

International
Service



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Annual Report and Financial Statements

Year Ended 31 March 2017

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Welcome to our 2016-2017 Annual Report

As the context in which we operate remains fragile and unpredictable, and poverty and injustice are the reality of so many, the work we do continues to make a critical difference to some of the most vulnerable people across the world.

Our volunteers and staff have continued to work closely with people across the world throughout this year, to challenge inequalities and develop local solutions to unemployment; increase access to education, health and social care; and to find ways to overcome the basic day to day challenges faced by disabled people, women, and children and youth. They have delivered training, awareness raising, engaged in research and data collection, supported capacity building, and developed resources for local organisations and communities. They are truly inspirational, and we are proud of their passion and commitment.

The changing world around us means we need to be more agile and dynamic in the ways we work with communities and our local partners, and that we must be brave in our decision making about where and how we work. This year we have resumed full operations in Burkina Faso after the 2015 military coup, opened an office in Rwanda and made the difficult decision to close our operations in Mali.

The Global Goals remain central to our work, and this year we began working with partners in York, UK to introduce The Goals, and support local people to understand their relevance locally and use them to make a difference to the most vulnerable residents in the city.

We have continued to deliver International Citizen Service (ICS) – the Department for International Development funded youth volunteering programme - with 488 young people completing placements overseas with International Service.


We have revitalised our Board of Trustees, strengthened our governance and updated our systems, better harnessing technology and investing in the future.

We are grateful to our staff and volunteers, and our many supporters, without whom we would not be able to make a difference for so many people across the world.

Thank you



Brian Rockliffe
Chair of the Board of Trustees



Jo Baker
Chief Executive

Charity Reference and Administrative Details

Registered name	United Nations Association International Service
Working names	International Service UNAIS
Charity registration number	1069182
Company registration number	03467284
Trustees	B Rockliffe (Chair) N Redpath (Treasurer) Prof. P Gready R Dignen L Conlon Rev. L Njenga Prof. J Grugel C Northcote C Sayer N Passman K Hyde
Chief Executive Officer	J Baker
Registered office	Second Floor Rougier House 5 Rougier Street York YO1 6HZ
Auditor	Murray Harcourt Limited Elizabeth House 13-19 Queen Street Leeds LS1 2TW
Bank	HSBC 134 Parliament Street York YO1 8XS
Insurance Brokers	Banner Financial Services Group Limited Globe House 24 Turret Lane Ipswich IP4 1DL
Pension Administrators	Aegon Edinburgh Park Edinburgh EH12 9SE

Introduction

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2017. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Trustees of the Charity

The Directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who served throughout the year and since the year end were as follows:

Mr. B Rockliffe OBE (Chair, appointed 17 March 2017)
Professor P Gready (Acting Chair from 16 January 2017 to 17 March 2017)
Ms. N Redpath (Treasurer, appointed 17 March 2017)
Mr. R Dignen (Acting Treasurer to 17 March 2017)
Mr. L Njenga
Mr. L Conlon
Professor J Grugel (appointed 16 January 2017)
Mr. C Northcote (appointed 16 January 2017)
Ms. C Sayer (appointed 16 January 2017)
Ms. N Passman (appointed 8 February 2017)
Ms. K Hyde (appointed 15 September 2017)
Dr. M Lubben-Dinkelaar (resigned 1 September 2016)
Dr. P Edmondson-Jones MBE (resigned 16 January 2017)
Professor K Stanton (appointed 16 January 2017, resigned 9 July 2017)
Ms L Asrari (resigned 24 July 2017)

We should like to formally thank Dr Edmondson-Jones, our former Chair and Dr Lubben-Dinkelaar, former Vice Chair, both of whom left us during 2016-2017 for their commitment, dedication and application. As with all our volunteers we are very grateful for their contribution to International Service.

Dr Edmondson-Jones relocated and Dr Lubben-Dinkelaar stood down after 3 years as a Trustee, and latterly Vice Chair.

It should be noted that Professor Stanton's circumstances changed soon after becoming a Trustee compromising her capacity. She, and the University where she is Vice Chancellor, remain supporters.

Trustees' Annual Report (Including Directors' Report and Strategic Report)

About International Service

Public Benefit

The Trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

As described in more detail in the following sections, and in line with our organisational mission and objectives, in 2016-2017 International Service carried out the charity's purposes for the public benefit through our overseas development projects, and the partnerships we fostered, to empower marginalised communities and partner organisations in developing countries, as well as support volunteer development and long-term active citizenship in developing countries and the UK.

Vision, Mission and Values

International Service was founded in 1953 under a Memorandum of Association which established its objects and powers and is governed under its Articles of Association. International Service's mission as specified in its Memorandum of Association is 'the relief of poverty, sickness and distress in Africa, Latin America, the Middle East and other such regions as the Trustees from time to time shall decide'.

Since its establishment, International Service has been protecting and promoting the rights of some of the most marginalised people in the world to fulfil our vision of a fairer world where everyone has the opportunity to thrive and reach their potential. We work with **women and girls, people with disabilities, and children and young people** to promote their rights across the developing world. We work to support individuals and communities by building capacity and promoting inclusion, as well as to strengthen the skills and knowledge of local organisations - increasing the impact of their work and their ability to advocate for positive, sustainable change. Working with us, people gain access to the rights which give them the power to change their lives.

Our **vision** is a fairer world where everyone has the opportunity to thrive and reach their full potential.

Our **mission** is to empower and strengthen individuals, organisations and communities, build capacity, promote inclusion and maximise potential.

Our **values** influence the way we interact with each other, our partners and communities, and how we work together to achieve results:

- To respect and value those we work with
- To act with integrity at all times and to be transparent and accountable in all we do
- To communicate effectively and openly
- To value diversity
- To use our energy, skills and resources to deliver sustainable results
- To strive for excellence in all we do
- To encourage innovation and embrace change
- To work collaboratively with people and organisations
- To continuously learn and improve
- To recognise and support the human rights of individuals

Strategic Direction 2016-2019

Following a mid-term strategic review in April 2016, a decision was made to extend International Service's 2014-2017 *Strategic Direction* to March 2019. In line with the extended 2016-2019 *Organisational Strategy* International Service will work towards achieving its vision of a fairer world where everyone has the potential to thrive by taking a **rights-based approach to development** and demonstrating a measurable contribution to the achievement of **five Sustainable Development Goals**:



Goal 1A: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.

Goal 4D: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employments, decent jobs and entrepreneurship.

