

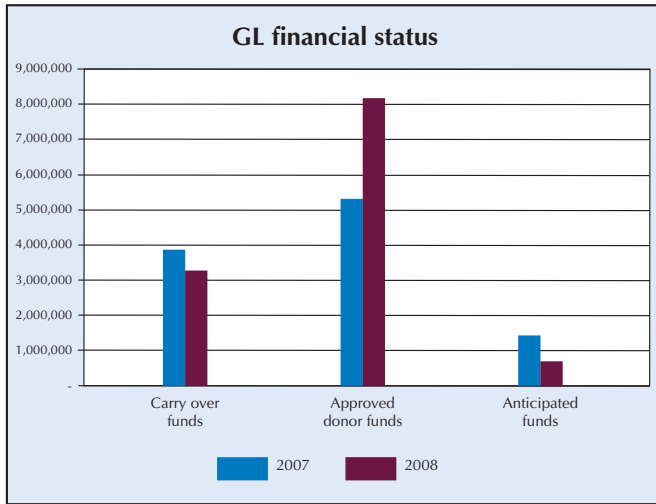
# Financial Report

By Michael Havenga



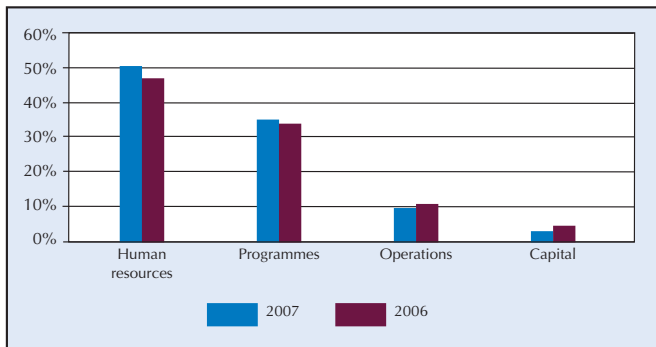
Gender Links ended the 2006/2007 financial year with a positive audit and in a comparatively healthy financial position. Compared to the previous year GL had lower carry over funds but a higher proportion of approved funds. Carry over, plus approved plus anticipated amounted to R12 million compared to R10.9 million the previous year.

## Comparative position 2007 vs 2008 financial year



## Expenditure

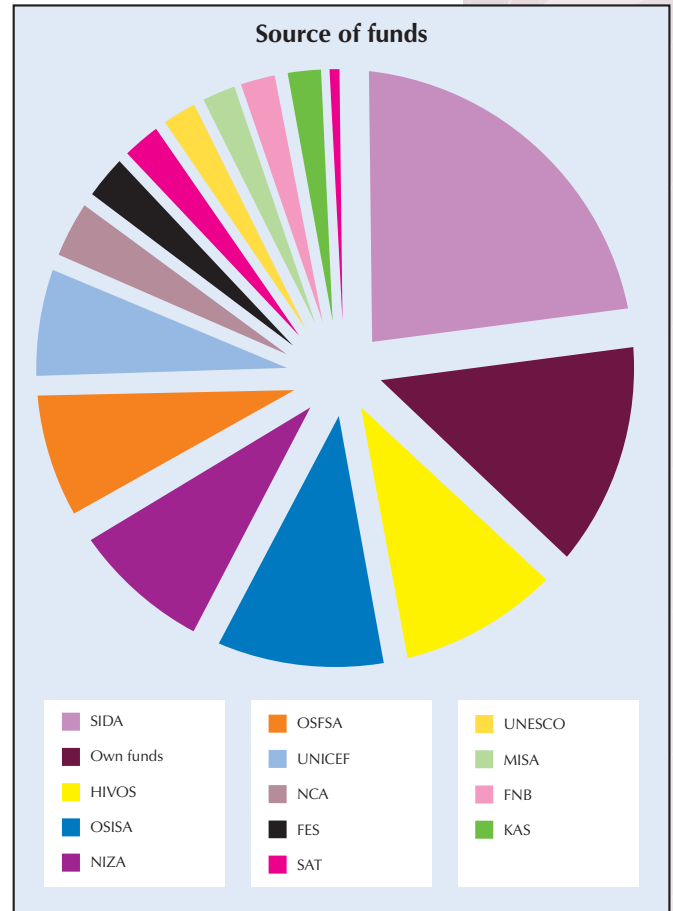
Our expenditure continued to show a health balance between staff and human resource costs (about half the total) and the balance between programme, operational and capital costs. Compared to 2005/2006, GL spent a slightly higher proportion on human resources (consistent with increasing the staff base) as well as programmes. GL spent a slightly lower proportion on operational and capital costs. Capital costs were high in 2005/2006 due to the purchase and repair work on a house.



