



World Organization of the Scout Movement
Organisation Mondiale du Mouvement Scout

World Scout **Bureau** Mondial du Scoutisme

P.O. Box 241
CH-1211 Geneva 4
Switzerland

Rue du Pré-Jérôme 5
CH-1205 Geneva
Switzerland

Tel: (+41 22) 705 10 10
Fax: (+41 22) 705 10 20

worldbureau@world.scout.org

CIRCULAR N° 16/2003

To: International Commissioners

July 2003

Accounts and Balance Sheet at 30 September 2002

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 2002, which have been approved by the World Scout Committee at its last meeting on 12-13 April 2003 in Kandersteg, Switzerland.

I am happy to report, as shown under page 5 of the report, that the **Geneva Main Office** was able to close its fiscal year ending 30 September 2002 with a **surplus of CHF 11,344**, thus maintaining the practice of having balanced yearly accounts.

The Asia-Pacific and the Eurasia Regional Offices closed their fiscal year with a slight deficit due respectively to higher than expected transition costs between two Regional Directors and to higher than budgeted social charges. The four other **Regional Offices** ended up with a surplus which enabled us to close the 2001-2002 fiscal year with a **consolidated surplus at world level of CHF 153,156**, which, despite the restrictions inherent to this global figure (see page 9 note 2 paragraph 4), is welcome in the uncertain situation (see paragraph 4 below).

2. Several reasons explain this good result.

The first reason is that, as a matter of principle, we have continued to apply prudent management measures and strict budgetary control, making sure, month after month, that our expenses were globally adapted to the available income and that only necessary expenses were made.

The second reason is that, in the same spirit, we have kept on improving our internal financial procedures, particularly regarding relationships on financial matters with Regional Offices, making sure that every office has appropriate budget monitoring tools.

The third, important, reason is that the registration fee system adopted in 1996 in Oslo, adjusted in 1999 in Durban, continued to prove its effectiveness for the sixth consecutive year. At the opening of the 2002 World Conference in Thessaloniki – at which the fee system was again adapted in favor of less privileged National Scout Organizations – no National Scout Organization but one, (suspended for constitutional reasons), had unpaid fee arrears due on previous years.

By the end of the fiscal year 2001-2002 under review, 90% of the fees invoiced for that year had been collected, which, for an INGO of our nature, is considered to be an excellent collection rate. This is the confirmation that this fee system is adapted to the present financial worldwide environment, even if some individual cases require particular attention.

Still by the end of the fiscal year, we were short on our budgeted income from fees by some CHF 299,000 (of which some CHF 250,000 was due by a single NSO) which unfortunately turned out to become arrears as from 1st October 2002, beginning date of our 2002-2003 fiscal year.

Our thanks go here to all those Member Organizations which, during this fiscal year 2001-2002, have continued to respect the spirit of the fee system in regularly paying their fees, even if we are well aware that this represents a significant financial burden for some of them.

An important factor in the good fee collection rate is that the World Scout Committee is applying, constantly and rigorously, the "policy on payment of registration fees" which it adopted in 1996 and which is now well known to all WOSM Members. You will be interested to know that, thanks to measures taken, only 14 National Scout Organizations had not paid their 2001-2002 fee arrears for a total amount of CHF 302,023 (\pm USD 232,000) as at 31 May 2003, our current budget year.

3. Our 2002-2003 fiscal year is still proving uncertain. Indeed whereas our expenses are well in line with the budget approved by the World Scout Committee, the balancing of our annual accounts will mainly depend of the fees collected by the closing date of our fiscal year in three months time. A large number of NSOs are indeed usually paying their fees, for a significant amount, in the last couple of months of the fiscal year. For your information, as at 30 June 2003, 75 National Scout Organizations, i.e. 50% of WOSM Member Organizations had still not paid their current fees for a total amount of some CHF 2,3 million. I am therefore urging those National Scout Organizations which have not paid their fees yet to do so promptly.
4. In fact, our major worry today concerns the 2003-2004 budget. Indeed, the World Scout Foundation, which is a major contributor to the World Scout Bureau budget since its annual grant represents nearly 30% of our operational income, has been deeply affected by the disastrous situation on the financial markets since mid 2000. This will unavoidably affect significantly the amount which the Board of the World Scout Foundation, at its mid-September meeting in Denmark, will decide to grant to the World Scout Bureau for its next budgetary year.

I did not wait to take anticipating measures and I have already instructed each Regional Office of the Bureau and our Geneva headquarters, to reconsider their expenses for the last months of this 2002-2003 budgetary year, and to save on any expense which can be avoided. Special emphasis is also put on fundraising at every level of the World Scout Bureau. In Geneva, a departing executive in the Youth Programme Unit has not been replaced and her position has been filled by a full time fundraiser.

It is therefore of exceptional importance that all National Scout Organizations, which have not yet paid their 2002-2003 current fees, do so in order to help us reach our 2002-2003 budgeted income.

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, objectives, and budget. We have not increased our professional staff and are more and more capitalizing on volunteer assistance within the Movement. We are more than ever living within "a policy of our means". This should be a cause for concern at a time when all offices of the Bureau are deeply involved in the implementation of the Strategy adopted in Thessaloniki in 2002 and when we continue to face increasing demands for assistance from existing and yet to be recognized, National Scout Organizations.

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

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

Yours sincerely,

Jacques Moreillon
Secretary General

Enclosure: A/S
JM/LP/cf/CircularsA/C