

ANNEX 2B - Financial Report 2022-2023
Annual General Meeting, October 19, 2023
to determine

The Executive Committee hereby presents you with the financial report for the year 2022-2023 (Annex 2B), the anticipated budget 2023-2024 (Annex 2F) and the financial forecast 2024-2025 (Annex 2G).

The Treasurer and the Secretariat have enlisted the financial expertise of Finovion, an umbrella organization for administration offices in the Netherlands to ensure that the balance is made according to the appropriate standards.

The format of this Financial Report is according to the standards of Finovion.

Decision

To approve the financial report 2022-2023 and to grant discharge to the Daily Board.

Clarifications on the Financial Report 2022-2023

The financial year 2022-2023 runs from May 1, 2022, to April 30, 2023

General

In preparing the financial statement, the GPM annual term closes with a profit of **€9,711**.

Compared to the profit of the previous financial year (**€55,877**), the profit of 2022/2023 has substantially decreased. This is because a significant grant of the British Council ended in the previous financial year. The income in the financial year 2022- 2023 came solely from the membership fees and the contribution from the City of The Hague for the position of the Executive Director and the location of the GPM Secretariat at the city hall of The Hague.

The 2022-2023 budget was decided upon during the Annual General Meeting on October 6, 2022. The budget was based on an expected membership of 62 by 30 April 2023. Over the course of the financial year, the GPM welcomed 14 new members. Five members have left the GPM, due to overdue membership fee or changed leadership. Between May 2022 and April 2023, the GPM received the membership fees of 45 members.

In June 2023, the GPM created the 'associated partnership' as an additional paid arrangement for associations of mayors or cities to join the GPM. An associated partner can delegate maximum two mayors to participate in the GPM. In December 2023, the Sicilian branch of ANCI, the National Association of Italian Cities, joined the GPM as the first associated partner.

In 2022, the GPM also established the candidate-membership to introduce mayors to the GPM who distinguish themselves with outstanding leadership, but have limited budgets. In 2022-2023, the GPM counted four candidate members.

In June 2022, Mayor Marcin Krupa of Katowice, Poland, hosted the GPM Annual Summit with the title: "Transforming Together: How Cities Must Lead Democratic, Inclusive, and Innovative Global Change". The Annual Summit took place prior to the World Urban Forum which was also hosted by the mayor of Katowice. Over 45 mayors representing 20 countries participated in the mayoral debates of the GPM Summit, along with leaders of city networks, and representatives of international organizations, including representatives from UN Habitat, OECD, Welcoming International, Chicago Council on Global Affairs and Peace in Our Cities.

In 2022, the GPM, together with the German Marshal Fund and the Pact of Free Cities, developed the Global Declaration of Mayors for Democracy. This initiative emanated from the partnership of the GPM and the GMF in the US Summit for Democracy hosted by the Biden Administration in December 2021, and the Pact of Free Cities which was established in 2019. Early 2023, the Declaration, signed by over 250 mayors worldwide, was presented at the second US Summit. The Global Declaration for Democracy and the opportunity to participate in the US Summit for Democracy, substantially increased the visibility of the GPM and created new contacts with mayors and opportunities to cooperate with international organizations.

Over the course of the financial year 2022-2023, the GPM, as partner of the G7 Urban7 Group, had the unique opportunity to make the voice of cities heard in the G7 process. In September 2022, the GPM Chair joined the first-ever G7 ministerial meeting for Sustainable Urban Development on behalf of the U7. The participation of the GPM at this ministerial level was a remarkable sign of progress towards the goal of the GPM of fostering multi-level governance and the GPM's vision of a future in which mayors are equal partners in building global governance for an inclusive and sustainable world.

From January 2023 onwards, the GPM, together with ICLEI, will host the U7 Secretariat as a permanent support of future U7 activities.

In 2022-2023, the city of Mannheim has reached out to the German government for structural financial support of the GPM in 2023-2025. Through Engagement Global and their Service Agency Community in One World, the German Federal Ministry for Economic Cooperation and Development has agreed to finance the position of the GPM Executive Director from September 1, 2023 until August 31, 2025.

Substantive remarks

Income from memberships

On 1 May 2023, the GPM counted 45 paying members with an average fee of **€2,900**. In the 2022-2023 budget, the number of members was set at 62 members to finance the organization.

A point of attention is the timely payment of membership fees. In particular in connection with the number of members that are still below the set goal and the associated lower income from membership fees. On 1 May 2023, the total amount of unpaid membership fees 2022-2023 was **€33,367**. Additionally, the outstanding membership fees of previous years on 1 May 2023, was **€52,159**.