Goal 5A: End all forms of discrimination against all women and girls everywhere.

Goal 10B: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Goal 16F: Develop effective, accountable and transparent institutions at all levels.

When people are denied basic human rights, they are denied opportunities. This perpetuates a cycle of poverty and inequality. From over 60 years of experience we know that positive, long-lasting change happens when people are able to secure and protect their rights. Rights give people power to change the world around them, remove obstacles and overcome discrimination. This is why we put human rights at the heart of everything we do by taking a **human rights-based approach to development**.

We see the realisation of human rights as the ultimate goal of development and marginalised people as the key actors in the development process. International Service empowers people to understand their rights and how to access them, how to get involved in decisions which affect them and to hold decision-makers to account.

We work by building long-lasting relationships with **local partner organisations**. By working with established international, national and grassroots organisations we ensure all our work responds to local needs and contexts. We help our partners to become strong, effective organisations by assisting them to develop their strategy and internal capacities with a focus on providing sustainable outcomes for our target groups.

Annual Plan 2016-2017

In line with our 2016-2017 *Annual Plan*, and corresponding to our *Mission and Vision* and the organisational *Strategic Direction*, last year International Service's efforts focused on achievement of the objectives overleaf:

- Contribute to the reduction of poverty and the development livelihoods for our target groups: **women and girls, people with disabilities, and children and young people**
- Continually develop and deliver **effective partnerships**
- Reduce contractual and financial risk through **opening programmes in new countries** and regions
- Support the personal and professional **development of volunteers**
- Nurture an **effective and motivated workforce**
- Secure new sources of funding to **diversify our funding base**

Our Achievements in 2016-2017

In 2016-2017 we continued to deliver projects and foster partnerships with local organisations for the benefit of our target groups in three project countries - Ghana, Burkina Faso and Rwanda, delivering a wide range of development interventions, ranging from awareness raising and peer education to action research and community infrastructure projects. We remained present in the Occupied Palestinian Territory with a view to resuming our programme there in 2017-2018, as well as Mali, however we made the difficult decision to withdraw from Mali in May 2017. International Service continued to demonstrate the effectiveness of youth-led volunteering by working with over 400 volunteers as part of the International Citizen Service consortium.

21 development projects
presence in **6** developing countries
18 partnerships with local organisations
106202 people from our target groups engaged with
1431 hours of training delivered
1189 resources developed
939 hours of awareness rising sessions carried out
515 hours of peer education sessions delivered
488 volunteers engaged on projects
323 action research projects carried out
35 community networks established
28 community infrastructure projects completed

Development Impact and Partnerships

We measured our performance against the objectives of our 2016-2017 Annual Plan: contribution to the reduction of poverty for our target groups through projects and partnerships; furthering the operational and geographical reach of our work, as well as volunteer and workforce development. Our performance in each of these categories is covered in more detail in the following pages, by country of operation.

Ghana

While Ghana's sustained economic growth in the last 20 years has enabled it to reduce its poverty, regional disparities and growing income inequality mean that some groups have been left behind. Ghana's GNI per capita reached \$4,150 in 2016 and approximately 24% of the population live in poverty, with households in

rural areas and those located in the Northern and Upper regions, where we operate, experiencing highest poverty rates¹.

Our Achievements

9	partner organisations
12	projects
240	hours of peer education sessions delivered
292	action research projects carried out
587	hours of awareness raising sessions delivered
940	hours of training delivered
688	resources developed
9	community infrastructure projects completed
14	community networks established

Throughout the year, we worked in partnership with a total of nine partner organisations in Ghana and two UK-based partners, on projects targeting **women and girls** and **people with disabilities**, with a focus on reproductive health and rights, livelihood projects for girls' education and women's economic empowerment, and the rights and inclusion of disabled people:

- Create Change
- Non-Formal Education Division (NFED)
- PagSung Association
- Regional Advisory Information and Network Systems (RAINS)
- The Northern Resource Centre for Persons with Disabilities (RCPWD)
- The Presbyterian Community Based Rehabilitation (CBR)
- Sirigu Women's Organisation of Pottery and Art (SWOPA)
- TradeAid Integrated
- Women Support Activist Group (WOSAG)
- Rotary Club of York
- Challenges Worldwide

As well as continuing to work with existing partners, International Service formed two new partnerships with local community organisations in Ghana: Sirigu Women's Organisation for Pottery and Art (SWOPA) and PagSung Association, and also began a collaboration with Challenges Worldwide, a UK-based development organisation, to deliver the Economic Empowerment project.

The Economic Empowerment project tested a new delivery model, in which International Service and Challenges Worldwide used elements of each other's project delivery approaches to add value to their programmes and maximise the impact of their development interventions. Challenges Worldwide's usual delivery model of short term three month projects to conduct business analysis and deliver recommendations was used alongside International Service's longer term engagement in community-based development work.

The partnership aimed to support enterprises to become sustainable, innovative and inclusive; strengthen supply chains and reduce unemployment through the creation of employment opportunities.

¹ The World Bank, 2016; The Ghana Poverty and Inequality Report, UNICEF, 2016

Project Impact – Women's Rights

For many young women in rural Ghana, accessing female hygiene products is a real challenge. Disposable sanitary towels are unavailable or expensive and traditional methods are ineffective and unhygienic. Lack of access to menstrual products means girls can lose up to 11 out of 45 school weeks a year.

In July 2016, International Service and WOSAG, one of our partners, started a reusable pad project. As part of the project, International Service worked with a Ghanaian company Days for Girls, teaching girls how to make reusable menstrual pads. As well as providing for their monthly needs, girls learned to make extra pads for sale, enabling them to generate extra income.



Project Impact – Partner Development

In October 2016, International Service, with financial support from York Rotary Club, carried out a project to train 16 staff from its partner organisations in Ghana. The training, covering a number of topics from first aid to project management, will have a lasting impact on marginalised groups we work with by helping partner organisations reach more people and change more lives. Over 2700 staff, volunteers and members of partner organisations have benefited from this training, with an average of 172 people per attendee.

