

helping children
adults & families
wherever they are

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR
1ST APRIL 2005
TO 31ST MARCH 2006**

**FOR
INTERNATIONAL SOCIAL SERVICE OF
THE UNITED KINGDOM**



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LONDON SW9 6DD
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Website: www.issuk.org.uk

Registered Charity No: 1085541
Company No: 4025539

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

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INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 March 2006

Honorary Positions

Patron:	Her Royal Highness Princess Alexandra
President:	Sir Anthony Figgis, KCVO, CMG
Vice- Presidents	Sir Clive Bossom, Bt Lady Coulson Lady Emery Lady Middleton Sir Michael Palliser, GCMG Lady Dora Pink Vice-Admiral Sir James Weatherall, KCVO, KBE Mr John Wheeler

Board of Trustees

Mr Douglas Lewis, CBE	(Chairman)
Mr Charles H Marshall	(Treasurer)
Mrs Margaret Bryer	
Sir David Calvert-Smith, QC	
Mrs Virginia Darbyshire	(Resigned 13/07/2005)
Sir Anthony Figgis, KCVO, CMG	
Mr Mark Florman	
Mrs Liz Grimsey, CBE, LVO	(Appointed 13/07/2005)
Dr Anthony Haden-Taylor	
Mr Robert Hutchinson, MA	
Mrs Pam Louhichi	(Appointed 13/07/2005)
Mr Robert Lyle	
Lady Middleton	
Mr Robert Morris, CVO	(Resigned 13/07/2005)
Mr Peter Orton	(Appointed 13/07/2005)
Mr Andrew Rinker, Jr	
Dr Ali Sattaripour	

Advisory member of the Board of Trustees (this member acts in an advisory capacity only and is not a trustee of the charity)

Mrs Elizabeth Young, MBE

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 March 2006
(Continued)

Staff

Mr Adrian Hatch (Chief Executive until 31/03/06)
Ms Sue Gilbert, BA (Hons), M Phil, CQSW (Principal Social Worker)

Caseworkers:

Ms Lesley Austen, (Tracing and Family Contact Worker)
Mr Marek Ganther, B.Sc.Soc (Hons), CQSW,DASS
Ms Hellen KulaZikulabe, MBA, BA Soc.W/Soc.Admin
Mr Leander Prifti, Dipl.Soc.W.
Ms Nadine Schmitt, Dipl Soc-Päd (FH)
Mr Georg Stahl, MSc, Dipl Soc-Päd (FH)

Administration:

Mr Mark Hunt
Mr Christopher Platt
Ms Lina Santeusano
Mrs Elizabeth Sharp

Charity Registered Number
1085541

Company Registered Number
4025539

Registered Office:
Cranmer House, 39 Brixton Road, London SW9 6DD

Auditors
Trustient, Buckingham House East, The Broadway, Stanmore, Middlesex. HA7 4EB

Bankers
CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling. Kent ME19 4JQ
HSBC Bank PLC, 512 Brixton Road, London SW9 8ER
National Savings Bank, Glasgow G58 1SB

Solicitors
Russell-Cooke, 2 Putney Hill, Putney. London SW15 6AB

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

TRUSTEES' REPORT For the year ended 31 March 2006

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the financial statements of International Social Service of the United Kingdom (the Charity) for the year ended 31 March 2006. The Trustees confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005.

Constitution and Organisational Structure

The Board of Trustees, who in turn delegate day-to-day management to the Chief Executive, govern the Charity. The Board meets at least six times per year and on every Agenda, there is a Chief Executive's report on the current situation, a financial report and fundraising report.

The Board has appointed a Professional Advisory Group, made up of Board members, the Chief Executive, staff and ad hoc experts, where issues can be raised as a result of the work ISS undertakes. Its findings are reported back to the Board.

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

At each Annual General meeting all the Trustees resign and may put themselves forward for re-election. At that meeting any person co-opted during the previous period can be confirmed as a Trustee. The Honorary Officers are elected from the members and hold office from the conclusion of the meeting. Members of the Board of Trustees during the year are shown on Page 1. It shows that two members resigned and three new members were co-opted to the Board.

The Charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 3rd July 2000.

