

Essentials



About Handicap International

Association status

Founded in 1982 under the French law of 1901 governing non-profit making associations, Handicap International is a non-governmental organisation registered as a charity. It was co-winner of the Nobel Peace Prize in 1997 for its role in the International Campaign to Ban Landmines. Handicap International was granted special consultative status by the UN in 1999.

An international solidarity organisation

Handicap International is an independent organisation which intervenes in situations of poverty, exclusion, conflict and disaster. Working alongside people with disabilities and vulnerable groups, it takes action and provides testimony in order to meet their basic needs, improve their living conditions, and promote respect for their dignity and fundamental rights.

A federal network organisation

The Handicap International Federation was set up in September 2009. It includes the French association, the founder of Handicap International in 1982, and associations subsequently established in the following countries: Switzerland (1996), Luxembourg (1997), Germany (1998), the United Kingdom (1999), Canada (2003) and the USA (2006).

The Handicap International Federation is charged by its members with the operational implementation of social missions for the entire Handicap International federal network. The French association - responsible for fund-raising in France and, for this purpose, a member of the Committee on the Professional code of conduct for charitable organisations in France - will remain the exclusive link with French donors. As regards these donors, it has sole responsibility for the correct use of donations entrusted to the association.

The French association plays a leading role in the governance of the Handicap International Federation, which will share the same premises in Lyon.



(1) Direct and indirect positions as of 31 December 2009. (2) Expressed as annual full-time equivalent posts. (3) Expatriate staff and salaried staff assigned to the France programme and programmes managed by head office (advocacy on the ban on mines and cluster munitions, development education and disability rights awareness).

2009: restoring the balance



OLIVIER SCALBERT, TREASURER AT HANDICAP INTERNATIONAL

“Thanks to the efforts made by all of Handicap International’s sections and the constant support of our donors, we were able to rebalance the association’s finances in 2009. This favourable development, which generated positive combined results of 2.9 million Euros (€M), also enabled us to sustain our usual level of activity in the field, which was one of the association’s top priorities. Many thanks, once again, to our generous donors who enable us to fund Handicap International’s programmes worldwide, maintain its independence and ensure the long-term future of its actions.”

Key figures for 2009

- Operational expenditure for overseas social missions rose from €54.4 M in 2008 to €57.7 M in 2009. This €3.3 M increase relates to programmes managed by the French association (up €1.5 M) and those of the Belgian association (up €1.8 M)

- For the French association, this principally concerns programmes managed by the Development Department, which benefited from a budget increase of €2 M, particularly in Asia, the Balkans, and the Middle East. The Mines Department did not see any significant openings in 2009. The Emergency Response Department’s budget was increased slightly, in response to new activities in Pakistan and the Palestinian Territories.

The increase in development activities significantly benefits partners in the countries in which we operate, with a sharp increase of €3.1 M, while investment, equipment and consumables expenditure were down on 2008.

- In total, social missions expenditure increased by €2.6 M (before operating costs), up from €72.7 M in 2008 to €75.3 M in 2009.

Examples of actions made possible by your generosity in 2009

Thanks to you, Handicap International was able to:

- demine **50,000** sq.m. of land (access routes to villages, schools, orchards and crops) heavily contaminated with anti-personnel mines in Casamance, Senegal.

- transport almost **20,000** tonnes of humanitarian aid (food, water and hygiene packs) in support of 31 partners aiding displaced persons in North Kivu in the Democratic Republic of Congo.

- supply aid to **4,000** families affected by the typhoons that hit the Philippines. **5,900** emergency packs were distributed.

- provide risk education to **8,500** people in relation to natural disasters (earthquakes, landslides and river flooding, etc.) threatening Nepal.

- construct more than **200** temporary shelters and the provision of training to some **1,200** families who will be able to rebuild their homes in line with earthquake and

accessibility standards, following the earthquake that devastated the province of Sumatra, in Indonesia.

- ensure **2,000** children with disabilities aged between 3 and 15 attend school in Dapaong, in the north of Togo.