Rashida works with WOSAG, our partner organisation that promotes girls' education and women's economic empowerment in Ghana. She says: *"I learned about project management, and this has helped us to set up a Savings and Loan Association in our village. This will mean that women can save together to take out loans that will help them improve their business."*

As well as helping to empower women, the training has helped to provide people with disabilities with vital skills. As Prince, who works with CBR-LIFE, our partner charity which supports people with disabilities to integrate into the community, explains: *"I have shared knowledge on how to manage convulsions with some of our epileptic clients. They can share this with their family, who can make sure that they are safe."*

Burkina Faso

Following the coup d'état in late 2015 and the terrorist attack in Ouagadougou, the Board of Trustees made a decision to evacuate International Service staff and volunteers from and suspend our operations in Burkina Faso. Our staff were temporarily re-directed to other project countries. International Service resumed our projects in Burkina Faso in July 2016.

Our Achievements

6	partner organisations
6	projects
60	hours of peer education sessions delivered
19	action research projects carried out
194	hours of awareness raising delivered
357	hours of training delivered
452	resources developed
19	community infrastructure projects completed
21	community networks established

Burkina Faso continues to experience high poverty rates. 71% of its population lives in rural areas and rely on agriculture for their livelihoods. The GDI per capita equalled \$1680 in 2016, with 45% of the population living under the poverty line².

Contributing to Burkina Faso's national development focus on women's rights and disability inclusion, in 2016-2017 International Service's projects in Burkina Faso focused on: **empowering rural women** through activities supporting human rights awareness, health and financial independence; and **improving the rights of people with disabilities** through disability sports; and developing the capacity of local charities. We deliver projects in partnership with 6 organisations:

- Union des Groupements Feminins/Ce Dwane Nyee (UGF/CDN)
- Action Pour la Promotion des Initiatives Locales (APIL)
- Action Sociale De Koudougou (ASK)
- Association aide aux Veuves et Orphelins (AVO)
- Handicap Solidaire Burkina (HSB)
- Kabeela

Project Impact – Disability Inclusion

International Service has worked with a local partner, Handicap Solidaire Burkina (HSB), in Pabre since October 2016 to promote socio-economic inclusion of people with disabilities (PWDs).

An awareness raising campaign to promote the rights of PWDs organized and delivered by International Service staff and volunteers between January and March 2017 reached over 13,000 people through a social media campaign and direct community engagement. A film screening held in Pabre reached 1844 people and won the support of the key local figures, including the Chief of Pabre, who committed to the building of a local education centre for PWDs within the next two years.



² The World Bank, 2016; World Food Programme, 2015

Rwanda

Rwanda is one of the poorest countries in the world, with a GDP per capita of \$1870 in 2016 and 39% of the population under the poverty line. The 1994 genocide killed 20% of the population and left the country with a disproportionately high number of young people: 67% of the population is aged 25 and under. The average Rwandan has only 3.7 years of schooling and 60% of the population work as farmers. Although Rwanda is developing and inequality is reducing, this impact has mostly benefited urban areas and men³.

Our Achievements

3	partner organisations
3	projects
190	hours of peer education sessions delivered
12	action research projects carried out
158	hours of awareness raising sessions delivered
133	hours of training delivered
49	resources developed

International Service began its programme in Rwanda in November 2015, however, the subsequent project delivery over a seven-month period created a series of challenges. In October 2016 we carried out a thorough debrief process consisting of a series of interviews with key stakeholders, volunteer testimonies and an open learning workshop. This evaluation produced an account of the successes and challenges of the period and their contributing factors, which have in turn contributed to the formulation of recommendations for future country entries.

International Service continued its programme in Rwanda from July 2016, running three projects throughout 2016-2017. We worked alongside three youth-focused civil society organisations, and focused on two main programmatic areas: economic empowerment of **young people, especially young rural women**; and **building organisational capacity of our partners**:

- The Youth Association for Human Rights Promotion and Development (Ajprodho-Jijukirwa)
- Association Bamporeze (ABA)
- Association Mwana Ukundwa (AMU)

Project Impact – Youth Empowerment

International Service works with Association Mwana Ukundwa (AMU) in Rwanda on a project aiming to empower children and young people.

In November 2016, International Service partnered with a school in Huye to deliver a 3-day training event, focusing on the promotion of reproductive and sexual health and rights and employment skills. The event started with a screening film focused on the stigmatisation of HIV and a seminar on HIV contraction routes and testing. The second day looked at 'Loving Relationships' and considered topics such as equality consent and abuse. The event culminated with a debate on drug abuse and a careers event where students learned how to write a CV and gain work experience.



The Occupied Palestinian Territory

While International Service remained registered and maintained our presence in the Occupied Palestinian Territory (OPT) in 2016-2017, we did not carry out any activities.

The occupied Palestinian territory comprises the areas of the West Bank and the Gaza Strip and is at the centre of one of the highest-profile and longest struggles of modern times. The burdens of the conflict are causing ongoing hardship for communities, with nearly a quarter of the people in the OPT living below the poverty line³.

Over our 30-year presence, International Service's approach in the OPT has been to support local organisations to best serve communities and contribute to their development. In recent years we have piloted International Service's bespoke Organisational and Capacity Building Needs Assessment Tool (OSAT) and, throughout 2016-2017, made efforts to develop the OSAT project as a sustainable development and funding model. We plan to start our OSAT programme in the OPT in April 2017.

Mali

Although International Service continued to be registered as a charity in Mali throughout 2016-2017, we did not carry out any activities. Due to the continuing volatile security situation in the country, the Board of Trustees decided to close our operations in Mali in May 2017.

Expanding our Operations

In keeping with the 2016-2017 Annual Plan, throughout last year we focused our efforts on expanding our operations, and entering new countries and regions for the benefit of marginalised people and relief of poverty, and to reduce contractual and financial risks faced by the organisation:

Malawi

After a period of research and consultation with various stakeholder groups, in July 2016 our Board of Trustees gave approval to commence planning for entry and commit the necessary budget to open International Service's programme in Malawi. Following a scoping visit by our Director of International Programmes and a successful INGO registration in December and January 2016, we set up an office, recruited and trained staff, and agreed project plans in preparation to begin our operations in the country in the summer of 2017.

Millions of Malawians, especially women and rural dwellers, live with poor incomes and job opportunities, ill health and illiteracy. At \$1140 per person, Malawi has the lowest GNI per capita of all the countries International Service works with⁴. In 2016, the Malawian government renewed the country's Growth and Development Strategy with a focus on six priority areas including Education, Child Development, Youth Development, Empowerment, and Public Health.

