

## NOTE ON ACCOUNTING YEAR 2007

1 January – 31 December 2007



The present note was prepared on April 23, 2008 based on the annual accounts drawn up by the Board and audited by Bice's statutory auditor Grant Thornton.

NB: Annual accounts are available upon request.



### I. GENERAL PRESENTATION OF THE BICE

Bice (International Catholic Child Bureau) is an international association governed by French Law, founded in January 1948 in Paris. Its headquarters are in Paris and its General Secretariat is located in Brussels.

Inspired by Christian values, Bice social mission is to promote the dignity and the rights of the child in accordance with the United Nations Convention on the Rights of the Child. Bice has an international representation, implements field projects, and is a network for exchanges, meetings and research on issues relating to the rights of the child.

Bice organisation reflects its international dimension as well as its members worldwide presence. Its regional delegations based in Brussels, Lahr (Germany) and Paris animate Bice members and partners network and implement field projects. The Geneva office handles international representation and research.

Public donations, subsidies (European Union, governments, foundations and private companies) and membership fees constitute Bice resources. Bice also receives contributions in kind (voluntary work), which are not quantified in the accounting system.

In 1987, Bice set up a Foundation under Swiss Law entitled "Pro Pueris". The aim of this Foundation is: *"to give direct and indirect aid, particularly of a financial, technical and legal nature, to the programmes and actions in all places. This aid is also directed to the administration of Bice and to the programmes, actions and other activities of not-for-profit organisations or associations proposed by this latter"*.

(Art. 2 Statutes)

### II. SIGNIFICANT EVENTS OF THE YEAR

2004/2005 financial year was marked by the post-Tsunami fundraising, and 2006 financial year by the restructuring whose cost was covered by an exceptional grant from Pro Pueris.

2007 financial year has not recorded significant events from a financial point of view.

### III. MAJOR ACCOUNTING POLICIES

Bice applies the principles of the French general accounting plan of associations.

#### 1°) Dedicated Funds

Funds received for projects, whether these are funds coming from fund-raising for a specific project, subsidies allocated to a project or donations allocated to one or several projects, are posted to a Dedicated Fund for the amount not yet spent at year-end.

For the funds resulting from the fund-raising activity, related direct expenses are deducted from the sums received for the calculation of the Dedicated Funds. For subsidies and donations, no expenses are deducted for the calculation of the Dedicated Funds, unless the financial backer explicitly allows them.

## 2°) Accounting for donations

Bice closed its books on December 31st, a traditional high income period. In accordance with a recognised practice of Associations, donations dated December 2007, but cashed in January 2008, have been identified and accounted for as receivables.

## 3°) Income and expenditure account methodology

The 2007 Income and Expenditure account follows the model of the "Comité de la Charte" while income and expenditures related to the December 26, 2004 disaster (Tsunami) are presented separately.

With regard to their origin, Bice's resources are presented in an analytical way, while expenditures are accounted according to their category (social missions, fund-raising expenses, administration expenses and miscellaneous expenses). The result appearing in the Income and Expenditure Account is strictly identical to the one that appears in the Balance Sheet and in the Profit and Loss account.

### Income and expenditure account year 2007 in euros

EXPENDITURE	2007	2006	INCOME	2007	2006
<b>1. Social missions, childhood programs</b>	<b>2 799 715</b>	<b>2 600 138</b>	<b>1. Income from public generosity</b>	<b>2 724 077</b>	<b>2 671 122</b>
1.1 Social missions abroad	2 595 561	2 441 694	1.1 Funds raised in France	2 705 570	2 638 442
1.1.1 Payments to partners	1 498 736	1 326 720	1.1.1 Unposted donations	2 405 048	2 468 972
1.1.2 Direct and indirect expenses for projects	1 096 825	1 114 974	1.1.2 Posted donations	15 621	0
			1.1.3 Unposted Legacies and other gifts	284 901	169 470
1.2 Awareness raising, training and promotion of childhood policies	204 154	158 444	1.2 Funds raised abroad	18 507	32 679
1.2.1 Advocacy and international representation	123 309	95 496	1.2.1 Unposted donations	15 208	32 448
1.2.2 Research and development	80 845	62 947	1.2.2 Posted donations	3 299	231
<b>2. Fund raising expenses</b>	<b>860 436</b>	<b>899 779</b>	<b>2. Other funds</b>	<b>1 717 123</b>	<b>1 567 413</b>
<b>3. Operating expenses and other costs</b>	<b>796 809</b>	<b>827 513</b>	2.1 Raised in France	138 793	15 886
3.1 Communication expenses	227 824	299 066	2.2 Raised abroad	1 578 330	1 551 527
3.2 Other operating expenses	568 986	528 447	<b>3. Other income</b>	<b>100 527</b>	<b>299 832</b>
<b>4. Remainings</b>	<b>222 840</b>	<b>539 093</b>	<b>4. Carry-over Resources</b>	<b>264 446</b>	<b>516 568</b>
<b>5. Exceptional program «Tsunami»</b>	<b>300 264</b>	<b>404 467</b>	<b>5. Exceptional program «Tsunami»</b>	<b>300 264</b>	<b>404 467</b>
5.1 Payments to partners	257 410	103 965	5.1 Funds raised from public	0	1 723
5.2 Other direct expenses	1 524	1 901	5.2 Other funds raised	191 883	0
5.3 Remainings	41 330	298 601	5.3 Financial income	6 193	8 276
			5.4 Resources to be used carried forward	102 188	394 468
<b>Net result for the year</b>	<b>126 372</b>	<b>188 411</b>			
<b>TOTAL EXPENDITURE</b>	<b>5 106 436</b>	<b>5 459 401</b>	<b>TOTAL RESSOURCES</b>	<b>5 106 436</b>	<b>5 459 401</b>

