

2014 Financial Report

Foreword: this report includes expenditures associated with the work originating at our Head Offices, the International Centre of ATD Fourth World, and relating to international public life, various transversal projects undertaken worldwide (MDGs, diffusion of the Guiding Principles on Extreme poverty and Human Rights, a seminar concerning the International ATD Fourth World Movement's governance,...), the dynamics of the "Forum for Overcoming Extreme Poverty", and that of youth programs in Europe as well as some of the International Movement Leadership Team's expenses. In addition, income and expenditures related to setting up locations in new regions or new antennas are also taken into account.

In 2014, the International ATD Fourth World Movement's actions were conducted as in 2013. The projects which have been started in previous years, continued according to their planned milestones. However, 2014 was marked by specific work on governance and concerning the life of the Movement through the relay of Mrs. Nina Lum-Yusun by Mr. Cassam Uteem as President of the Movement and by the nomination of Mrs. Janet Nelson as vice-president. This change did not have any direct effect on our accounts, except expenses related to holding a general assembly.

* The Millennium Development Goals Evaluation and the post-2015 agenda : After a particularly intense year during 2013 (seminars in Brussels, Pierrelaye, Ouagadougou, Tananarive and New York, lobbying and communication efforts...), 2014 was marked by actions linked to publishing the proposals developed during the OMD Evaluation and their dissemination to national, regional and international institutions. This commitment, so that the future Sustainable Development Goals will be conceived and put into place with the participation of the poorest populations took the form of participation in certain international events (climat conference ...), the beginning of a dialogue with the World Bank concerning the creation of new poverty indicators, preparing new projects linked to education in partnership with very disadvantaged people worldwide... This dynamic has received financial support from the French Development Agency and the Fondation for Human Progress.

* Diffusion of the Guiding Principles on « Extreme Poverty and Human Rights » : In 2014, a first draft of the manual concerning the implementation of the Guiding Principles was written in English, French and Spanish and many consultations and editing sessions were held in order to prepare the final version which will be published in 2015. This project was conducted in close collaboration with the International Franciscans Organization and with the support of the Philanthropia Fondation.

***Representation and actions with International Institutions** : As in previous years, the International ATD FW Movement supported the expenses related to representation with various international authorities such as UNESCO, the United Nations, the High Commission for Human Rights, the European Commission, etc., and conducted numerous activities seeking to promote and achieve the participation of people living in extreme poverty in the elaboration, the implementation and the assessment of public policies.

However, the expenditures relating to representation with international agencies are rather limited as in various countries the national ATD Fourth World branches include these expenses as part of their operating expenditure (ie. ATD USA, ATD Switzerland, ATD Belgium, ATD France etc.).

* **Governance:** The discernment group, responsible for the nomination of the current General Delegation, proposed to Eugen Brand, former General Delegate of the International Movement to lead the efforts concerning reflexion on our governance. These efforts have resulted in several regional seminars (Switzerland, France, USA) and an international seminar in Pierrelaye in November, on the occasion of the General Assembly of the International Movement. This work is based on Eugen Brand's experience since 1988, his reflexions on the governance of the Movement during this period and on the many contributions from the Movement's members. This effort has generated some expenses related to the organization of the seminars (transport, accommodation...) that have a significant impact on 2014 expenses. The Fondation for Human Progress has supported these efforts by offering accommodation for the November Seminar. This contribution is valued at €27,304. As an in-kind donation, it does not appear in the accounts (neither as an expenditure nor as revenue).

* **The European Fourth World Youth Dynamic:** the support of the different youth groups in Europe continued in 2014. In the absence of specific international projects, it was mainly driven by ATD national structures and therefore did not represent a significant budget.

* **The International Committee for October 17th:** The International Committee for October 17th met in April in Dublin (Ireland). The costs of this meeting were supported by ATD Fourth World Ireland, ATD Fourth World France and the International Movement ATD Fourth World.

The combination of all these factors led to a decrease in operating expenses, which decreased from € 308,109 in 2013 to € 243,580 in 2014.

