

11. Finances 2020 and beyond

Please find enclosed:

1. Table showing :
 - a) 2019 Budget and Forecast estimation (enclosure 11.1 and 11.2)
 - b) 2020-2022 cost estimate just for discussion purposes, with risk of non-payment (enclosure 11.1.1).
2. Tables showing written-off of outstanding subscriptions 2020-2023 (see "Comments re 2")

Comments re 1:

The forecast estimation of the situation 31.12.2019 and the cost estimate 2020-2022 are based on following assumptions:

- **R1: Subscriptions**
 - agreed (cost) budget of 1.350 k€
 - Czech Republic: new Policy Member:
 - Switzerland: SBV left FIEC
 - 2019 is a transition year with cost overlaps, 2020 should be a "normal" year
 - **(note:** see also R24 "risk of non-payment", not taken into consideration in line R4.)
- **R2: 2019** - Call for support loan: takes in consideration only the voluntary payments received or promised.
- **R3: 2020-2023:** Reimbursement "Support loan" spread over 4 years
- **R10: Salaries and social charges, based on :**
 - 2019**
 - ✓ recruitment of an Economic & Legal Affairs Policy officer (09/2019)
 - ✓ New DG as from 07/2019
 - ✓ termination of an employment contract and indemnity payment: unforeseen costs supported in 2019
 - 2020**
 - ✓ recruitment of a Project officer (01/2020)
- **R18: Depreciations:**
 - **2019:** New website (implementation on-going)
 - **2020:** acquisition of new computers
- **R22: Surplus/ loss FIEC (without EU Projects)**
if full payment of the subscriptions due, the financial situation would be positive as from 2020.
- **R23: impact of R22 on FIEC's reserves**
- **R24: Risk of non-payment (possible, but not necessarily certain):**
 - 2019: Portugal and Turkey paying 50% (see details in encl. 11.1.1)
 - 2020-2022: Portugal paying 50% and Turkey going back to 100% from 2020 onwards
- **R25: Surplus/ loss FIEC (without EU Projects)**
 - including risk of non-payment
- **R26: impact of R24 on FIEC's reserves.**
 - This figure is based on the assumption that the risks shown in encl. 11.1.1 materialise. Positive developments would improve the situation.

Comments re 2:

for discussion:

writing-off outstanding debts against full payment of annual subscriptions due**Unanimous Steering Committee decision of 4/2/2019:**


“An unpaid annual sum, limited to a maximum of 50% of the annual subscription, will be deleted with a full annual payment in a later year, beginning with the oldest unpaid sum. If the unpaid sum is higher than 50% of the annual subscription, then the two halves of the outstanding sum will be deleted with a full annual payment each.”

The application of these principles leads to the following scheme for the financial year 2019

	A	B	C	D	E	F	G	H	I	
1	Member Federations	agree-	Unpaid subscriptions for years xxxx					to be written		
2		ment	2015	2016	2017	2018	2019	2019		
3	Spain	yes		66.698,30 €	64.033,48 €	0	0	2016	66.698,30 €	
4	Hungary			14.644,51 €	12.504,51 €	0	0	2016	14.644,51 €	
5	Italy (50%)	yes			90.358,43 €	0	0	2017	90.358,43 €	
6	Portugal (50%)		13.232,26 €	13.056,61 €	12.051,19 €	12.353,46 €	11.913,94 €			
7	Romania			11.407,28 €	5.703,28 €	0	0	2016	11.407,28 €	
8	Slovakia			12.701,60 €	12.701,60 €	0	0	2016	12.701,60 €	
9	Turkey	yes		0,00 €	0,00 €	67.500,00 €	67.500,00 €			
10			13.232,26 €	118.508,30 €	197.352,49 €	79.853,46 €	79.413,94 €		195.810,12 €	
11										
12	to be written off 2019		0,00 €	105.451,69 €	90.358,43 €				195.810,12 €	
13	Total in accounts		13.232,26 €	13.056,61 €	106.994,06 €	79.853,46 €	79.413,94 €		292.550,33 €	

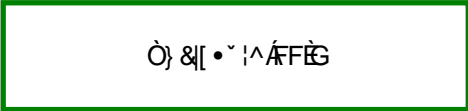
and the following perspectives for the financial years to come

