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To: International Commissioners

August 2005

Accounts and Balance Sheet at 30 September 2004

Dear Colleagues,

1. I am pleased to send you the audited Accounts and Balance Sheet of the World Scout Bureau for the year ended 30 September 2004, which have been approved by the World Scout Committee.

I am happy to report, as shown under page 5 of the report, that the **Geneva Central Office** was able to close its fiscal year ending 30 September 2004 with a **surplus of CHF 20,675**, thus maintaining the practice of having balanced yearly accounts for the past eighteen years, with the exception of year 1993-1994.

The Arab, Asia-Pacific, Eurasia and Interamerican Regional Offices balanced their accounts whereas the Africa and European Regional Offices ended their fiscal year with a deficit. The significant surplus of the Asia-Pacific Office was carried over into its 2004-2005 budget. The 2003-2004 fiscal year ended with a **consolidated surplus at world level of CHF 21,376**. Though immaterial when compared to the total consolidated income or expenditure of some CHF 11.5 million, I am pleased with this positive result after last year's small deficit, thus renewing the many years of consolidated positive results.

2. To the extent that the Geneva Central Office represents some 70% of the consolidated income and expenditure (after transfer of allocations to Regional Offices), I think it is worth concentrating on some key factors of the financial management of this office which contributed to enabling it to balance its accounts.

As a matter of principle, this office continues to apply prudent management measures and strict budgetary control thanks to the tools it developed. Month after month, the Bureau is making sure that its expenses are globally adapted to the available income and that only necessary expenses are made.

Like previous years, registration fees still represent a major source of income – some 70% of our operational income. The registration fee system adopted in 1996 in Oslo, adjusted in 1999 in Durban and in 2002 in Thessaloniki, in favour of less privileged National Scout Organizations (NSOs) has again proved its effectiveness. We note however that NSOs tend to pay later in the year, and that some of them are facing increasing difficulties to honour this constitutional obligation.

Our thanks have therefore to go here to all those Member Organizations which, during this fiscal year 2003-2004, have continued to respect the spirit of this fee system in regularly paying their fees, current or arrears, particularly since we are well aware that this represents a significant financial burden for some of them.

3. Our 2004-2005 fiscal year is still proving uncertain. If indeed our expenses are well in line with the budget approved by the World Scout Committee, the balancing of our annual accounts will mainly depend on the fees collected by the closing date of our fiscal year in six weeks time. Whereas the annual fee is due as from 1st October of each fiscal year, regrettably as said above, a large number of NSOs usually pay their fees in the last couple of months of the fiscal year. This makes estimating the fees still to be received quite difficult and planning of expenditure even more so. For example, as at 31 July 2005, 57 NSOs had still not paid their current fees for a total amount of some CHF 1.228 million.

You will be interested to learn that, after a trial run during fiscal year 2001-2002, the World Scout Bureau has submitted to the World Scout Committee as it did in 2003-2004, a 2004-2005 budget of expenditure presented not only under the traditional format of type of expenses, but also under an analytical format expressing budgeted expenses by Strategic Priorities. The World Scout Committee adopted this presentation and receives regular reporting of expenses also by Strategic Priorities and no longer only by type of expenditure.

4. My major worry today concerns our 2005-2006 budget. Indeed, the World Scout Foundation, which is a major contributor to the World Scout Bureau budget since its annual grant represents some 25% of our operational income, will not be in a position to increase its annual grant, which was reduced by 25% already for our 2003-2004 fiscal year. It is now two years in a row that we have had to adjust to this significant reduction and we will have to do the same for the coming fiscal year.

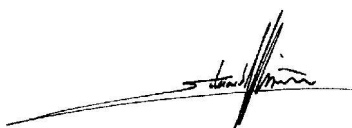
We are actively seeking alternative sources of income and are developing new fundraising strategies at every level of the World Scout Bureau. These will however not bear fruit immediately. In the meantime, I have asked each office of the World Scout Bureau to be very careful with their expenses for the last months of this 2004-2005 budgetary year, to save on any expense which can be avoided and to very carefully plan their next year's budget. It is therefore very important that all National Scout Organizations which have not yet paid their 2004-2005 current fees do so promptly in order to help us reach our 2004-2005 budgeted income since we need to carry forward part of this year's income to 2005-2006.

We are monitoring this situation as closely as possible. We continue to manage our income in the most cost effective way through our day-to-day efforts, keeping our expenses at a level which is in line with our income, strategic priorities objectives, and budget. You will be pleased to note that in this spirit of good governance, all offices of the World Scout Bureau have satisfactorily gone through a financial management internal audit.

In the meantime, we continue to look for efficiency and excellence in our performance in the achievement of our objectives.

I am of course at your disposal, should you need additional information, and I thank you very much for your continuing support.

Yours in Scouting,



Eduardo Missoni
Secretary General

Enclosure: A/S

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