To begin with, International Service's work in Malawi will focus on four development projects with two local partners targeting two of our core target groups - **empowering children and young people to access education** and **promoting the rights of people with disabilities**:

- **Centre for Youth Empowerment and Civic Education (CYECE)**
- **Youth Net and Counselling (YONECO)**

³ The World Bank, 2016; the UNDP, 2014

³ The World Bank, 2015

⁴ The World Bank, 2016; DfID, 2017

United Kingdom

Of the 200 targets sitting under the 17 Sustainable Development Goals (SDGs), over a third are delivered at, or are the responsibility of, local governments. The UK government helped to create and has signed up to these goals, and they present an opportunity for local governments to push for resources and decision-making powers to reach out to places where there is deprivation, so that the promise of the SDGs is felt where it can make the most difference.

Throughout last year, International Service worked to develop a trailblazing programme called 'Bringing the Global Goals to York'. This has involved engaging local stakeholders, including the local authority and voluntary sector, and gaining the approval of our Board of Trustees in July 2016. The programme is due to commence next year with a rapid assessment of the city's existing strategies against the benchmark of the SDGs.

Along the journey we will engage communities, identify priorities, and facilitate innovative solutions to local SDG challenges. We see this as an approximately one-year programme of work, after which the city should largely be equipped to steer its own journey to 2030, when the goals are due to be achieved.

Volunteer Development

A two-way approach aiming to deliver meaningful and sustainable development impact in project countries, while supporting the personal and professional **development of volunteers** and building a network of young, active citizens lies at the heart of International Service and was one of our core annual objectives in 2016-2017:

International Citizen Service (ICS)

International Service continued to deliver the UK Government's International Citizen Service (ICS) programme, in consortium with some of the UK's most respected development organisations. ICS brings together young people from the UK and developing countries to make a difference in some of the poorest communities globally, promote long-term citizen action, and contribute to the personal and professional development of volunteers.

As well as delivering impact overseas, our ICS programme contributed to the personal and professional development of the UK and in-country volunteers that worked on our projects throughout the year.

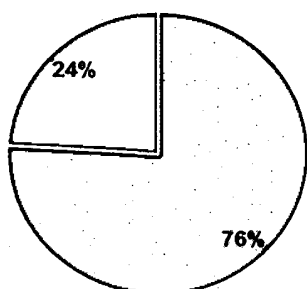
In 2016-2017 our ICS programme provided life-changing opportunities to **488** young people from the UK, Ghana, Burkina Faso and Rwanda, who began their 12-week International Service ICS placement:

- **207** volunteers from the UK
- **33** volunteer team leaders from the UK
- **211** volunteers from project countries
- **37** volunteers team leaders from project countries

International Service is dedicated to supporting its volunteers throughout every step of their ICS journey. An ICS placement with us is a big undertaking which is why each follows a set volunteer journey to enable a body of volunteers who are representative of the countries we work in and the UK's diversity and to engage in tackling poverty and gain vital personal and professional skills for the future. Our ICS volunteer journey starts with fundraising and pre-placement support and training, and continues with on-going support while on placement and help with 'action at home'.

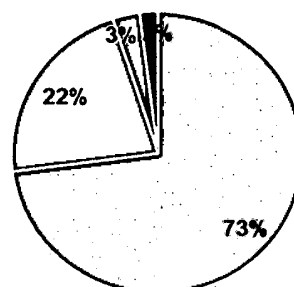
We continuously monitor and evaluate our ICS programme to understand if and how ICS effects change in our volunteers. In 2016-2017:

Level of social action following ICS



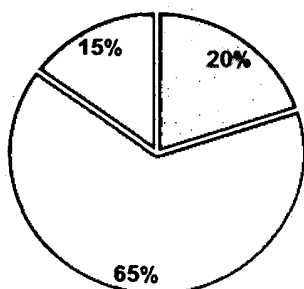
■ increased ■ the same

ICS increased knowledge of development



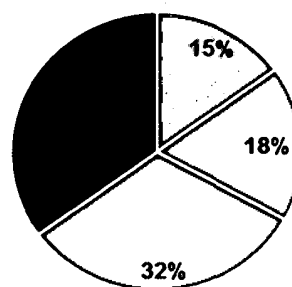
■ a lot ■ to some extent ■ a little ■ not at all

Satisfaction with pre-placement training



■ strongly agree ■ agree ■ disagree

ICS influenced career change or direction



■ not at all ■ a little ■ to some extent ■ a lot

Making an Impact – Volunteer Development

Jianvario volunteered with our partner NFED in Ghana between July and September 2016 coordinating literacy classes and income-generating activities, such as shea butter making.

As well as an opportunity to help marginalised groups, ICS gave Jianvario motivation to return to education: *"I always aspired to go to university but lost hope after I went through a rough patch. I got expelled from school and had to move out of my home at 16. ICS was a huge turning point -it gave me the courage, confidence and ambition to strive for a good life"*.

Jianvario is currently working in a hotel and studying for an Access to Higher Education course in Social Sciences and has been offered a place at all five universities he has applied to.



International Volunteering Opportunities for All (IVO4All)

In 2016-2017 International Service was a consortium member in the European Union-funded IVO4all project. The UK continues to face the challenges of high rates of youth unemployment and growing risk of poverty and marginalisation amongst young people. As a development agency participating in the project, International Service's aim was to improve access to international volunteering opportunities for young people from unprivileged backgrounds in the UK.

As part of the IVO4all consortium, International Service aimed to engage and support 18-25 year olds from unprivileged or marginalised backgrounds in the UK, who might not otherwise consider volunteering overseas. Our efforts focused on young people who hold a maximum of level 2 qualification, and are not in employment or education.

In the UK, 201 people benefited from an IVO4all intervention across the IVO4All consortium. 61 IVO4All volunteers departed for a volunteering placement, with 77% successfully completing the entire duration of their overseas placement. IVO4all volunteers who were interviewed upon completing their placement have all been very positive about their experience, with some mentioning that the experience was 'life changing'. 92% of the surveyed volunteers were satisfied or very satisfied with their experience.

Our People

Staff

In 2016-2017 International Service employed 43 staff members: 19 in our UK head office and 24 in our overseas offices in Mali, Ghana, Burkina Faso, Rwanda, Malawi and the Occupied Palestinian Territory.

At International Service we recognise that without the dedication and hard work of our staff, we would not be able to deliver meaningful development impact across the world. All of our staff are highly motivated and dedicated professionals whose personal and professional development and the maintenance of healthy work-life balance is supported and promoted by International Service.

International Service is therefore committed to actively engaging with its staff to develop as an organisation and improve staff policies. Our latest Annual Staff Meeting was held in January 2017 and attended by our UK staff and representatives from each project country.

