

Finance Report 2023

Dear Members,

The auditors have completed their review of the IDF 2023 Financial Statements. You will find the audited figures below.

The Board has approved those figures and we are now seeking the approval of the General Assembly.

To help you make an informed decision, an explanation of the key figures is presented below.

Overview:

At the end of December 2023, after our auditor's review and adjustments, the IDF accounts show a negative result of 430,849 EUR.

Please find below the 2023 results along with the 2022 results for comparison.

The 2023 income is lower by 1,588,224 EUR than that generated in 2022 and the expenses are lower by 1,150,043 EUR.

	2022 Audited	2023 Audited	Compared to Audited 2022	
INCOME	4.341.971	2.753.747	- 1.588.224	-41%
EXPENSES	- 4.334.639	- 3.184.596	1.150.043	-28%
RESULTS	7.332	- 430.849	- 438.181	228%

Income

	2022 Audited	2023 Audited	Compared to Aud.2022	
INCOME	4.341.971	2.753.747	-1.588.224	-55%
<u>Unrestricted Income</u>	<u>1.355.302</u>	<u>924.360</u>	<u>-430.942</u>	<u>-47%</u>
Corporate Partners	624.782	573.536	-51.246	-8%
Membership Fees	127.200	129.500	2.300	2%
Projects Contribution to Overheads	184.761	199.900	15.139	8%
Merchandising & Others	12.424	21.424	9.000	72%
Donations	275.419		-275.419	-100%
Exceptional Income	130.716		-130.716	-100%
<u>Congress projects & Regions</u>	<u>2.986.669</u>	<u>1.829.387</u>	<u>-1.157.282</u>	<u>-59%</u>
Congress	1.681.395	165.217	-1.516.178	-90%
<i>Prev.Cong - Lisbon</i>		-11.402	-11.402	
<i>Prev.Cong - Busan</i>		39.543	39.543	
Projects	1.200.158	1.539.536	339.378	28%
Regions	24.400	31.275	6.875	28%
Regional Grant Support			0	
E-learning	80.716	65.217	-15.499	-19%

The difference in income for 2023 can be explained as follows:

1. A decrease of 51,246 EUR in unrestricted income from Corporate Partnerships. In 2023, 14 partners agreed to support IDF, contributing a total of 573,536 EUR in partnership fees compared to 16 partners in 2022 for 624,782 EUR.
2. An increase in membership fees of 2,300 EUR.
3. An increase in the contribution of projects to overhead costs of 15,139 EUR.
4. An increase in income from merchandising of 9,000 EUR. This is most likely explained by the first income generated by the "IDF use of Logo".
5. A 130,716 EUR decrease in non-recurring income. In 2022 the non-recurring income resulted from selling part of our portfolio to reimburse the 1M EUR loan contracted in 2019.
6. In 2023, there was no income from donations compared to 2022.

7. In 2023, IDF organised its second virtual congress on complications. The total income generated by the congress was 165,217 EUR. A decrease of 1,516,178 EUR compared to 2022, when IDF held its world diabetes congress in Lisbon.

The 2023 virtual complications congress generated a loss of 84,894 EUR.

In 2023, we also have a negative impact from previous congresses:

- Busan had 39,543 EUR of positive impact on congress income coming from the offset of open provision kept on the books for five years.
- Lisbon had 11,402 EUR of negative impact on income due a decrease in anticipated income from local authorities.

8. A 339,378 EUR increase in project income due to more activity.

9. A decrease of income from e-learning (IDF School) of 15,499 EUR compared to 2022.

Expenses

	2022 Audited	2023 Audited	Compared to Aud.2022	
EXPENSES	-4.334.639	-3.184.596	-1.150.043	33%
<u>IDF Operations</u>	<u>-1.233.215</u>	<u>-1.241.385</u>	<u>8.170</u>	<u>1%</u>
Internal Affairs	-516.886	-542.964	26.078	5%
External Affairs	-411.317	-402.705	-8.612	-2%
Project & Programmes	-39.561	-27.952	-11.609	-29%
Congress Overheads	-265.451	-267.764	2.313	1%
<u>Governing bodies and Regions</u>	<u>-326.128</u>	<u>-220.783</u>	<u>-105.345</u>	<u>-32%</u>
Governing Bodies	-191.071	-133.156	-57.915	-30%
Region	-135.057	-87.627	-47.430	-35%
<u>Congress & projects</u>	<u>-2.775.296</u>	<u>-1.722.428</u>	<u>-1.052.869</u>	<u>-38%</u>
Congress	-1.494.421	-62.220	-1.432.201	-96%
Gen Congress Exp.		-43.419	43.419	
<i>Prev.Cong - Lisbon</i>		-12.035	12.035	
Projects	-1.280.875	-1.604.754	323.879	25%
RESULTS	7.332	-430.849	438.181	-67%

The expenses for 2023 were 1,150,043 EUR lower than in 2022.

The difference is explained as follows:

1. IDF Operations : +8,170 EUR
Compared to 2022, the expenses increased by 8,710 EUR in Operations.
2. Governing Bodies and Regions -105,345 EUR
Two IDF Board meetings took place in 2023. Thanks to the support from Members (in MENA and SEA) we were able to save money on accommodation. This resulted in a 57,915 EUR decrease in expenses compared to 2022.

Across the IDF Regions, expenses decreased by 47,430 EUR compared to 2022.

3. Congress expenses were 1,390,402 EUR lower than in 2022.

As 2023 was a virtual congress year, expenses amounted to 62,220 EUR. The costs of organising a virtual congress limited to AV, IT, marketing and staff time and excluded all the expenses generated by a face-to-face meeting (rental fees, flights, accommodation, catering etc.).

We also note:

- A negative impact of 12,035 EUR from the Lisbon congress, due to late invoicing of unforeseen costs.
4. Project expenses were 323,879 EUR higher than in 2022. The increase reflects the higher level of activity.

The external auditor's opinion on IDF's annual accounts is unqualified.

You will find in attachment the auditors' report.

Akhtar Hussain
President IDF