## Source of funds 2006/2007

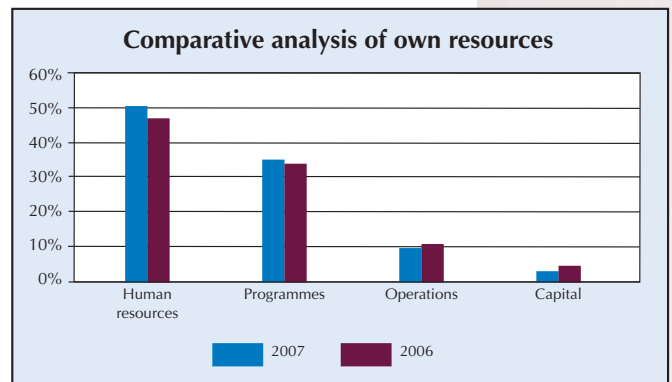
SIDA, which supports the MAP project, topped the list of donors (25 percent) followed by Hivos (10 percent); OSISA (9.4 percent) and NIZA (6.9 percent). The diversification of the portfolio is healthy, and reduction from 25 to 13 sponsors greatly assists financial administration. Strong support by a bilateral donor (Sweden) and news of funding for our

governance work by DANIDA as this report was being finalised gives GL hope for a more manageable funding portfolio in the future.



## Comparative analysis of own resources

GL is pleased that 13% of resources came from funds generated internally (R 841,906 or double the previous year). This resulted from increases in the sale of publications; renting out of our conference and office facilities; interest received and reclaim of Value Added Tax (VAT).



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## Sustainability

“The time has arrived for donors to join hands to address the serious project-funding impediments to the work of GL and to strengthen its core-cost financial capacity and sustainability in the struggle for gender equality.

A **key recommendation** is that donors enter into long-term (3-5 year) funding agreements with GL and that they also include core costs for 5 staff salaries in key posts (the Executive Director, Deputy Director, Head of Research, Head of Training and Office Manager) and other running costs in these agreements. A special donor round table meeting should be convened by GL for this purpose, with the assistance of some of its long-standing donor partners.”  
- GL evaluation 2006

During the next three years a key focus will be to ensure GL’s sustainability through increasing the proportion of core funding raised; greater cost recovery, wise investments and exploring business opportunities.

GL recognises that in the gender and media field much of the funding comes from private foundations that are not in a position to provide core funding. Hivos, a northern NGO, is the only donor that currently provides GL with any kind of core support, amounting to less than two percent of GL’s annual budget. To determine what would be a reasonable mix of core support and project funding GL prepared an indicative budget for 2007-2010.

The calculations are based on:

- A costing of human resources (based on the staff complement proposed in this strategy and consultant costs), operational and capital costs.
- Estimates of project costs based on the priorities identified in the strategy.
- An assumption that 10 percent of project costs can be put towards operational costs (most projects make such a provision).
- 5% inflation escalation each year.

When expected resources from projects that can be applied to covering project costs, operational and human resource costs are subtracted from the total, there is a shortfall of 10-15 percent each year. This resonates with GL’s own assessment that it is operating at about 85 percent of the staff and operational funds that it needs.

### Next steps

- Make a case for donors that are in a position to do so (especially bilateral donors) to contribute at least 10-15 percent of their funds to support core costs, and work to increase this proportion over the three years.
- Convene a donor round table with donors that may be in a position to structure a basket funding arrangement with GL.
- Demonstrate GL’s commitment to sustainability through continued improvement of costs recovery (through VAT reclaims, interest, sale of publications and renting of the conference facility); explore options for gradually developing advisory services into a business unit; and of joining no-risk-attached broad based empowerment investments in South Africa that could yield a flow of some core support in the future.