The Annual Staff Survey is one of the means through which we give voice to staff concerns and suggestions and we always aim to act on staff feedback. The results of the previous staff survey informed a change in our recruitment policy and the development of a new training system.

According to our latest Annual Staff Survey, completed in November 2016:

- 75% of our staff experience personal growth in their job
- 85% of our staff can use their skills and talents at work
- 78% of our staff have opportunities to innovate in their job
- 81% of staff are satisfied with our organisational culture

Office Volunteers

International Service was founded by volunteers over 60 years ago and the unique contribution they make remains vital to our impact today - our work would simply not be possible without their hard work and dedication.

Our supporters continue to give their time, skills and expertise by supporting International Service in its UK head office and local offices in project countries. In 2016-2017, our volunteers comprised our Board of Trustees, Volunteer Selectors and Office Volunteers who engaged in a variety of tasks, from overseeing the governance and strategic direction of the organisation and running assessment days to designing specialist training and monitoring & evaluation assignments. Overall, throughout the year 36 volunteers donated over 6000 hours of their valuable time to International Service in the UK and abroad, with an approximate monetary value of £51,860.

At International Service we are dedicated to our volunteers and care about their development. Each volunteer receives role-specific training, ongoing support from their supervisor and regular feedback on their work, as well as a character or work reference, should they need one in the future.

Volunteer Perspectives

For many, volunteering with International Service is a way of building on their own experiences and passions. Pat Anderson used her professional experience from the development sector as a Volunteer Selector. According to Pat: ***"This will be a generation which understands international aid: seeing so many young people step up to this challenge makes me really proud"***.

The willingness to contribute to our development impact is what motivated Neil to volunteer with International Service. Neil said: ***"I am passionate about international development and human rights and would like to dedicate my time and commitment contributing to development impact. I believe my contribution has been an asset to the organisation and their work"***.

Neil started volunteering in our York office as a Monitoring & Evaluation Assistant in September 2016 and completed many valuable assignments, such as designing and delivering training on human rights-based approach to development, during his time with International Service.

Future Plans

In 2016-2017 International Service continued to deliver development projects in line with our *2016-2019 Strategy and Goals* and we will continue to operate within this framework in 2017-2018.

We will also work towards developing an *Interim Business Development Strategy*. The aim of the *Interim Business Development Strategy* is to widen our range of programmes to increase the reach, impact and effectiveness of our development work and to reduce the organisation's dependency on a single donor, by diversifying income sources to create a more sustainable and resilient organisation.

Besides, we will continue to focus on expanding our operations. In 2017-2018, International Service will reinforce its presence in the Occupied Palestinian Territory and further its reach in East and Southern Africa, with the opening of our programme in Malawi:

- Following a pilot of International Service's bespoke Organisational and Capacity Building Needs Assessment Tool (OSAT) we plan to start our OSAT programme in the Occupied Palestinian Territory in mid-2017.

- Having completed a period of research and consultation, in July 2016 our Board of Trustees approved International Service's entry and opening of development projects in Malawi. It is estimated that our programme in Malawi will commence in the summer of 2017.

In the upcoming year we will work towards and evaluate our performance against the achievement of the *2017/2018 Annual Plan and Objectives*:

- achieve the target of 500 for the number of **women and people with disabilities** with improved livelihoods as a result of our work
- **diversify our funding base** to reduce organisational dependency on a single funding stream
- **grow the number of strategic partnerships made**
- **increase the diversity of the volunteering body** we engage with, with a focus on disability and ethnicity
- **maintain a satisfied and motivated workforce**, in the UK and overseas
- continue to align our projects and programmes to **the achievement of specific SDGs and human rights**

Financial Review

2016-2017 Financial Summary

During the year, £2,248,046 was raised in unrestricted funds, £28,486 of this was voluntary income. A further £11,997 was raised in restricted funding bringing the total incoming resources to £2,260,043.

Expenditure totalled £2,208,268 comprising £2,187,871 in unrestricted expenditure and £20,397 in restricted expenditure.

The total funds brought forward at 1 April 2016 totalled £679,930, which when added to the surplus in year of £51,775 results in a carried forward surplus in reserves of £731,705 (total funds) and £731,705 (unrestricted funds) at 31 March 2017.

Principal Risks and Uncertainties

We are largely dependent on the ICS contract with Voluntary Service Overseas (VSO) which concludes in autumn 2018. The Department for International Development (DFID) funds ICS and VSO is the main contract holder, we are Sub Contractors. DFID has recently announced outline plans for a subsequent programme to follow ICS after its conclusion in autumn 2018. If considered in line with the Charity's objectives, International Service will consider applying to be part of this programme. However it is likely that any subsequent programme will not be in place at autumn 2018 and consequently the Charity's income from this key area of work will reduce, at least temporarily, after this date.

We have a strategy to diversify income streams and reduce dependency on any one source. The Charity has a plan for concluding the current ICS programme and enacting our Reserves Policy whilst developing other opportunities and seeking alternative sources of income. The plan is underpinned by a conservative going concern cash flow projection which extends beyond 2017-2018 and into 2019 and includes a cash flow projection scenario where ICS income ceases from autumn 2018.

The inherent risk of corruption, fraud and error are mitigated by having tight financial procedures including full reconciliation of country accounts, annual external audit of accounts in each country in addition to the organisational audit, and mandatory training for all staff.

Reserves Policy

The Trustees have developed a policy to ensure that, in the event of a break or cessation in funding, there are sufficient reserves to allow International Service to continue to operate until:

- a) the funding recommences;
- b) further funding is secured; or
- c) to allow the organisation to wind up while meeting its obligations to staff, partners and beneficiaries.

A level of reserves has been agreed that will allow the organisation to continue to operate without funding for six months. In addition to this, an element of the reserves will be used to fund Business Development including pre-financing new programmes where necessary, particularly any secured on a payment-by-results basis.

On the basis of these requirements, we have estimated that the free reserves need to be an amount of £560k which we have exceeded. Actual free reserves at 31 March 2017, excluding amounts represented by fixed assets, totalled £707,563.

Fundraising

Most of our income comes from contracts and we do not actively fundraise. In the 2016-2017 financial year, International Service received £28,486 through individual donations, community fundraising activities and legacies.