- identify **2,200** children and teenagers with disabilities in isolated villages in Jammu and Kashmir, India; and provide them with rehabilitation care.

Strengthening financial transparency

Handicap International has made financial transparency one of its key management principles and aims to be able to account at any time for the use of funds entrusted to it. In addition to its own internal controls, the association is subject to numerous external checks. Our accounts are certified by an auditor in each country concerned, following which the combined accounts are subject to certification by the French association's auditor, E&Y Audit. In addition, we produce financial reports on the use of funds granted by funding bodies, which are frequently subject to independent audits. Lastly, the Cour des Comptes, the French Government Accounting Office, has the power to control all associations once they become charitable organisations and appeal for public donations.

NEW REGULATION ON FUNDS FLOW STATEMENTS

In order to enhance transparency for donors, a ministerial order of 11 December 2008 implemented a new accounting regulation governing the pre-

paration of funds flow statements (FFS) starting from the 2009 financial year. The 2009 combined accounts comply with these presentation rules.

The sum total for each section includes direct costs, the remuneration of staff responsible for implementing the activity, and a share of the general expenses of head office staff established on a pro rata full-time equivalent basis.

HANDICAP INTERNATIONAL'S FUNDING PRINCIPLES

In order to maintain its independence and ensure the long-term future of its actions, the association has chosen to focus on two sources of funding in countries in which the Handicap International network is established.

- primarily donations from the public, solidarity sponsorship, legacies, the sale of craft products, fair trade and socially-responsible products.
 - secondly, subsidies from funding bodies, such as public bodies (the EU and UN) and private bodies (foundations, associations and businesses).
- Based on its decision to opt for a mixed funding structure (public donations and

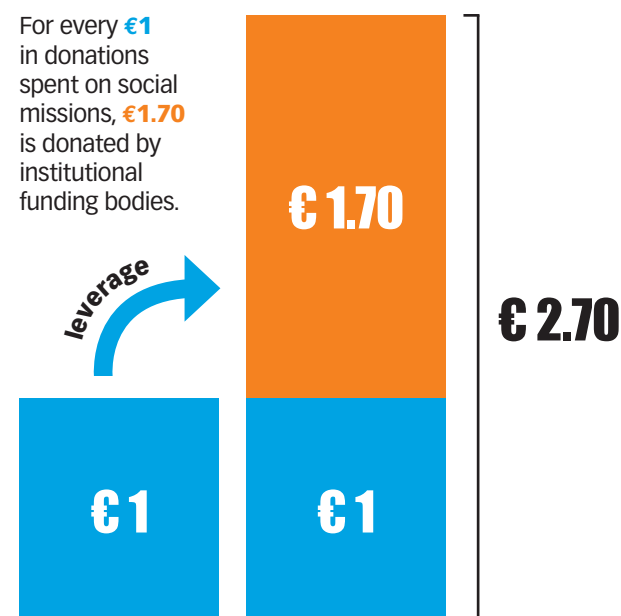
funding bodies) and its international activity, Handicap International's accounts cannot be compared with those of other types of associations.

PUBLIC DONATIONS: A VITAL SOURCE OF FUNDING

Funds donated by the public not only enable us to directly fund our programmes, but also to leverage additional funds to implement actions on a larger scale. In fact, funding bodies only provide funding for a programme if, in general, the association is able to fund the programme in part through public donations. Public donations are therefore the driving force behind the funding of Handicap International's activities.

The leverage provided by funds donated by the public.

For every €1 in donations spent on social missions, €1.70 is donated by institutional funding bodies.



REQUIREMENTS OF THE DONATIONS CODE OF CONDUCT COMMITTEE

The association has been a member of the "Comité de la Charte du don en confiance" ("Giving in confidence code of conduct committee") since 1998 and complies with this body's rules, particularly in terms of **financial transparency** for donors. The annual funds flow statement (FFS) is produced in compliance with this committee's requirements. Following an assessment, the committee renewed its **accreditation** of Handicap International in 2010.