### INCOME STATEMENT FOR THE YEAR ENDING 28 FEBRUARY 2007

Source	Funds Received (R)	Other Revenue (R)	Interest Received (R)	Total (R)	Prior Year (R)
<b>Donor Funds</b>				<b>5,736,016</b>	<b>7,426,725</b>
NIZA	458,039				
UNESCO	187,496				
Foundation for Human Rights	15,000				
HIVOS	661,564				
Friedrich Ebert Stiftung	279,811				
OSFSA	359,900				
SIDA	1,692,404				
OSISA	619,277				
KAS	138,038				
UNICEF	358,330				
NCA	308,582				
SAT	232,175				
CAGE	125,400				
Media Institute SA	150,000				
First National Bank	150,000				
<b>Donor Funds (GEMSA)</b>				-	<b>909,063</b>
<b>Sub Total</b>	<b>5,736,016</b>	-	-	<b>5,736,016</b>	<b>8,335,788</b>
<b>Other Revenue</b>		363,123		<b>363,123</b>	<b>79,595</b>
<b>Interest Received</b>			273,930	<b>273,930</b>	<b>139,097</b>
<b>Extraordinary Item-VAT</b>				<b>243,511</b>	<b>219,378</b>
<b>Total</b>	<b>5,736,016</b>	<b>363,123</b>	<b>273,930</b>	<b>6,616,580</b>	<b>8,773,858</b>

## Financial report

Expense summary and percentages for the year ending 28 February 2007				
	2007 (R)		2006 (R)	
Expense	Amount	%	Amount	%
<b>Human Resources</b>				
Staff	2,229,141	31.15%	1,857,807	30.31%
Partners/Consultants	1,398,353	19.54%	1,074,032	17.52%
<b>Sub Total</b>	<b>3,627,494</b>	<b>50.69%</b>	<b>2,931,839</b>	<b>47.84%</b>
<b>Programmes</b>				
Workshops	1,855,249	25.92%	1,360,071	22.19%
Publications & Productions	613,500	8.57%	686,531	11.20%
Conference Facilities	38,658	0.54%	7,192	0.12%
Website & IT Costs	92,357	1.29%	111,243	1.82%
<b>Sub Total</b>	<b>2,599,764</b>	<b>36.33%</b>	<b>2,165,037</b>	<b>35.33%</b>
<b>Operational Expenses</b>				
Audit Fees	19,020	0.27%	14,219	0.23%
Bank Charges	40,073	0.56%	34,337	0.56%
Cleaning	16,522	0.23%	-	0.00%
Courier & Postage	30,411	0.42%	13,441	0.22%
Depreciation	70,640	0.99%	61,968	1.01%
Electricity, Water & Rates	22,198	0.31%	863	0.01%
Entertainment	5,559	0.08%	-	0.00%
Equipment Maintenance	47,613	0.67%	141,209	2.30%
Governance	51,478	0.72%	50,767	0.83%
Interest Paid	31,220	0.44%	33,181	0.54%
Insurance	16,582	0.23%	-	0.00%
Levies	2,315	0.03%	5,693	0.09%
Loss on Sale of Asset	25,266	0.35%	5,693	0.09%
Motor Vehicle Expenses	27,581	0.39%	46,019	0.75%
Printing & Stationery	96,770	1.35%	83,176	1.36%
Registration Fees	-	0.00%	4,000	0.07%
Repairs & Maintenance	29,465	0.41%	28,761	0.47%
Rent	-	0.00%	42,866	0.70%
Security	4,012	0.06%	-	0.00%
Subscriptions	300	0.00%	-	0.00%
Staff Welfare	20,803	0.29%	12,731	0.21%
Telephone & Fax	127,434	1.78%	78,782	1.29%
Travel	39,766	0.56%	17,253	0.28%
<b>Sub Total</b>	<b>725,028</b>	<b>10.13%</b>	<b>674,999</b>	<b>11.01%</b>
<b>Capital Expenditure</b>	<b>204,537</b>	<b>2.86%</b>	<b>356,999</b>	<b>5.82%</b>
<b>Totals</b>	<b>7,156,823</b>	<b>100.00%</b>	<b>6,128,874</b>	<b>100.00%</b>