	A	B	H	I	J	K	L	M	N	O	P	Q
1	Member Federations	agree-	to be written-off, ONLY IF full payment of annual subscription of year xxxx									
2		ment	2019	2020	2021	2022	2023					
3	Spain	yes	2016 66.698,30 €	2017 64.033,48 €								
4	Hungary		2016 14.644,51 €	2017 12.504,51 €								
5	Italy (50%)	yes	2017 90.358,43 €									
6	Portugal (50%)											
7	Romania		2016 11.407,28 €	2017 5.703,28 €								
8	Slovakia		2016 12.701,60 €	2017 12.701,60 €								
9	Turkey	yes		2018 33.750,00 €	2018 33.750,00 €	2019 33.750,00 €	2019 33.750,00 €	2019 33.750,00 €				
10			195.810,12 €	128.692,87 €	33.750,00 €	33.750,00 €	33.750,00 €	33.750,00 €				

		A	B	C	D	E
 in thousand of €		Budget 2019	Forecast	Estimate Repl Dir 12m New staff ECO New Project officer New website	Estimate Repl Dir 12m New staff ECO New Project officer New website	Estimate Repl Dir 12m New staff ECO New Project officer New website
		31-12-19	31-12-19	01-01-20 to 31-12-20	01-01-21 to 31-12-21	01-01-22 to 31-12-22
R1	Subscriptions (theoretical)	1.385	1.321	1.321	1.321	1.321
R2	Call for support loan		29			
R3	Reimbursement "Support loan"		0	-7	-7	-7
R4	Amounts "written off" due to unpaid subscriptions	0	0	0	0	0
R5	Payments for prior years' subscriptions	0	0	0	0	0
R6	Sub-Total subscriptions (realistic)	1.385	1.349	1.314	1.314	1.314
R7	Other income	0	2	0	0	0
R8	Income from EU-Projects	0	0	0	0	0
R9	Total Income (realistic)	1.385	1.352	1.314	1.314	1.314
R10	Staff costs (incl. Severence pay/ indemnity)	-939	-886	-760	-751	-766
R11	Office costs (rent, fixed & variable costs)	-168	-169	-169	-172	-174
R12	Other costs	-321	-307	-300	-300	-300
R13	<i>Communication & Documentations</i>	-43	-42	-43	-43	-43
R14	<i>External consultants</i>	-33	-30	-33	-33	-33
R15	<i>Subscriptions to other organisations</i>	-49	-49	-49	-49	-49
R16	<i>Meeting & Travel expenses</i>	-50	-50	-40	-40	-40
R17	<i>Congress, Advertising, FIEC Publications costs</i>	-65	-55	-65	-65	-65
R18	<i>Depreciations</i>	-43	-35	-32	-32	-32
R19	<i>Others cost</i>	-38	-45	-37	-37	-37
R20	Financial & exceptionnel results	0	-1	0	-1	0
R21	Total Costs	-1.429	-1.363	-1.229	-1.223	-1.239
R22	Surplus/ loss FIEC	-44	-11	85	91	75
R23	Reserves: 31-12-2018	718	674	759	850	925
R24	Risk of non payment			-12	-12	-12
R25	Surplus/ loss FIEC(including risk of non payment)			73	79	63
R26	Reserves (including risk of non payment)		627	699	778	840

Costs estimate 2020-2022
(see enclosed table 3 pages)