POOLING DONATIONS FOR GREATER FAIRNESS

Handicap International has always made it a rule never to allocate donations to a given programme (except in the case of solidarity sponsorship) and therefore **pool**s donations across all of its programmes. This enables us to immediately **call on** funds when needs are greatest and most urgent.

A RESERVES POLICY TO ENSURE FINANCIAL SECURITY

In order to ensure the financial security of the association and its **actions**, Handicap International holds **reserves in associative funds** and as cash-flow.

These reserves allow us to manage potential fluctuations in funds. They also cover working capital requirements arising from the gap between the implementation of activities and funding body settlements. Lastly, they provide Handicap International with **freedom of initiative** and **independence of action**, which are essential to implementing its social missions. In 2009, Handicap International's associative funds represented three months' budget (excluding designated funds).

Handicap International network's combined balance sheet

As of 31/12/2009 in thousands of euros

ASSETS	2009	2008
Fixed assets	5,655	6,519
Stocks and receivables	14,873	15,325
Cash-flow	21,218	18,768
TOTAL ASSETS	41,747	40,612

LIABILITIES	2009	2008
Associative funds	24,442	22,078
Provisions for risks and expenses	1,977	1,954
Designated funds out of allocated donations	426	1,781
Payables	14,901	14,799
TOTAL LIABILITIES	41,747	40,612

These tables are based directly on Handicap International's annual accounts. As such, the figures have been rounded up.

CAPITAL ASSETS: buildings, vehicles, IT equipment, etc. both in the field and at head office.

STOCKS/RECEIVABLES: value of goods in stocks/money owed by clients and funding bodies.

CASH-FLOW: money available immediately to meet the association's needs. A share of these funds is placed in risk-free SICAV schemes.

ASSOCIATIVE FUNDS: security funds implemented since the founding of the association. Almost all of these funds are designated as cash-flow and enable us to fund actions while waiting for fund payment by funding bodies.

PROVISIONS FOR RISKS AND EXPENSES: provisional funds to cover current disputes and potential risks regarding funding contracts.

DESIGNATED FUNDS OUT OF ALLOCATED DONATIONS: funds restricted to specific actions and not used during the year.

PAYABLES: amounts due to suppliers, social security organisations, and funds advanced by institutional funding bodies and not used during the accounting period.

Increase in funds in 2009

Origin of funds

As of 31/12/2009 in thousands of euros

FUNDS	Total funds 2009	Follow-up of funds donated by the public
Carrying over of funds donated by the public and not used at the beginning of the accounting period		4,810
Funds donated by the public	45,434	45,434
Businesses and other private funds	6,584	
Total private funds	52,018	
Public funds	44,781	
Other products	1,395	
Total funds for the accounting period	98,194	
Write back of provisions	1,110	
Funds carried over from previous accounting period	1,627	
Variation of designated funds donated by the public		1 200
TOTAL FUNDS	100,931	51,445
Total flows funded by funds donated by the public		-43,920
Amount of funds donated by the public, non-restricted or not used at the end of the accounting period		7,524

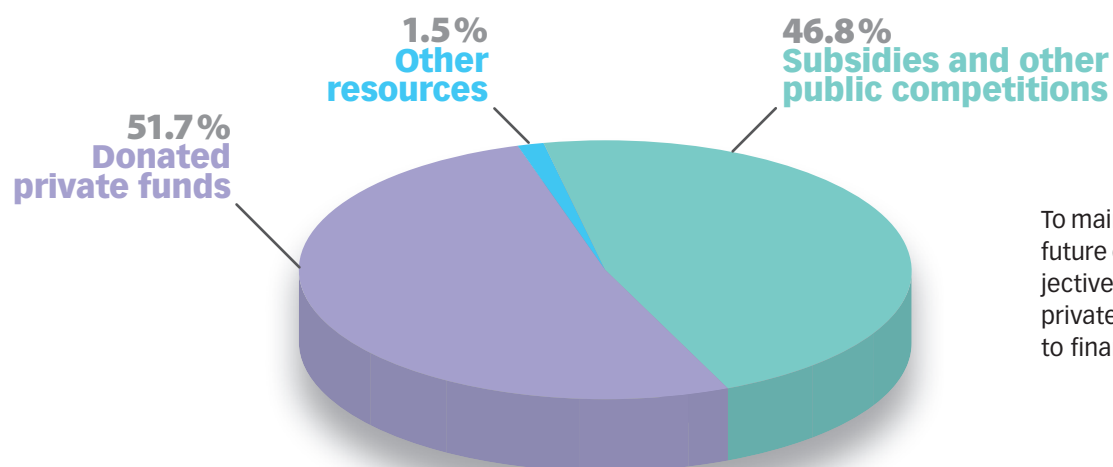
CARRYING OVER OF FUNDS DONATED BY THE PUBLIC AND NOT USED AT THE BEGINNING OF THE ACCOUNTING PERIOD: the "opening stock of donations". This represents the share of associative funds sourced from public fund-raising and not used during previous accounting periods.