### Breakdown of costs

The breakdown of costs under the above-mentioned headings resulted in the reprocessing of costs by category (external expenses, staff expenses...). This breakdown has been carried out with the aid of analytical accounting for costs that are directly chargeable and a breakdown of indirect expenses (mainly salaries and general expenses) for the other costs.

### Directly chargeable Costs

These costs are mainly:

- **Social missions (field actions)**
  - Salaries and benefits of the staff of the Regional Delegations, responsible for the elaboration, implementation and follow-up of field project
  - Subsidies or grants allocated to our partners abroad for field activities and Bice direct expenses concerning these projects
- **Social missions (awareness-raising, training and promotion of childhood policies)**
  - Salaries and benefits of staff responsible for relations with international institutions and for research carried out on Children in Difficulty
- **Fund-raising costs**
  - Mailing costs (fees, printing, sorting and mailing, postage)
  - Expenses for the processing of donations
- **Communications expenses, mainly for the publication of the magazine "Enfants de Partout"**

## Indirectly chargeable Costs

These expenses include Bice salaries and general expenses, other than the ones, which are directly chargeable.

They are charged as follows:

- Breakdown of salaries and benefits based on a case by case estimate, of the time devoted to each activity (support to the Regional Delegations, fund-raising, communication, administration)
- Breakdown of general expenses, office by office, in proportion to the breakdown of the salaries that are directly or indirectly chargeable

## IV. INFORMATION ON INCOME AND EXPENDITURE ACCOUNT

Based on policies described in § III 3° Bice 2006 breakdown of costs is as follows:

In € thousands	Direct costs		Indirect costs		Total	In %	
	Salaries	Other	Salaries	Other		2007	2006
Social missions	566	1 927	41	62	2 596	58.3 %	56.4 %
Prom childhood policies	162			42	204	4.6 %	3.7 %
Fund raising	49	746	41	24	860	19.3 %	20.8 %
Communication	92	102	5	29	228	5.1 %	6.9 %
Other expenses	160	254	73	82	569	12.7 %	12.2 %
<b>Total</b>	<b>1 029</b>	<b>3 029</b>	<b>160</b>	<b>239</b>	<b>4 457</b>	<b>100 %</b>	<b>100 %</b>
Reminder 2006	802	2 680	563	286	4 331		

## Ratios

Expressed in % of total resources, Bice expenses are as follows:

	2007 in €	% 2007	% 2006
<b>Total income</b>	<b>5 106 436</b>	<b>100 %</b>	<b>100 %</b>
Social missions Including dedicated funds and Tsunami expenditures	3 322 819	65.1 %	64.9 %
Fund raising	860 436	16.8 %	16.5 %
Operating expenses	796 809	15.6 %	15.2 %
Result	126 372	2.5 %	3.4 %