Other income

Since the founding of the GPM in 2016, the City of The Hague has hosted the GPM Secretariat and partly covered the costs of the Secretariat team. In 2022-2023, The Hague has continued to cover the office space of the Secretariat office (**€28,000**) and the full-time position of the Executive Director (**€80,000**).

Personnel costs

The GPM has been responsible for ensuring the personnel costs of a part-time senior programme officer at the GPM Secretariat, a part-time junior program officer trainee (0,5), a part-time communication officer (0,4) between May-December 2022, and a full time intern between May-July 2022 and March-April 2023.

General reserves

This year, the profit of the positive balance (**€9,711**) will be added back to the obligatory financial reserves. On 30 April 2023, the Equity of capital amounts to **€78,444**.



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Global Parliament of Mayors

Statutory seat: 's-Gravenhage

Annual accounts for the period 1 May 2022 - 30 April 2023

Chamber of Commerce file:	69683301
Date:	1 June 2023
Compiled by:	S. van Praag
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Global Parliament of Mayors

Statutory seat: 's-Gravenhage

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**Global Parliament of Mayors
Attn. the board
Postbus 12600
2500 DJ 'S-GRAVENHAGE**

Rotterdam, 1 June 2023

Dear board

Hereby we report on the annual accounts for the period 1 May 2022 - 30 April 2023 of your association.

Introduction

Enclosed we offer you: the annual accounts for the period 1 May 2022 - 30 April 2023 of Global Parliament of Mayors, seated in 's-Gravenhage, Spui 70.

General

The organization was founded as a association on 22 September 2017, in particular, with the object of:

Taking care of administrative and financial matters of Global Parliament of Mayors.

The association has been registered at the Chamber of Commerce for The Hague under file 69683301 and is statutory seated in 's-Gravenhage.

With regard to the taxes the association is covered by the unit Belastinginspectie Haaglanden/kantoor Den Haag and registered by fiscal number 857966637.

The wages administration is done by our office. The income tax return is compiled by our office.

During the reporting period the average number of employees was 2.

Composition of the board at 30 April 2023

Chairman:	Mr P. Kurz
Vice Chairman:	Mr R. Lowe
General board member:	Mr B.K. Barnett
General board member:	Mr R.B. Antunes Machado Rio

Yours sincerely,
Finovion Rotterdam B.V.

Assistant: S. van Praag

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Global Parliament of Mayors
Statutory seat: 's-Gravenhage

Annual report

No compilation report issued

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Global Parliament of Mayors

Statutory seat: 's-Gravenhage

Annual report

Explanatory notes to the results

(in EUR)

Based upon the income and expenditure account, the results for the period 1 May 2022 - 30 April 2023 and the period 1 May 2021 - 30 April 2022 can be presented as follows (in EUR and as a percentage of income):

	05/01/2022 - 04/30/2023		05/01/2021 - 04/30/2022	
	€	As a % of income	€	As a % of income
Income	225,934	100.0	317,599	100.0
Gross margin	225,934	100.0	317,599	100.0
Salaries and social charges	144,958	64.2	138,285	43.5
Other personnel related expenses	1,151	0.5	360	0.1
Accommodation costs	30,420	13.5	27,165	8.6
Administration costs and advisory fees	2,235	1.0	2,979	0.9
Office related expenses	1,652	0.7	1,908	0.6
General expenses	25,207	11.2	89,101	28.1
Provision costs	10,490	4.6	3,262	1.0
Operating expenses	216,113	95.7	263,060	82.8
Operating result	9,821	4.3	54,539	17.2
Financial result	(110)	-	1,338	0.4
Total result	9,711	4.3	55,877	17.6

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Global Parliament of Mayors

Statutory seat: 's-Gravenhage

Annual report

Explanatory notes to the results

(in EUR)

The total result decreased by € 46,166 compared to the period 1 May 2021 - 30 April 2022, which can be specified as follows:

	<u>05/01/2022 - 04/30/2023</u>
Decrease in gross margin	(91,665)
Increase in salaries and social charges	6,673
Increase in other personnel related expenses	791
Increase in accommodation costs	3,255
Decrease in administration costs and advisory fees	(744)
Decrease in office related expenses	(256)
Decrease in general expenses	(63,894)
Increase in provision costs	<u>7,228</u>
On balance a decrease in operating expenses	<u>(46,947)</u>
Decrease in operating result	(44,718)
Decrease in financial result	<u>(1,448)</u>
Decrease in total result	<u>(46,166)</u>