FUNDS DONATED BY THE PUBLIC: all one-off donations, donations by direct debit, solidarity sponsorship donations, legacies, etc. collected during the year.

BUSINESSES AND OTHER PRIVATE FUNDS: private institutional funding from foundations, associations, and corporate patrons.

BALANCE OF FUNDS DONATED BY THE PUBLIC, NON-RESTRICTED AND NOT USED AT THE END OF THE ACCOUNTING PERIOD: constitutes the "opening stock of donations" not used at the end of the year. This stock, part of the associative funds, provides the financial security necessary to the long-term future of our social missions.

This table is based directly on Handicap International's annual accounts. As such, the figures have been rounded up.



To maintain its independence and ensure the long-term future of its actions, the association has set itself the objective of maintaining a more heavily weighted share of privately-sourced funds, particularly from fund-raising, to finance its programmes.

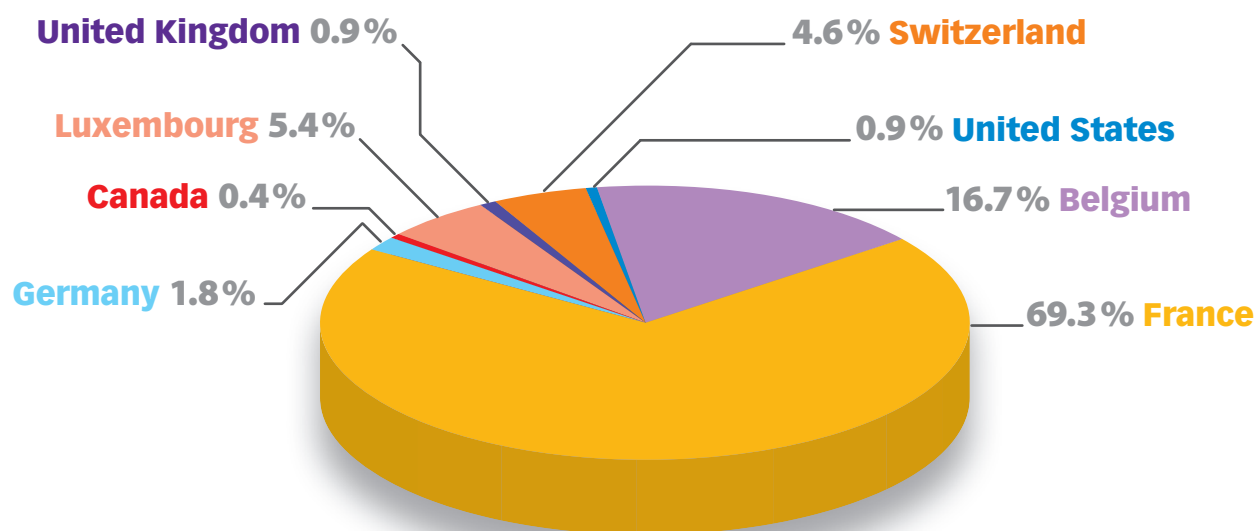
The contribution of the international network

The federal network enables Handicap International to develop and diversify:

- its financial, institutional and private resources;
- its human resources, through the recruitment of volunteers and expatriate staff;
- its technical skills, through the acquisition of additional know-how.