Recruitment and Appointment of Trustees

The Officers of the Company (The President, Chairman and Treasurer) actively seek recommendations for new board members from users, staff, the Board and Donors. Such prospective members, after a period of vetting/training, may be co-opted to the Board and ratified at the next Annual General Meeting.

Induction and Training of Trustees

Co-opted members are introduced to the Charity with an Induction Pack and supervision by the Chairman. Ongoing training occurs regularly at Board meetings where the social work staff present their work.

Risk Mitigation

The Board of Trustees regularly reviews the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity.

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

TRUSTEES' REPORT (continued) For the year ended 31 March 2006

OBJECTIVES AND ACTIVITIES

The Charity is the United Kingdom branch of the International Social Service, established in Geneva in 1925 with the aims of promoting the social services within and among the member branches and bureaux established in various nations and territories of the international community. The principal objects of the Charity are to:

- a) Assist those who, as a result of voluntary or forced migration or other social problems of an international character, have to overcome personal or family difficulties, the solution of which coordinated actions in several countries or, in some cases, action only in the country of residence of the persons concerned.
- b) Study from an international standpoint the conditions and consequences of migration in relation to individual and family life, and as a result of these studies to make recommendations or take any other appropriate action.
- c) Contribute to the prevention of social problems linked to migration or inter-country mobility.
- d) Inform professionals and the public of the needs of migrant individuals and families.
- e) Assist in developing and maintaining an international network of national bodies able to meet the needs.

Aims of the Charity

The Board of Trustees adopted ISS UK's three-year Strategic Plan. Its six core aims are:

1. To offer a first class professional social work service to our clients.
2. To develop our profile and capacity in order to inform and influence UK policy and practice in our field of work.
3. To play an active role in the development and strengthening of the international network.
4. To ensure that staff support, development and welfare is integral to ISS UK to the benefit of our clients.
5. To achieve and maintain the highest standards of good governance.
6. To develop a sustainable and diverse financial base.

Main Objectives for the Year

All aims are equally relevant but during the year particular emphasis was placed on items 2, 5 and 6.

Strategies for Achieving Objectives

To look at our literature and website to see how we presented ourselves to our stakeholders etc; to review all our policies and procedures, especially to register as an Adoption Support Agency (new legislation regulating one aspect of ISS work); to review our fundraising activities.

Significant Activities Contributing to Achievement of Stated Objectives

ISS UK produced new literature including its Strategic Plan and overhauled its website. It became an Adoption Support Agency and will be inspected in late summer 2006. The Board of Trustees agreed to hold four major fundraising events and to employ a Trust Fundraiser, again in late summer 2006.

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

TRUSTEES' REPORT (continued) For the year ended 31 March 2006

Use of Volunteers

ISS UK uses volunteers in its fundraising activities. Each event has a committee of volunteers, with Trustee involvement. The Spring Fair, our major fundraising event, has a committed group of volunteers to manage the organisation of the event, where staff from over one hundred Embassies and High Commissions based in London volunteer their time to sell goods from their countries in aid of the charity.

ACHIEVEMENTS AND PERFORMANCE

Review of Performance Against Objectives

The Board of Trustees, the Professional Advisory Group and the staff continue to work and review all its policies in line with registering as an Adoption Support Agency and new SORP regulations. New procedures have been set up to monitor our performance with our users and are now being set up by the Board of Trustees to measure the effectiveness of the service offered.

Review of Fundraising Activities

One of the main aims of the Strategic Plan was to develop a sustainable and diverse financial base. The Board agreed to review our promotional material, maximise the number of organisations registered with ISS UK, develop a legacy marketing booklet and explore trust fundraising, identify and host four major events

The promotional material was updated. All Local Authorities were written to and appraised of our new charging system. The legacy booklet is currently being discussed by the Board. Negotiations are currently taking place in regard to employing a trust fundraiser late in 2006. There were four major fundraising events during the year:

The Annual Spring Fair held in May where representatives of Ambassadors and High Commissioners based in London sold goods in Aid of the Charity. The Chairman was Elizabeth Young and together with a Committee of dedicated supporters they were able to raise the amount of £120,000.

In July a Dinner at Marlborough House, organised by the President and Chairman raised over £64,000.