Operating revenues decreased to a lesser extent resulting in a deficit of € 33,385, an improvement over the 2013 level of 85,396 €.

From a financial viewpoint, the result is € 40,034 (€ 32,992 in 2013) due to capital gains on funds.

Exceptional Results and provisions : the entire grant from the Philanthropia Foundation (€ 52,710) was recognized as income in 2014, however a significant portion, (€ 34,677) being intended for actions in 2015, has been provisioned. It therefore represents an expenditure and generates a deficit of € 34,677 in « Exceptional Results and provisions ».

**The total result for 2014 is a deficit of 28 028 €
(deficit of 52 200 € in 2013 and benefit of 35 702 € in 2012)**

Perspectives for 2015

In financial terms, the International Movement's activity for 2015 will be relatively stable when compared to 2014. The continued dynamic on the Sustainable development Goals, the dissemination of the Human Rights guidelines and various advocacy work (poverty indicators...) will maintain a significant level of expenditures for which grants are being requested or have been obtained (Philanthropia Foundation, UNESCO, International Organization of the Francophonie, the current application to the French Development Agency - AFD - ...).

In terms of its regular activity, the International Movement will continue its advocacy missions to international institutions and its efforts to ensure that the voices of the poorest people are heard. It will also continue to assume the youth dynamic in Europe.

It is also expected that the "Joseph Wresinski Foundation for a Culture of Eradication of Poverty" will finally emerge in 2015, under the auspices of the Institute of France. This creation would lead to the use of the funds allocated for this purpose. This would therefore have no direct impact on the financial results of the Movement, with the exception of a decline in financial products linked to lower financial reserves.

Income and Expenditure

I. EXPENDITURE IN EUROS	2014	2013
I.1. Operating Costs		
Rents and rental expenditure	6 988,43	11 663,71
Building maintenance, small equipment	200,37	161,42
Office supplies and minor computer equipment	910,24	3 680,38
Computer maintenance (software)		1 454,17
Books, documentation, printing costs	12 933,95	1 871,48
Postage	3 022,41	3 814,70
Telephone, internet, fax...	292,89	497,25
Transportation (gasoline, vehicles and toll tickets, visas, insurance)	63 961,03	87 669,91
Food, accommodation and materials for training sessions	8 734,42	45 788,82
Miscellaneous	1 091,93	1 159,36
Membership contributions, external seminar registrations	4 539,45	3 275,15
Salary expenses	88 090,06	121 276,01
Fees	14 808,55	23 295,57
Taxes	1 542,75	1 198,75
Depreciation	729,62	364,43
Banking Services	1 042,36	937,54
Total operating costs	208 888,46	308 108,65
I.2. Financial Costs		
Exchange costs and interest	15,37	90,46
Net expenses on sales of marketable securities		270,36
Provisions for depreciation		
Total financial costs	15,37	360,82
I.3. Projected use of allocated funds		
Retained for 2015 – portion of Philanthropia grant designated for 2015	34 676,60	
Total allocated funds	34 676,60	0,00
TOTAL EXPENDITURES	243 580,43	308 469,47
II. INCOME IN EUROS		
I.1. Operating Income		
ATD Quart Monde grant <i>Fondation ATD Quart Monde</i> <i>Mouvement ATD Quart Monde – Youth Dynamic</i>	0,00	0,00
Grants from international organisations <i>Fondation for Human Progress – MDG, DG and international advocacy</i> <i>French Development Agency (AFD) – MDG</i>	165 495,60 40 000,00 70 000,00	217 457,05 70 000,00 105 000,00

<i>Philanthopia Foundation – Guiding Principals</i>	52 709,60	
<i>Oxford Institute – MDG</i>		17 833,31
<i>Other (UNESCO, UNICEF, MAE, European Council, CCFD...)</i>	2 786,00	24 623,74
Donations collected via the ATD Fourth World Foundation	5 230,00	430,00
Incomes of activities (interventions ...) and donations collected in the countries	1 035,46	3 167,90
Participation to costs	3 742,46	1 657,29