Out of total funds collected in 2009, 30.7% were raised by associations other than the French association.

As of the publication date, Handicap International Belgium (1986) has decided to defer its decision on whether to join the federal network to a later date.



The accounts of the French Handicap International association can be consulted on our website: www.handicap-international.fr/comptes. You can also access the accounts of each of the association's other sections by sending a request to the treasurer of Handicap International: 14, avenue Berthelot - 69361 Lyon Cedex 07.

Giving priority to beneficiaries

Funds use distribution – as of 31/12/2009 in thousands of euros

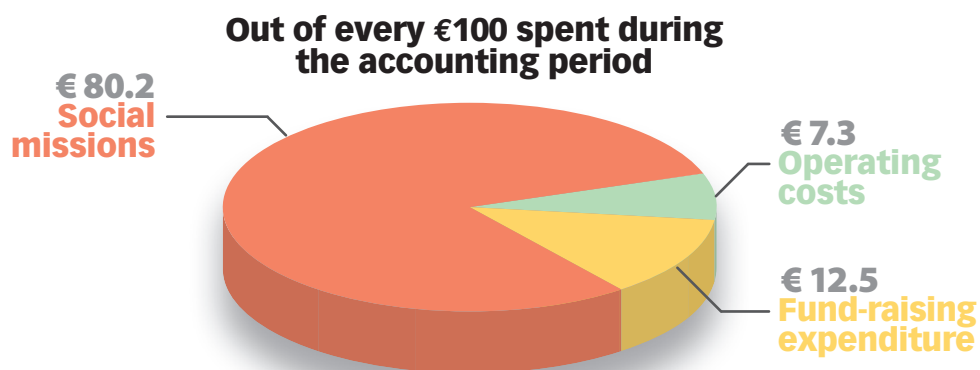
USE OF FUNDS	Use of funds donated by the public	Use of other funds	Total 2009
Social missions	27,924	47,421	75,345
Fund-raising expenditure	13,725	324	14,049
Operating costs	2,519	4,573	7,092
Total funds used for the accounting period	44,168	52,318	96,486
Estimated expenditure		1,114	1,114
Designated funds carried over to following accounting period		426	426
Total of funds used	44,168	53,859	98,027
Fixed assets financed by funds donated by the public	289		
Reversal of amortisation charges on fixed assets financed from resources raised from the public since adoption of the new regulations	-536		
TOTAL FUNDS USED FINANCED BY FUNDS DONATED BY THE PUBLIC	43,920		

SOCIAL MISSIONS: programmes implemented by Handicap International worldwide and all head office services related to mission coordination. A programme consists of several projects. The total social missions to total fund-raising expenditure ratio is 5.36. This means that for every €1 we raise, €5.36 is spent on social missions.

FUND-RAISING EXPENDITURE: includes the cost of various fund-raising campaigns and institutional fund-raising.

OPERATING COSTS: includes all expenditure incurred by general services, as well as the cost of public information and awareness-raising activities, such as the association's website.

This table is based directly on Handicap International's annual accounts. As such, the figures have been rounded up.



NB: in the above table, only the net margin of commercial activities (socially-responsible products, mail-order selling and craft products) is included. In addition, the provisions included are offset by write-backs of the same type.

Distribution of social mission-related expenditure:

Programmes total: €79,479,451

Africa and Indian Ocean

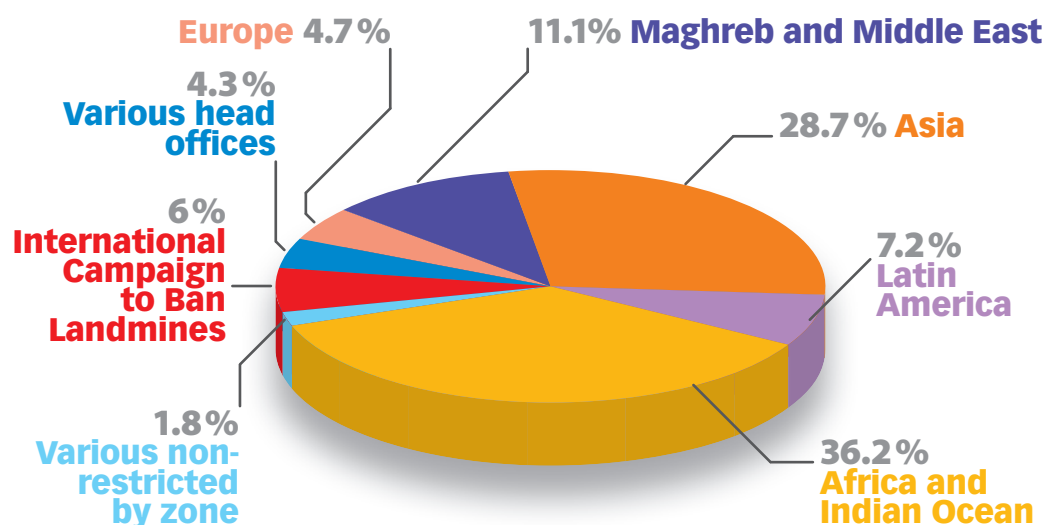
€28,767,416

Angola	→ 5.5%
Burkina Faso/Nigeria	→ 6.1%
Burundi	→ 7.5%
Ivory Coast	→ 0.2%
Ethiopia	→ 2.2%
Kenya/Somaliland	→ 13.5%
Madagascar	→ 4.4%
Mali	→ 5.4%
Mozambique	→ 8.0%
Uganda	→ 0.1%
Democratic Republic of Congo	→ 17.3%
Rwanda	→ 6.4%
Senegal/Cape Verde	→ 5.7%
Sierra Leone/Liberia	→ 4.0%
Sudan	→ 4.7%
Togo	→ 5.2%
Chad	→ 0.3%
East Africa Coordination/Tanzania	→ 1.1%
West Africa Coordination	→ 2.4%

Asia

€22,771,228

Afghanistan	→ 9.9%
Bangladesh	→ 9.8%
Burma	→ 0.6%
Cambodia	→ 14.4%
China	→ 7.1%
North Korea	→ 4.1%
India	→ 3.8%
Indonesia	→ 8.9%
Laos	→ 4.5%
Maldives	→ 1.6%
Nepal	→ 7.1%
Pakistan	→ 2.6%
Philippines	→ 3.6%
Sri Lanka	→ 9.2%
Thailand	→ 4.3%
Vietnam	→ 6.4%
South Asia Coordination	→ 2.1%



Latin America

€5,698,079

Brazil	→ 4.9%
Colombia	→ 19.5%
Cuba	→ 24.3%
Haiti	→ 31.9%
Nicaragua/Honduras	→ 19.4%

Maghreb and Middle East

€8,859,307

Algeria	→ 12.0%
Morocco/Tunisia	→ 19.8%
Jordan/Egypt/Palestinian Territories/Lebanon/Yemen/Iraq	→ 68.2%

Europe

€3,742,569

Albania/Macedonia/Kosovo/Bosnia-Herzegovina/Serbia/Montenegro	→ 65.0%
Russia/Uzbekistan	→ 28.3%
France	→ 6.7%

Various head offices

€3,381,129

Other programme activities	→ 31.4%
Déclic Magazine	→ 21.9%
Awareness and campaigning to promote the inclusion of people with disabilities	→ 46.7%

International Campaign to Ban Landmines

€4,788,622

	→ 6.0%
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Various non-restricted by zone

€1,471,101

	→ 1.8%
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NB: the programme accounts are expressed in full costs, that is, after distribution of administrative costs on programmes, analytically calculated according to a calculation rule validated by Handicap International's auditor.

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Comité de la Charte du Don en Confiance

("Giving with Confidence Code of Conduct Committee")

As an approved association, Handicap International is committed to scrupulously applying the following four principles:

- respect for the principles of good governance;
- stringent control;
- impeccable communications and fund-raising actions;
- total funding transparency for donors.

Learn more: www.comitecharte.org