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Global Parliament of Mayors

Statutory seat: 's-Gravenhage

Balance sheet at 30 April 2023

ASSETS

(in EUR)

	<u>Note</u>	<u>30 April 2023</u>	<u>30 April 2022</u>
CURRENT ASSETS			
Receivables	1		
Trade receivables		<u>33,367</u>	<u>41,422</u>
		33,367	41,422
Cash and cash equivalents	2	<u>61,195</u>	<u>45,104</u>
		<u>94,562</u>	<u>86,526</u>

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LIABILITIES

(in EUR)

	<u>Note</u>	<u>30 April 2023</u>	<u>30 April 2022</u>
Equity	3		
Capital		<u>78,444</u>	<u>68,733</u>
		78,444	68,733
Current liabilities	4		
Trade payables		350	13,775
Taxes and social charges		2,154	2,125
Accruals		<u>13,614</u>	<u>1,893</u>
		<u>16,118</u>	<u>17,793</u>
		<u>94,562</u>	<u>86,526</u>

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Global Parliament of Mayors

Statutory seat: 's-Gravenhage

Income and expenditure account for the period 05/01/2022 - 04/30/2023

(in EUR)

	<u>Note</u>	<u>05/01/2022 - 04/30/2023</u>	<u>05/01/2021 - 04/30/2022</u>
Income	5	<u>225,934</u>	<u>317,599</u>
Gross margin		225,934	317,599
Salaries and social charges	6	144,958	138,285
Other operating expenses:	7		
Other personnel related expenses		1,151	360
Accommodation costs		30,420	27,165
Administration costs and advisory fees		2,235	2,979
Office related expenses		1,652	1,908
General expenses		25,207	89,101
Provision costs		<u>10,490</u>	<u>3,262</u>
Operating expenses		<u>216,113</u>	<u>263,060</u>
Operating result		9,821	54,539
Interest income and related income		36	-
Other financial income		38	1,338
Other financial expenses		<u>(184)</u>	<u>-</u>
Financial result	8	<u>(110)</u>	<u>1,338</u>
Total result		<u><u>9,711</u></u>	<u><u>55,877</u></u>

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Global Parliament of Mayors

Statutory seat: 's-Gravenhage

General notes and accounting policies

Entity information

Name

Global Parliament of Mayors

Legal form

Association

Registered office

's-Gravenhage

Registration number at the Chamber of Commerce

69683301

Activities

The organization's most important activities are:

Taking care of administrative and financial matters of Global Parliament of Mayors.

Address

Spui 70
2511 BT 's-Gravenhage

Accounting policies

General accounting policies

The financial statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, in conformity with the Guidelines for Annual Reporting for small enterprises.

Accounting policies for the valuation of assets and equity and liabilities

Assets and liabilities

Unless otherwise stated, all assets and liabilities are stated at face value.

Receivables

The receivables are stated at face value less any required provision for doubtful debts. Unless otherwise stated, the remaining term for receivables is less than one year.

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Global Parliament of Mayors

Statutory seat: 's-Gravenhage

General notes and accounting policies

Cash and cash equivalents

Cash and cash equivalents are at free disposal of the company and consist of directly collectable claims on credit facilities and cash facilities, unless stated otherwise.

Current liabilities

The current liabilities and accruals are loans with a term of less than one year and are stated at face value, unless otherwise stated.

Accounting policies for the profit and loss account

Income

Income means the amounts charged to third parties for delivered goods and services, excluding VAT.

Salaries and social charges

Wages, salaries and social security contributions are recognized in the profit and loss account on the basis of the conditions of employment to the extent that they are owed to employees.

Other operating expenses

Other operating expenses are attributed to the financial year to which they relate.

Interest income and related income

Interest income and similar income is recognized on a time-proportionate basis, taking into account the effective interest rate.

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Global Parliament of Mayors

Statutory seat: 's-Gravenhage

Balance sheet disclosures

(in EUR)

CURRENT ASSETS

1) Receivables

Summary of the receivables

Trade receivables

<u>04/30/2023</u>	<u>04/30/2022</u>
<u>33,367</u>	<u>41,422</u>

Detailed breakdown of the receivables

Trade receivables

Trade debtors

85,526 83,091

Provision for doubtful debts

(52,159) (41,669)

33,367 41,422

2) Cash and cash equivalents

ING Bank N.V.

61,195 45,104

Explanatory note

The cash is freely available to the entity.