In November Lady Middleton was sponsored by Mrs Al Duwaisan, wife of the Ambassador of Kuwait, to raise £31,000 at a dinner at her residence.

A dinner at The Mansion House followed this, by permission of Alderman David Brewer, where £49,000 was taken.

Two smaller events, but equally as welcome, were an auction organised by Ms Melanie Dias, at St James's Palace and a Church Service at St Paul's Cathedral.

We are indebted to all those individuals who have supported the Charity through the year.

Financial Review

ISS UK has formulated a Strategic Plan, the first in its history, and is confident that it can go forward in improving its income whilst keeping a tight rein on its expenditure. It continues to administer the Travel Assistance Fund on behalf of the Home Office and the Foreign and Commonwealth Office again covered office expenses to ensure mothers could be reunited with their children in Libya. It was successful in raising funds from grant making Trusts, especially £29,000 from The Henry Smith Charity to cover the costs for dealing with children who have been trafficked, are asylum seekers and those in private foster care arrangements. (A further £32,000 will be granted over the next two years).

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

TRUSTEES' REPORT (continued) For the year ended 31 March 2006

Financial Review (continued)

Although the charity finished the year with a deficit, this has been financed by loans from Trustees that are only repayable at a future date determined by the Company. Financial commitments already made and forecasted for 2006-2007, as approved by the Trustees in the budget, anticipate a healthier financial future.

Related party relationships

ISS is a branch of an international network of International Social Services established in various countries.

Reserves policy

In accordance with guidelines issued by the Charity Commissioners, the trustees have adopted a policy regarding reserves that should ensure that excluding those funds represented by fixed assets, general reserves do not exceed more than six months currently anticipated planned expenditure which approximates to around £175,000. At present the charity does not have any reserves so will carry out fund-raising in the next financial year and will look to build its reserves accordingly.

Investment policy and performance

The Memorandum of Association requires that money not immediately required for the charity's objects, to be invested by the Trustees in such investments, securities or property, as may be thought fit. At the moment, the investment is interest earning bank accounts.

PLANS FOR THE FUTURE

As well as continuing to look at those core aims it has focused on during the year, ISS UK will develop aims 1, 3 and 4.

In order to offer a first class professional social work service, two members of the Board of Trustees, with social work/Local Authority management backgrounds, have agreed to oversee future developments until a CEO is appointed. After receiving Adoption Support Agency status, there will be an inspector's visit in autumn 2006 and this will lead to a tightening of systems. Through an anonymous donation ISS UK was able to use the services of Pall Mall Consults who advised us of how to improve our profile and we wrote to all MP's and are currently taking this forward. Social Workers have had the opportunity to attend all Party Parliamentary Debates and we intend to be more pro-active in this area.

ISS UK sent a delegate to the Annual Meeting of the network, which was held in New Zealand. A further two delegates will attend the Tri-Annual Meeting of the International Council in Hong Kong in May 2006. ISS UK will continue to add its ideas to this valuable forum for discussion.

The Board of Trustees approved a staff handbook and is developing a training policy.

Trustees' liability

The Trustees of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

TRUSTEES' REPORT (continued) For the year ended 31 March 2006

Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice applicable to smaller charities.

Company and charity law applicable to charities in England/Wales 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 Charity and of the surplus or deficit of the Charity for that period. In preparing those financial statements the Trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Trust will continue in operation).

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

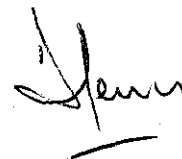
Statement as to disclosure of information to auditors

So far the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution proposing that Trustient be re-appointed as auditors of the Charity will be put to the Annual General Meeting.

This report was approved by the Trustees on 12th July 2006 and signed on its behalf, by:


DIRECTOR

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

We have audited the financial statements of International Social Service of the United Kingdom for the year ended 31 March 2006 set out on pages 10 to 19. These financial statements have been prepared in accordance with the accounting policies set out therein, the Statement of Recommended Practice: 'Accounting by Charities' and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

As described in the Statement of Trustees' Responsibilities the charity's Trustees (who also act as company directors of International Social Service of the United Kingdom) are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice applicable to charities).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We report to you whether in our opinion the information given in the Trustees' report is consistent with the financial statements.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller charities, of the state of the Charity's affairs as at 31 March 2006 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' report is consistent with the financial statements.