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	A	B	C	AQ	AR	AS	AT	AU
1			Detail	Budget 2019	Forecast 14-05-19	Budget 2020	Budget 2021	Budget 2022
2				UP 6 months+ leave DG 215K 6m	UP 6 months+leave 31-12-19	Repl Dir 12m	Repl Dir 12m	Repl Dir 12m
3				Repl Dir 12m	Staff reduct./indemnity	New staff ECO	New staff ECO	New staff ECO
4				No Comm Officer	New staff ECO	New Project officer	New Project officer	New Project officer
5				New Website	New Website	New Website	New Website	New Website
6								
7	denomination							
8	610000		Rental of office and parkings	80.200,00	80.200,00	81.800,00	83.500,00	85.200,00
10	610110		Archives	1.000,00	1.000,00	1.000,00	1.000,00	1.000,00
11	610100		Complementary charges	42.000,00	42.000,00	40.000,00	40.000,00	40.000,00
12	610100		"Précompte Immobilier" (Belgian property tax)	21.500,00	21.500,00	22.500,00	22.500,00	23.000,00
13	610100		Reimbursement fixed installations	0,00	0,00	0,00	0,00	0,00
14		II.B.1.	Rental and Charges	144.700,00	144.700,00	144.800,00	147.000,00	149.200,00
15	611010/611020		Equipment renting	11.700,00	11.700,00	12.000,00	12.000,00	12.000,00
16	611030		Maintenance of office	13.000,00	14.000,00	14.000,00	14.000,00	14.000,00
17	611040		Maintenance contracts equipments, HW/SW	14.400,00	14.400,00	14.500,00	14.500,00	14.500,00
18			Moving costs	0,00	0,00	0,00	0,00	0,00
19		II.B.2.	Equipments renting & maintenance	39.100,00	40.100,00	40.500,00	40.500,00	40.500,00
20	612000		Electricity	4.000,00	4.000,00	4.000,00	4.000,00	4.000,00
21	612100		Telephone/ fax	8.000,00	6.000,00	6.000,00	6.000,00	6.000,00
22	612200		Internet	19.000,00	20.600,00	21.000,00	21.000,00	21.000,00
23	612300		Postage & courier	2.000,00	2.000,00	2.000,00	2.000,00	2.000,00
24	612400/612450		Stationery	8.000,00	8.000,00	8.000,00	8.000,00	8.000,00
25	612425/612430		Other Office equipment	1.000,00	500,00	1.000,00	1.000,00	1.000,00
26	612500/612550		Documentations & books	5.000,00	5.000,00	5.000,00	5.000,00	5.000,00
27		II.B.3.	Office charges	47.000,00	46.100,00	47.000,00	47.000,00	47.000,00
28	613000		External services	0,00	1.380,00	0,00	0,00	0,00
29	613010		Audit Services	13.000,00	13.000,00	13.000,00	13.000,00	13.000,00
30	613020		Fiscal Services	3.000,00	2.000,00	2.000,00	2.000,00	2.000,00
31	613030/613040		Translation / Interpretation	5.000,00	2.000,00	5.000,00	5.000,00	5.000,00
32	613050/613060		Renting meeting rooms, material, other	5.000,00	5.000,00	5.000,00	5.000,00	5.000,00
33			Other experts	0,00	0,00	0,00	0,00	0,00
34		II.B.4.	Fees & various services	26.000,00	23.380,00	25.000,00	25.000,00	25.000,00
35	613110		Subscription CICA	25.000,00	25.000,00	25.000,00	25.000,00	25.000,00
36	613120		Other subscriptions	24.000,00	24.000,00	24.000,00	24.000,00	24.000,00
37	613100		Other commissions	7.000,00	7.000,00	8.000,00	8.000,00	8.000,00
38		II.B.5.	Commissions & Subscriptions	56.000,00	56.000,00	57.000,00	57.000,00	57.000,00
39	613200/613210		Office Insurance	2.350,00	2.350,00	2.350,00	2.350,00	2.350,00
40	613220		Equipment Insurance	860,00	860,00	860,00	860,00	860,00
41	613230		Car Insurance	6.000,00	6.000,00	6.000,00	6.000,00	6.000,00
43		II.B.6.	Total Insurances	9.210,00	9.210,00	9.210,00	9.210,00	9.210,00
44	613310-613340		Car expenses	10.000,00	10.000,00	10.000,00	10.000,00	10.000,00
45	613350/613355		Meeting & Entertaining costs	10.000,00	10.000,00	10.000,00	10.000,00	10.000,00
46	613360-613380		Travel expenses	30.000,00	30.000,00	20.000,00	20.000,00	20.000,00
47			Travel expenses support					
48		II.B.7.	Meeting & Travel expenses	50.000,00	50.000,00	40.000,00	40.000,00	40.000,00
49			Cost of Legal Publications	0,00	0,00	0,00	0,00	0,00
50	613260		Training, external meetings	500,00	7.500,00	2.500,00	2.500,00	2.500,00
51	613270/614500		Presents	500,00	500,00	500,00	500,00	500,00
52		II.B.8.	Other Fees	1.000,00	8.000,00	3.000,00	3.000,00	3.000,00

