of hosting the Regional Conference in Croatia amounted to EUR 37k.

Salaries and Administration

As budgeted, we invested EUR 489k on salaries and administration in 2019, providing support to all of the activities delivered by the Region. Increased salaries costs were incurred due to staff absence and cover.

Administration expenditure includes rent, utilities, office sundries and subscriptions.

INCOME AND EXPENDITURE SUMMARY

The 2019 financial budget had forecast a deficit of EUR 40k as the Committee planned to reduce the level of reserves to support activities during the year. As indicated above, the actual outturn deficit was slightly greater at EUR 150k.

RESERVES

The reserve position shows the opening and closing balance until year ended 31 December 2019 and the deficit for the year, as per the audited accounts.

RESERVES (IN EUROS)	EUROPEAN VOLUNTARY CONTRIBUTION (RESTRICTED)	WAGGGS GENERAL FUNDS (UNRESTRICTED)	OTHER INCOME (RESTRICTED)	TOTAL
Opening balance 1 January 2019	249,785	19,076	44,657	313,518
Surplus/deficit 2018	(194,869)	13,865	31,016	(149,988)
Closing balance 31 December 2019	54,916	32,941	75,673	163,530

The EVC reserves have reduced by EUR 195k, demonstrating the combined impact of further investment in regional activities. Other restricted income has increased by EUR14k and the WAGGGS Allocation has increased by EUR 31k.

Conclusion

The Regional Committee continue to make progress on the feedback from Member Organisations and are continuing to carefully manage their resources to achieve the best possible outcome for the Region.

Work is underway to review these costs further and ensure we are reporting all costs clearly and transparently.

Together with the cooperation of our Members, 2019 saw the delivery of a wide range of high-quality activities and services that we hope to continue in future years despite the challenges that we all face as a result of the COVID-19 pandemic.

For full transparency, a copy of the AISBL audited and submitted accounts are attached as per EGM2020 document # 3.1.