Total operating income	175 503,52	222 712,24
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I.2. Financial Income

Income from Investment securities	6 999,01	5 978,88
Exchange rate gains	45,10	33,58
Net gains on sales of investment securities	27 710,95	8 444,74
Reversal of provisions for depreciation of investment securities	1 674,27	12 764,65
Interest	3 619,55	6 131,30

Total Financial Income	40 048,88	33 353,15
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I.3. Exceptional income and provisions

Other exceptional income		204,52
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Total exceptional income and provisions	0,00	204,52
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TOTAL INCOME	215 552,40	256 269,91
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Operating Results	-33 384,94	-85 396,41
Financial Results	40 033,51	32 992,33
Exceptional Results and provisions	-34 676,60	204,52
Total	-28 028,03	-52 199,56

The operating and financial results show a gap with the pamphlet : 3742.46€ have been treated as operating income in this financial report while they have been treated as financial income in the pamphlet.

Cost Distribution by Project

	France	Outside of France	Total
MDG and SDG	74 062,14	23 744,74	97 806,88
Guiding Principals (including a provision of 34 676,60 € : 2015)	12 260,00	42 188,73	54 448,73
Governance	21 690,40	10 283,63	31 974,03
General Delegation – DG - advocacy work	7 728,08	20 019,51	27 747,59
Poverty Indicators	166,28	2 633,18	2 799,46
Permanent Forum on Extreme Poverty and October 17th	3 957,57	4 700,82	8 658,39
Branches abroad		5 423,15	5 423,15
Misc. and support to teams outside DG	8 333,11	670,49	9 003,60
Management Costs	5 718,60		5 718,60
	133 916,18	109 664,25	243 580,43

BALANCE SHEET

I. ASSETS	2014	2013
Fixed assets	1 437,16	499,64
<i>Computer equipment</i>	4 227,46	2 560,32
<i>Depreciation</i>	-2 790,30	-2 060,68
Financial assets	167,75	
Marketable securities	2 337 788,56	2 650 867,59
<i>Marketable securities</i>	2 373 537,69	2 688 290,99
<i>Allowance for depreciation of marketable securities</i>	-35 749,13	-37 423,40
Cash Assets	315 224,42	18 049,35
<i>Cash on hand</i>	497,10	257,79
<i>Bank accounts</i>	314 727,32	17 791,56
Prepaid expenses		
Debts to be received	23 298,54	2 850,32
Total assets	2 677 916,43	2 672 266,90
II. LIABILITIES	2014	2013
Association funds (accumulated surplus)	554 222,88	554 222,88
Reserves	404 061,71	404 061,71
Balance brought forward	217 780,36	269 979,92
Financial Results	-28 028,03	-52 199,56
Allocated funds (Fondation Joseph Wrésinski + Philanthropia)	1 480 859,29	1 446 182,69
Debts, liabilities and deferred income	49 020,22	50 019,26
Total Liabilities	2 677 916,43	2 672 266,90

Comments :

** Buildings: the International Movement is the owner of the Fourth World House in the Hague (Netherlands) and the Landover (USA). These two houses were bought in June 1988 and have now been redeemed (fixed assets over 20 years).

*Marketable securities: the portfolio has been registered at its buying rate. At the end of the year, if the rate is lower than the buying rate, a provision for depreciation is registered. However, if the rate is superior to the buying rate, no entry is registered, and an unrealised gain is created. On the 31st December 2014, this is equal to 106 148.69 euros.

* * Allocation to the associative project: this is the amount that is allocated to the International Joseph Wrésinski Center. Historically, these funds correspond to a stock portfolio managed in the Netherlands. In order to ensure tighter management, this portfolio has been placed on a management mandate at the 1818 Bank, where the reserves of the International Movement are held, the dedicated fund's total amount varies according to the value of the portfolio. As at the 31st December 2009, its value stood at 1,446,182,69 euros and remains at this amount as far as the accounts are concerned as long as it is not being used.

* Receivables and payables : this is primarily the reimbursement of expenses between different ATD Fourth World structures whose balance is not zero on December 31st.