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	A	B	C	AQ	AR	AS	AT	AU
1				Budget	Forcast	Budget	Budget	Budget
2				2019	14-05-19	2020	2021	2022
3				UP 6 months+ leave	UP 6 months+leave	Repl Dir 12m	Repl Dir 12m	Repl Dir 12m
4				DG 215K 6m	31-12-19			
5				Repl Dir 12m	Staff reduct./indemnity	New staff ECO	New staff ECO	New staff ECO
6				No Comm Officer	New staff ECO	New Project officer	New Project officer	New Project officer
7	denomination			New Website		New Website	New Website	New Website
53	614000		Advertising & Recruitment					
54	614100		FIEC Publications	45.400,00	45.400,00	45.400,00	45.400,00	45.400,00
55	614300		Congres	20.000,00	10.000,00	20.000,00	20.000,00	20.000,00
56		II.B.9.	Total advertising & Publication costs	65.400,00	55.400,00	65.400,00	65.400,00	65.400,00
57			Salaries & Charges	893.100,00	870.000,00	711.000,00	711.000,00	724.000,00
58			Increase provision vacation allowances	-12.000,00	-35.000,00	17.000,00	3.000,00	2.000,00
59	623600		Pension scheme	57.600,00	51.000,00	32.000,00	36.500,00	39.500,00
60		II.C.	Salaries & Social Charges	938.700,00	886.000,00	760.000,00	750.500,00	765.500,00
61	630200		Depreciation	43.000,00	35.000,00	32.000,00	32.000,00	32.000,00
63		II.D.	Depreciation	43.000,00	35.000,00	32.000,00	32.000,00	32.000,00
64	634000		Payments received concerning previous years	0,00	0,00	0,00	0,00	0,00
69			Amounts written off on trade debtors	0,00	0,00	0,00	0,00	0,00
70		II.E.	Amounts written-off on trade debtors	0,00	0,00	0,00	0,00	0,00
71	670000		Withholding tax	200,00	0,00	0,00	0,00	0,00
72	640210		Tax on use of office (local and regional tax)	4.300,00	4.300,00	4.300,00	4.300,00	4.300,00
73	640300		Tax on cars	3.850,00	3.850,00	1.000,00	1.000,00	1.000,00
74			Other	0,00	0,00	0,00	0,00	0,00
75			Reserve for unforeseen	0,00	0,00	0,00	0,00	0,00
76		II.G.	Other operating charges	8.350,00	8.150,00	5.300,00	5.300,00	5.300,00
77	TOTAL OPERATING COSTS (II.)			1.428.460,00	1.362.040,00	1.229.210,00	1.221.910,00	1.239.110,00
78								
79	744000		Sale of Publications	0,00	800,00	0,00	0,00	0,00
80		I.A.	Sale of Publications	0,00	800,00	0,00	0,00	0,00
81	730000/731100		Subscription Income (Statutory)	1.346.660,70	1.299.293,91	1.299.293,91	1.299.293,91	1.299.293,91
82			Subscription Income (Policy-Others)	38.325,25	21.574,55	21.574,55	21.574,55	21.574,55
83	731110		Call for support loan		28.613,00			
84	731120		Reimbursement "Support loan"			-7.153,26	-7.153,26	-7.153,24
85		I.D.	Subscriptions & donations	1.384.985,95	1.349.481,46	1.313.715,20	1.313.715,20	1.313.715,22
86			Gain on sale of fixed assets					
87	743100		Travel reimbursements					
88			Other operating income (late pmt,	0,00	1.600,00	0,00	0,00	0,00
89		I.E.	Other exploitation products	0,00	1.600,00	0,00	0,00	0,00
90								
91	TOTAL OPERATING INCOME (I.)			1.384.985,95	1.351.881,46	1.313.715,20	1.313.715,20	1.313.715,22
92	OPERATING RESULT (I. - II.)			-43.474,05	-10.158,54	84.505,20	91.805,20	74.605,22
93		A.	Financial income					
94		C.	Other Financial income (interests)	800,00	0,00	0,00	0,00	0,00
95	TOTAL FINANCIAL INCOME II.			800,00	0,00	0,00	0,00	0,00
96		A.	Financial costs				0,00	0,00
97		C.	Other Financial costs	800,00	800,00	800,00	800,00	800,00
98	TOTAL FINANCIAL COSTS II.			800,00	800,00	800,00	800,00	800,00
99	FINANCIAL RESULT (fin income II. - fin costs II.)			0,00	-800,00	-800,00	-800,00	-800,00
100	769000		Credit Notes - Social Charges 93-95				0,00	0,00
101	769000		Extraordinary CICA subscriptions				0,00	0,00
102	EXTRAORDINARY RESULT III.			0,00	0,00	0,00	0,00	0,00
103	TOTAL RESULT (operating res. + fin. res. + extraordinary res.)			-43.474,05	-10.958,54	83.705,20	91.005,20	73.805,22
104	Reserves	2018	717.624,87		706.666,33	790.371,53	881.376,73	955.181,95
105	Risk of non payment				-79.414,00	-11.914,00	-11.914,00	-11.914,00
106	TOTAL RESULT (including risk of non payment)				-90.372,54	71.791,20	79.091,20	61.891,22
107	Reserves (including risk of non payment)				627.252,33	699.043,53	778.134,73	840.025,95

Detail : risk of non payment

	2019	
Turkey (50%)		67.500,00
Portugal (50%)		11.913,94
		79.413,94
	2020	
Portugal (50%)		11.913,94
		11.913,94
	2021	
Portugal (50%)		11.913,94
		11.913,94
	2021	
Portugal (50%)		11.913,94
		11.913,94
	2022	
Portugal (50%)		11.913,94
		11.913,94