Structure, Governance and Management

Governing Documents

International Service is a charitable company limited by guarantee, incorporated on 18 November 1997 and registered as a charity on 20 April 1998.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company, and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Board of Trustees

Our Board of Trustees are responsible for providing leadership and for overseeing the governance and strategic direction of International Service. They make sure that the organisation is sustainable, spends money wisely in furtherance of its purpose, is managed effectively and is legally compliant. In doing so the Board are required to be open and accountable, demonstrate integrity and exemplify diversity.

Trustees are also Directors for the purposes of company law, appointed under requirement of the Memorandum and Articles of Association and the organisation's own internal processes.

The Board work to the standards contained in the Charity Governance Code for larger Charities.

Recruiting and Appointing Trustees

The Charity maintains a register of existing Trustee skills, knowledge, experience and interests. If any skills are lost through retirement or there are skills gaps, then we seek to recruit suitable new Trustees.

Potential Trustees are required to formally express an interest in the role, are interviewed by existing Trustees and are proposed at a Board Meeting before appointment.

In 2016/17, because of attrition, it became necessary to undertake open recruitment of several Trustees. Two Trustees were recruited from our Alumni and three others with specific skill sets.

Trustee Induction

New Trustees are given a comprehensive induction to the organisation and the role of Trustee and asked to familiarise themselves with relevant Charity Commission Guides such as the Essential Trustee, together with:

- The main documents which set out the operational framework for the charity including the Memorandum and Articles;
- Resourcing and current financial position as set out in the accounts;
- The Strategic Direction and current Annual Plan including objectives; and
- The Risk Register

Board Meetings

The Board of Trustees meet six times and hold an Annual General Meeting in November each year to review the Independent Auditor's Report, approve the full Trustees Annual Report and Accounts and appoint Auditors for the coming year.

Board Meetings are the main opportunity for Trustees maintain good governance, to scrutinise reports from the Chief Executive and wider Senior Leadership Team and review performance.

Conflicts of Interest

The Trustees have a legal obligation to act in the best interest of International Service and, in accordance with the Memorandum of Association, avoid situations where there may be potential conflict of interest or loyalty.

The Charity has a Conflict of Interest Policy and Procedure and a register of any conflicts of interest is maintained. New Trustees are asked to declare any conflicts and at the beginning of every Board Meeting Trustees are asked to declare any new, or changes to, declarations for further consideration which is duly noted.

Our Trustees are unpaid. Details of expenses and any related party transactions are disclosed in notes 9 and 21 to the accounts.

There are no Persons of Significant Control (PSC).

Senior Leadership Team

The Trustees delegate responsibility for the ongoing leadership and management to the Chief Executive, whom they appoint. The Chair of the Board assumes line management of the Chief Executive.

The Chief Executive is supported by the other members of the Senior Leadership Team (see below), the charity's staff and volunteers. Trustees are involved in the recruitment of Senior Managers.

- Jo-Anne Baker, Chief Executive
- Michael Dockar, Deputy Chief Executive
- Kerry Jones Kensah, Director of International Programmes

Arrangements for setting pay of key management personnel

To achieve its objectives, the Charity needs to attract and retain strong-performing senior leadership. The CEO's position is individually benchmarked and the salary is positioned based on roles with similar responsibilities in the corporate sector. Remuneration is validated objectively using market comparators. This includes salary survey data from the charitable, private and public sectors. Guidance is sought from external professional advisers as appropriate.

The salaries of all other staff are set within graded pay bands. International Service is an accredited Living Wage Employer.

Risk Management

The Charity maintains a detailed organisational Risk Register covering governance, operational, safety and security, funding, financial, compliance and external risks. Each risk and any associated actions have an owner. Risks and progress against action points are reviewed and updated before every Board Meeting. Trustees are presented with a report on any changes and high-risk areas in Board Meetings for discussion. The full Risk Register is always available to Trustees.

Due to the nature and location of our work safety and security is vitally important. The Charity employs a Global Safety and Security Specialist and we have detailed security plans for each country of operation. Activities are subject to risk assessments and training is mandatory for all staff.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of United Nations Association International Service for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

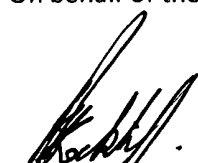
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as Company Directors.

On behalf of the board



B Rockliffe
Chair

Dated: 17th November 2017

Independent Auditor's Report to the Members of International Service

We have audited the financial statements of United Nations Association International Service for the year ended 31 March 2017 which comprise the Statement of Financial Activities (Including Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 22, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

(Continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (including Directors' Report and Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Steven Williams FCA
Senior Statutory Auditor
For and on behalf of:

Murray Harcourt Limited

Registered Auditors
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

20th November 2017

United Nations Association International Service
Statement of Financial Activities (Including Income and Expenditure Account)
For the year ended 31 March 2017

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income from:					
Donations and legacies	2	28,486	-	28,486	30,381
Charitable activities	3	2,219,560	11,997	2,231,557	2,585,530
Total income		2,248,046	11,997	2,260,043	2,615,911
Expenditure on:					
Raising funds		-	-	-	20,949
Charitable activities	4	2,187,871	20,397	2,208,268	2,317,770
Total expenditure		2,187,871	20,397	2,208,268	2,338,719
Net income		60,175	(8,400)	51,775	277,192
Transfers between funds		-	-	-	-
Net movement in funds	16	60,175	(8,400)	51,775	277,192
Reconciliation of funds:					
Total funds brought forward	16	671,530	8,400	679,930	402,738
Total funds carried forward	16	731,705	-	731,705	679,930

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	24,142	18,770
		<u>24,142</u>	<u>18,770</u>
Current assets			
Debtors	12	607,445	464,976
Cash at bank and in hand	13	1,267,063	1,232,927
		<u>1,874,508</u>	<u>1,697,903</u>
Creditors: amounts falling due within one year	14	(1,166,945)	(1,036,743)
Net current assets		<u>707,563</u>	<u>661,160</u>
Total assets less current liabilities		<u>731,705</u>	<u>679,930</u>
Net assets		<u>731,705</u>	<u>679,930</u>
Charity Funds			
Restricted funds	16	-	8,400
Unrestricted funds	16	731,705	671,530
		<u>731,705</u>	<u>671,530</u>
Total charity funds	16	<u>731,705</u>	<u>679,930</u>

The financial statements were approved and authorised for issue by the Board on 17/11/17

Signed on behalf of the Board of Trustees

B Rookliffe
Chair

The notes on pages 28 to 40 form part of these financial statements.