## Balance sheet as of December 31, 2007 in Euros

Assets				Liabilities			
31/ 12/ 2007			31/ 12/ 2006	31/ 12/ 2007			31/ 12/ 2006
	Gross	Depreciation	Net				
<i>Fixed assets</i>					<i>Equity</i>		
Software	107 900	- 25 303	82 598	51 36	Social fund	967 745	967 745
Office furniture and equipment	70 309	- 59 167	11 141	15 793	Carried forward losses	- 350 891	- 539 302
Computer equipment	187 230	- 165 787	21 442	22 528	Profits (loss) for the year	126 372	188 411
Fixtures and fittings	14 907	- 257	14 650				
Deposits	30 928	0	30 928	36 747			
<b>Sub-total I</b>	<b>411 272</b>	<b>- 250 514</b>	<b>160 759</b>	<b>80 204</b>	<b>Sub-total I</b>	<b>743 226</b>	<b>616 854</b>
<i>Current assets</i>					<i>Dedicated funds</i>	<i>967 098</i>	<i>1 076 658</i>
Inventories	7 606	0	7 606	6 677	<i>Liabilities</i>		
Other receivables	305 706	- 12 231	293 475	231 131	Suppliers liabilities	69 856	78 051
Investments	241 194	0	241 194	639 995	Fiscal and social liabilities	114 134	107 842
Bank and cash	1 155 779	0	1 155 779	937 011	Other liabilities	61 019	60 403
<i>Accruals and deferrals</i>					Bank overdrafts	556	0
Prepaid expenses	99 696	0	99 696	49 458	<i>Accruals and deferrals</i>		
					Unearned revenues	0	0
<b>Sub-total II</b>	<b>1 809 980</b>	<b>- 12 231</b>	<b>1 797 749</b>	<b>1 864 271</b>	<b>Sub-total II</b>	<b>1 212 663</b>	<b>1 322 955</b>
Unrealised exchange gains					Unrealised exchange	2 619	4 666
<b>TOTAL</b>	<b>2 221 252</b>	<b>- 262 745</b>	<b>1 958 508</b>	<b>1 944 475</b>	<b>TOTAL</b>	<b>1 958 508</b>	<b>1 944 475</b>

## V. INFORMATION ON BALANCE SHEET

### 1°) Net fixed assets amounting to 160 759 K€

Net fixed assets increase by 80,555 € due to the cost of designing and developing a new communication system (internet site, resources center...).

### 2°) Miscellaneous receivables amounting to 293 475 €

All the other receivables have less than a year due date.

These receivables are as follows:

- Funds collected dated 2007 received in 2008 (Paris) ..... 256 266 €
- Miscellaneous, net of a provision of 12 231 € ..... 37 209 €

### 3°) Securities and investments amounting to 241 194 €

Securities and investments are exclusively money unit trusts or short-term deposits.

Investments in monetary unit trusts have been sold at year-end in order to record the related income.

### 4°) Equity (in Euros)

Change in equity	Au 31/ 12/ 07	Au 31/ 12/ 06	Au 31/ 12/ 05	Au 30/ 09/ 04	Au 30/ 09/ 03	Au 30/ 09/ 02
Associative funds	967 745	967 745	967 745	967 745	967 745	967 745
Result carried forward	- 350 891	- 539 302	- 203 053	- 24 337	14 863	- 148 163
Result of the financial year	126 372	188 411	- 336 249	- 178 716	- 39 201	163 026
Total equity	743 226	616 854	428 443	764 692	943 407	982 608

### 5°) Dedicated Funds amounting to 967 098 €

The change in Dedicated Funds has been as follows (in Euros):

	Tsunami	Others	Total
As of December 31, 2006	298 025	778 633	1 076 658
Exchange difference		- 7 096	- 7 096
Donations and private funds for projects	191 884	1 736 043	1 927 927
Financial income allocated to projects	6 193	12 901	19 094
Projects Direct expenses <sup>1</sup>	- 258 935	- 1 790 550	- 2 049 485
As of December 31, 2007	237 167	729 931	967 098

(1) other than financed by Bice own resources

Financial income from the investment of cash available for projects is allocated to projects, thus increasing dedicated funds by 19,094 €.

	Tsunami	Others	Total
As of December 31, 2006	298 025	778 633	1 076 658
Exchange difference		- 7 096	- 7 096
Less resources to be used carried forward	- 102 188	- 264 446	- 366 634
Plus resources remaining to be used	41 330	222 840	264 170
As of December 31, 2007	237 167	729 931	967 098

As of December 31, 2007, dedicated Funds (other than Tsunami) are as follows (in Euros):

Africa	Latin America	Asia	Europe CIS	Unallocated	Total
{ 142 252	{ 21 341	{ 90 192	{ 234 466	{ 241 680	{ 729 931

### 6°) Liabilities

All debts have less than a year a due date.

## VI. POST BALANCE SHEET EVENTS: None