Trustient
Trustient

Chartered Accountants
Registered Auditors
Buckingham House East
The Broadway
Stanmore
Middlesex
HA7 4EB

Date: 18 July 2006.

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) For the year ended 31 March 2006

	Note	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	-	37,289	37,289	79,100
Activities for generating funds – Fundraising income	3	-	245,222	245,222	171,828
Investment income:					
Bank interest		-	1,584	1,584	457
Incoming resources from charitable activities – International Social Welfare matters	4	170,297	120,684	290,981	266,527
Sundry income		-	-	-	422
TOTAL INCOMING RESOURCES		170,297	404,779	575,076	518,334
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	5	-	124,086	124,086	77,462
Charitable activities – International Social Welfare matters		125,933	394,680	520,613	439,063
Governance costs	8	-	22,942	22,942	20,602
TOTAL RESOURCES EXPENDED		125,933	541,708	667,641	537,127
MOVEMENT IN TOTAL FUNDS FOR THE YEAR – NET INCOME/(EXPENDITURE) FOR THE YEAR		44,364	(136,929)	(92,565)	(18,793)
TOTAL FUNDS AT 1 APRIL 2005		11,623	63,507	75,130	93,923
TOTAL FUNDS AT 31 MARCH 2006		£ 55,987	£ (73,422)	£ (17,435)	£ 75,130

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

The notes on pages 12 to 19 form part of these financial statements.

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM


BALANCE SHEET As at 31 March 2006

	Note	£	2006 £	£	2005 £
FIXED ASSETS					
Tangible fixed assets	11		175		350
CURRENT ASSETS					
Debtors	12	25,628		35,430	
Cash at bank		80,127		52,390	
			105,755	87,820	
CREDITORS: amounts falling due within one year					
	13	(39,365)		(13,040)	
			66,390	74,780	
TOTAL ASSETS LESS CURRENT LIABILITIES					
			66,565	75,130	
CREDITORS: amounts falling due after more than one year					
	18	(84,000)		-	
NET (LIABILITIES)/ASSETS	15	£ (17,435)		£ 75,130	
CHARITY FUNDS					
Restricted Funds	14	55,987		11,623	
Unrestricted - General Funds	14	(73,422)		63,507	
			£ (17,435)	£ 75,130	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Trustees on 12th July 2006 and signed on their behalf, by:

The notes on pages 12 to 19 form part of these financial statements.



DIRECTOR

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005, applicable accounting standards and the Companies Act 1985.

1.2 Company status

The Charity is a company limited by guarantee. The members of the company are the trustees named on page 1. 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.

1.3 Fund accounting

General funds are unrestricted funds which 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors 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.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Overheads have been allocated on the basis of staff costs.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at the charity's head office. Governance costs are those incurred in connection with the compliance with constitutional and statutory requirements.

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

1. ACCOUNTING POLICIES (continued)

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & Fittings - 33% straight line

1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA as incurred.

2. VOLUNTARY INCOME

	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
Donations	£ -	£ 37,289	£ 37,289	£ 79,100

3. FUNDRAISING INCOME

	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
Spring Fair	-	90,110	90,110	104,246
Mansion House Event	-	49,100	49,100	-
Embassy Dinner	-	31,000	31,000	67,138
Marlborough House	-	64,167	64,167	444
St James's Palace event	-	7,110	7,110	-
Church Service	-	3,335	3,335	-
Golf Event	-	400	400	-
Total	£ -	£ 245,222	£ 245,222	£ 171,828

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
Fees and user payments	-	120,684	120,684	128,627
Home Office grant	108,239	-	108,239	112,400
The Henry Smith Charity	29,000	-	29,000	-
Other grants	33,058	-	33,058	25,500
Total	<u>£ 170,297</u>	<u>£ 120,684</u>	<u>£ 290,981</u>	<u>£ 266,527</u>

5. COSTS OF GENERATING VOLUNTARY INCOME

	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
Advertising, publicity & promotions	-	34,736	34,736	5,553
Venue hire	-	-	-	13,448
Fund-raising event costs	-	59,055	59,055	23,335
Wages & salaries	-	28,746	28,746	35,126
Other fundraising costs	-	1,549	1,549	-
Total	<u>£ -</u>	<u>£ 124,086</u>	<u>£ 124,086</u>	<u>£ 77,462</u>