Company registration number: 03467284

United Nations Association International Service
Statement of Cash Flows
Year Ended 31 March 2017

	Note	2017 £	2016 £
Cash flow from operating activities	18	54,284	626,949
Interest paid		-	-
Net cash flow from operating activities		54,284	626,949
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(20,148)	(12,384)
Net cash flow from investing activities		(20,148)	(12,384)
Cash flow from financing activities			
Receipts from issue of new concessionary loans		-	705,000
Repayment of concessionary loans		-	(515,000)
Net cash flow from financing activities		-	190,000
Net increase in cash and cash equivalents		34,136	804,565
Cash and cash equivalents at 1 April		1,232,927	428,362
Cash and cash equivalents at 31 March	13	1,267,063	1,232,927

1 Summary of significant accounting policies

(a) General information and basis of preparation

United Nations Association International Service is a company limited by guarantee registered in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is:

Second Floor, Rougier House
5 Rougier Street
York
YO1 6HZ

The nature of the charity's operations and principal activities are set out in the Trustees' Annual Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1 Summary of significant accounting policies (continued)

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Income from government and other grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Income tax recoverable in relation to investment income under Gift Aid or deeds of covenant is recognised at the time of the donation.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on raising funds; and
- Expenditure on charitable activities.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 5.

1 Summary of significant accounting policies (continued)

(f) Governance costs

These represent costs incurred by finance, human resources, audit and directorate departments, attributable to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Fixtures and fittings	over 3 years straight line
Motor vehicles	over 3 years straight line

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening the deposit or similar account.

(j) Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable after more than one year the charity has opted, in accordance with section 21.26 of the SORP (FRS 102), to initially recognise and measure the loans at the amount received, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest outstanding.

(k) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1 Summary of significant accounting policies (continued)

(l) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(m) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(n) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(o) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(p) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The Trustees are conscious that a significant proportion of the Charity's income is currently generated through the DFID International Citizens' Service programme ("ICS") and are taking steps to diversify income streams in the future. The Trustees have prepared cash flow forecast scenarios which incorporate the risks concerning the ICS contract, specifically the likelihood that income in this area will cease from autumn 2018 which is described within the Principal Risk and Uncertainties section on page 18, and concluded that sufficient resources exist to enable the Charity to pay its debts as they fall due for a period of at least 12 months from the date of authorising of these financial statements.

(q) Judgements and key sources of estimation uncertainty

The Trustees have reviewed the areas of potential estimation uncertainty at the reporting date and do not consider there to be any areas that give rise to a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1 Summary of significant accounting policies (continued)

(r) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of financing transactions that do not qualify as concessionary loans, which are subsequently measured at amortised cost using the effective interest method.

2 Income from donations and legacies

	2017 £	2016 £
Gift aid	3,568	24,533
Diversity Travel	8,481	-
Other income	16,437	5,848
	<u>28,486</u>	<u>30,381</u>

Income from donations and legacies was £28,486 (2016 - £30,381) of which £28,486 (2016 - £30,381) was attributable to unrestricted funds.

3 Income from charitable activities

	2017 £	2016 £
Local income	-	24,084
Mali - USAID	937	96,497
AIDA funding – West Bank	-	-
DFID funding ICS 1 – Phase Two	-	960,676
DFID funding ICS 2 – Phase One	2,213,121	1,504,273
IVO4ALL	6,439	-
Bolivia IAPD	2,741	-
Bolivia LOW	8,319	-
	<u>2,231,557</u>	<u>2,585,530</u>

Income from charitable activities was £2,231,557 (2016 - £2,585,530) of which £11,997 (2016 - £191,236) was attributable to restricted and £2,219,560 (2016 - £2,394,294) was attributable to unrestricted funds.

4 Analysis of expenditure on charitable activities

	ICS £	Other £	Total 2017 £	Total 2016 £
Direct expenditure				
Staff costs	583,893	21,708	605,601	627,214
Other costs	1,251,011	13,096	1,264,107	1,349,636
Exchange rate differences	-	13,519	13,519	31,124
	1,834,904	48,323	1,883,227	2,007,974
 Support costs (note 5)	 325,041	 -	 325,041	 309,796
	2,159,945	48,323	2,208,268	2,317,770

Expenditure on charitable activities was £2,208,268 (2016 - £2,317,770) of which £20,397 (2016 - £191,881) was attributable to restricted and £2,187,871 (2016 - £2,125,889) was attributable to unrestricted funds.

5 Allocation of support costs

Support cost	Basis of allocation	Charitable activities		Total 2017 £	Total 2016 £
		ICS £	Other £		
Staff costs	Allocated on time Location	236,667	-	236,667	196,818
Other costs		64,607	-	64,607	94,285
Governance (note 6)		23,767	-	23,767	18,693
 Total		325,041	-	325,041	309,796

6 Governance costs

	2017 £	2016 £
Staff costs	13,846	13,624
Auditor's remuneration	8 4,930	4,750
Board expenses	279	319
Legal expenses	4,712	-
	<u>23,767</u>	<u>18,693</u>

7 Net income for the year

Net income is stated after charging / (crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	14,776	16,692
Operating lease rentals	80,622	74,712
Net losses on foreign exchange	13,519	31,124

8 Auditor's remuneration

	2017 £	2016 £
Fees payable to the charity's auditor (and its associates) for the audit of the charity's annual accounts	4,930	4,750

9 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2016 - £Nil).

The key management personnel of the organisation comprise the members of the Senior Leadership Team. The total amount of employee benefits received by key management personnel was £183,652 (2016 - £157,238). In addition, the organisation paid employer's NIC contributions of £17,807 in respect of key management personnel remuneration.

Expenses are paid on behalf of the Trustees and members of the management committee in respect of attendance at head office meetings. Total expenses amounted to £279 (2016 - £319).

10 Staff costs and employee benefits

The total staff costs and employees benefits was as follows:

	2017 £	2016 £
Wages and salaries	778,221	761,445
Social security	41,850	46,318
Defined contribution pension costs	36,043	50,264
	856,114	858,027

There was an average of 19 (2016 - 20) employees at the head office and 24 overseas workers during the year.

The charity also requires the services of project workers to achieve its project objectives. Such persons are not treated as full time employees and are recruited from all over the world as well as the UK. There was an average of 0 (2016 - 14) project workers overseas during the year.

Within the International Citizen Service project a further 240 (2016 - 329) volunteers worked abroad for a period of three months.