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Global Parliament of Mayors

Statutory seat: 's-Gravenhage

Balance sheet disclosures

(in EUR)

LIABILITIES

3) Equity

<i>Summary of the equity</i>	04/30/2023	04/30/2022
Capital	78,444	68,733

Specification of and changes in equity

Capital

	Capital at 05/01/2022	Intakes minus deposits 2022 / 2023	Result 2022 / 2023	Capital at 04/30/2023
Global Parliament of Mayc	68,733	-	9,711	78,444

4) Current liabilities

<i>Summary of the current liabilities</i>	04/30/2023	04/30/2022
Trade payables	350	13,775
Taxes and social charges	2,154	2,125
Accruals	13,614	1,893
	16,118	17,793

Detailed breakdown of the current liabilities

Trade payables

Trade creditors	350	13,775
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Taxes and social charges

Wage tax payable	2,154	2,125
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Detailed breakdown of the taxes and social charges

Course of balance sheet item

Wage tax payable

	Balance at 04/30/2022	Paid / Received	Balance at 04/30/2023
Wage tax payable March 2022	1,469	(1,469)	-
Wage tax payable April 2022	656	(656)	-
Wage tax payable April 2023	-	-	2,154
	2,125	(2,125)	2,154

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Global Parliament of Mayors
Statutory seat: 's-Gravenhage

Balance sheet disclosures

(in EUR)

Accruals

	<u>04/30/2023</u>	<u>04/30/2022</u>
Deferred membership fees	11,599	-
Administration costs payable	1,100	1,100
Accrued expenses	915	793
	<u>13,614</u>	<u>1,893</u>

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Global Parliament of Mayors

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Income and expenditure account disclosures

	05/01/2022	05/01/2021
(in EUR)	-	-
	04/30/2023	04/30/2022
5) Income		
Income	<u>225,934</u>	<u>317,599</u>
<i>Detailed breakdown of the income and direct expenses per group</i>		
Income		
Membership fees	117,934	136,533
Incidental contributions	108,000	181,066
	<u>225,934</u>	<u>317,599</u>
6) Salaries and social charges		
Wages and salaries	<u>144,958</u>	<u>138,285</u>
<i>Detailed breakdown of the wages and salaries and social security contributions</i>		
Wages and salaries		
Personnel related expenses	<u>144,958</u>	<u>138,285</u>
Average number of employees		
<i>Explanatory note</i>		
During the reporting period the average number of employees was: 2 (previous period: 2).		
7) Other operating expenses		
Other personnel related expenses	1,151	360
Accommodation costs	30,420	27,165
Administration costs and advisory fees	2,235	2,979
Office related expenses	1,652	1,908
General expenses	25,207	89,101
Provision costs	10,490	3,262
	<u>71,155</u>	<u>124,775</u>
<i>Detailed breakdown of the other operating expenses</i>		
Other personnel related expenses		
Other personnel costs	<u>1,151</u>	<u>360</u>
Accommodation costs		
Housing and overhead	<u>30,420</u>	<u>27,165</u>

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Global Parliament of Mayors

Statutory seat: 's-Gravenhage

Income and expenditure account disclosures

	05/01/2022	05/01/2021
(in EUR)	-	-
	04/30/2023	04/30/2022
Administration costs and advisory fees		
Administration costs	2,235	2,047
Legal advice	-	932
	<u>2,235</u>	<u>2,979</u>
Office related expenses		
Subscriptions	<u>1,652</u>	<u>1,908</u>
General expenses		
Insurances	653	653
Bank charges	592	501
Representation expenses	1,865	1,383
Travel expenses	7,757	8,514
General communication costs	6,642	18,266
Website domain	1,802	4,341
Project and event costs	5,486	54,919
Fines	65	204
Other general expenses	345	320
	<u>25,207</u>	<u>89,101</u>
Provision costs		
Addition to provision for doubtful debts	<u>10,490</u>	<u>3,262</u>
8) Financial result		
Interest income and related income	36	-
Other financial income	38	1,338
Other financial expenses	(184)	-
On balance an expense / income	<u>(110)</u>	<u>1,338</u>
<i>Detailed breakdown of the financial result</i>		
Interest income and related income		
Interest bank	<u>36</u>	<u>-</u>
Other financial income		
Miscellaneous income	<u>38</u>	<u>1,338</u>

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Global Parliament of Mayors
Statutory seat: 's-Gravenhage
Income and expenditure account disclosures

	05/01/2022	05/01/2021
(in EUR)	-	-
	<u>04/30/2023</u>	<u>04/30/2022</u>
Other financial expenses		
Miscellaneous expenses	<u>184</u>	<u>-</u>

's-Gravenhage, 1 June 2023

P. Kurz, voorzitter R. Lowe, vice-voorzitter

B.K. Barnett R.B. Antunes Machado Rio