10 Staff costs and employee benefits (continued)

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2017 Number	2016 Number
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

11 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation:			
At 1 April 2016	63,376	8,800	72,176
Additions	20,148	-	20,148
Disposals	-	-	-
At 31 March 2017	<u>83,524</u>	<u>8,800</u>	<u>92,324</u>
Depreciation:			
At 1 April 2016	45,096	8,310	53,406
Charge for the year	14,286	490	14,776
Eliminated on disposals	-	-	-
At 31 March 2017	<u>59,382</u>	<u>8,800</u>	<u>68,182</u>
Net book value:			
At 31 March 2017	<u>24,142</u>	<u>-</u>	<u>24,142</u>
At 31 March 2016	<u>18,280</u>	<u>490</u>	<u>18,770</u>

12 Debtors

	2017 £	2016 £
Trade debtors	266,935	146,171
Other debtors	1,850	1,663
Prepayments and accrued income	<u>338,660</u>	<u>317,142</u>
	<u>607,445</u>	<u>464,976</u>

13 Cash at bank and in hand

	2017 £	2016 £
Cash in hand	3,250	31
UK account balances	1,117,818	1,133,255
Field account balance	145,995	99,641
	<u>1,267,063</u>	<u>1,232,927</u>

14 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	66,578	60,131
Other tax and social security	149,410	78,367
Other creditors	173,961	129,324
Accruals and deferred income	71,996	63,921
Concessionary loans payable (note 15)	705,000	705,000
	<u>1,166,945</u>	<u>1,036,743</u>

15 Concessionary loans payable

	2017 £	2016 £
Pre-financing – ICS 2	705,000	705,000
	<u>705,000</u>	<u>705,000</u>

On commencement of the ICS 2 contract in the prior period the charity received further pre-financing amounting to £705,000. The full balance was repaid in April 2017 and a further £500,000 was advanced to the charity. No interest is charged on the Pre-financing balance.

16 Fund reconciliation

Unrestricted funds

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 31 March 2017 £
General fund	671,530	2,248,046	(2,187,871)	-	-	731,705
	671,530	2,248,046	(2,187,871)	-	-	731,705

Restricted funds

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 31 March 2017 £
Bolivia						
RAAB	26	-	(26)	-	-	-
Best Buddies	453	-	(453)	-	-	-
LOW	372	11,060	(11,432)	-	-	-
CBM	573	-	(573)	-	-	-
Office closure	6,084	-	(6,084)	-	-	-
Mali						
US Aid Project	892	937	(1,829)	-	-	-
	8,400	11,997	(20,397)	-	-	-
	679,930	2,260,043	(2,208,268)	-	-	731,705

Movements in restricted funds

An explanation of each of the restricted funds is as follows for the year ending 31 March 2017:

Bolivia

Rapid Assessment of Avoidable Blindness (RAAB) and Eye Health

Rapid Assessment of Avoidable Blindness (RAAB) and Eye Health was a project where we worked with the National Committee on Eye Health and Prevention of Blindness led by the Ministry of Health. The RAAB study did eye examinations in 65 different parts of Bolivia with 3,350 people over the age of 50 to determine the prevalence of avoidable blindness and the leading factors in Bolivia. We worked with the National Committee to develop the National Plan on Eye Health and the Prevention of Blindness and supported the development of the National Committee. We received funding from Light for the World, Lions Club International Foundation through their Sight First Programme, Christian Blind Mission (CBM) and the International Agency on the Prevention of Blindness.

16 Fund reconciliation (continued)

Best Buddies

The Best Buddies Bolivia programme was a global volunteering programme that brought together people with intellectual disabilities and buddies or friends to develop friendships to promote social inclusion, greater awareness about disability and encourage the participation of people with disabilities within local communities.

ICS Closure

A decision was made by DFID to remove Bolivia as a country from the ICS programme. Funding was made available to allow a structured exit in order to minimise the impact on the partners and staff.

Mali

USAID Project

International Service was the lead organisation in a USAID funded contract delivered in collaboration with Sightsavers, Handicap International and The Malian Federation of Disabled People. Together we supported multiple Disabled Persons Organisations in Mali helping to maximise their efficiency and effectiveness. This contract concluded in the period.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	24,142	-	24,142
Current assets	1,874,508	-	1,874,508
Current liabilities	(1,166,945)	-	(1,166,945)
Total	731,705	-	731,705

18 Reconciliation of net income to net cash flow from operating activities

	2017 £	2016 £
Net income for year	51,775	277,192
Depreciation and impairment of tangible fixed assets	14,776	16,692
(Increase) / decrease in debtors	(142,469)	506,463
Increase / (decrease) in creditors	130,202	(173,398)
Net cash flow from operating activities	<u>54,284</u>	<u>626,949</u>

19 Pensions and other post-retirement benefits

Defined contribution pension plans

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £36,043 (2016 - £50,264).

As at 31 March 2017 unpaid contributions included within other creditors amounted to £163 (2016 - £4,479).

20 Commitments

Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Not later than one year	25,010	46,212
Later than one and not later than five years	7,804	7,750
Later than five years	-	-
	<u>32,814</u>	<u>53,962</u>

The operating lease charge in the Statement of Financial Activities was £80,622 (2016 - £74,712).

The charity entered into a new property lease in July 2017 committing the organisation to an annual rental charge of £42,500 for a period of seven years.

The lease includes a break clause as at 31 December 2020.

Capital commitments

At 31 March 2017 the entity had no outstanding capital commitments (2016 - £2,000).

21 Related party transactions

The entity paid training fees of £3,960 (2016 - £11,438) to York Associates International Limited, a company in which Robert Dignen, a Trustee, is a statutory Director and shareholder. At the balance sheet date the amount due to York Associates International Limited was £nil (2016 - £nil).

22 Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2017 £	2016 £
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
- Trade debtors (note 12)	266,935	146,171
- Other debtors (note 12)	1,850	1,663
- Accrued income (note 12)	297,147	266,588
	<u>565,932</u>	<u>414,422</u>
<i>Financial liabilities</i>		
Measured at amortised cost		
- Trade creditors (note 14)	66,578	60,131
- Other creditors (note 14)	173,961	129,324
- Accruals (note 14)	49,462	45,750
	<u>290,001</u>	<u>235,205</u>
Loan commitments measured at cost less impairment		
- Concessionary loans payable	705,000	705,000
	<u>705,000</u>	<u>705,000</u>

Impairment losses recognised on trade debtors totalled £nil (2016 - £24).