6. CHARITABLE ACTIVITIES BREAKDOWN

	Activities undertaken directly £	Support costs £	Total 2006 £	Total 2005 £
Advice and assistance	417,554	87,617	505,171	425,838
Research	5,577	2,144	7,721	7,434
International Liaison	5,577	2,144	7,721	5,791
Governance costs	20,194	2,748	22,942	20,602
Total	<u>£ 448,902</u>	<u>£ 94,653</u>	<u>£ 543,555</u>	<u>£ 459,665</u>

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

7. SUPPORT COSTS

	2006 £	2005 £
Staff costs	74,266	59,080
Premises costs	9,758	3,819
Office running costs	9,651	4,929
Other costs	803	415
Depreciation costs	175	175
Total	<u>£ 94,653</u>	<u>£ 68,418</u>

8. GOVERNANCE COSTS

	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
Staff costs	-	13,943	13,943	13,950
Auditors' remuneration	-	4,062	4,062	3,982
Legal fees	-	2,189	2,189	-
Allocation of support costs	-	2,748	2,748	2,670
Total	<u>£ -</u>	<u>£ 22,942</u>	<u>£ 22,942</u>	<u>£ 20,602</u>

9. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2006 £	2005 £
Depreciation of tangible fixed assets:		
- owned by the charity	175	175
Auditors' remuneration	4,062	3,982

During the year, no Trustees received any remuneration (2005 - £NIL).

During the year, no Trustees received any benefits in kind (2005 - £NIL).

During the year, Trustee members received reimbursement of travel expenses of £208 (2005 - £269).

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

10. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2006 £	2005 £
Wages and salaries	322,589	270,420
Social security costs	33,434	27,232
	<u>£ 356,023</u>	<u>£ 297,652</u>

The average monthly number of employees during the year was as follows:

	2006 No.	2005 No.
Advice and assistance	9	8
Support	2	2
Fund raising	1	1
	<u>12</u>	<u>11</u>

No employee received remuneration amounting to more than £60,000 in either year.

11. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £
Cost	
At 1 April 2005 and 31 March 2006	<u>47,643</u>
Depreciation	
At 1 April 2005	47,293
Charge for the year	175
	<u>47,468</u>
At 31 March 2006	
Net book value	
At 31 March 2006	<u>£ 175</u>
At 31 March 2005	<u>£ 350</u>

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

12. DEBTORS

	2006 £	2005 £
Due within one year		
Trade debtors	15,852	30,848
Other debtors	4,560	4,582
Prepayments and accrued income	5,216	-
	<u>£ 25,628</u>	<u>£ 35,430</u>

13. CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Social security and other taxes	9,956	9,230
Accruals and deferred income	29,409	3,810
	<u>£ 39,365</u>	<u>£ 13,040</u>

14. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
UNRESTRICTED FUNDS				
General Funds	<u>63,507</u>	<u>404,779</u>	<u>541,708</u>	<u>(73,422)</u>
RESTRICTED FUNDS				
Travel Assistance	11,623	109,077	99,479	21,221
Libyan Fund	-	19,220	13,454	5,766
Website	-	6,000	6,000	-
Family tracing - Social Worker	-	7,000	7,000	-
Children and Young People's Social Workers	-	29,000	-	29,000
Subtotal	<u>11,623</u>	<u>170,297</u>	<u>125,933</u>	<u>55,987</u>
Total of Funds	<u>£ 75,130</u>	<u>£ 575,076</u>	<u>£ 667,641</u>	<u>£ (17,435)</u>

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

Restricted funds explanations:

The Home Office Travel Assistance Scheme offers help to those who wish to live permanently, usually in their country of origin and is discussed in greater detail the first part of the Annual Report.

The Foreign and Commonwealth Office make an annual grant for the specific purpose of re-uniting mothers with their separated children who live in Libya.

Grants were received from the Clothworkers Foundation and the Goldsmiths Company towards developing the charity's website.

The Rayne Foundation provided £7,000 in the year as part of a three-year grant of £25,000 towards the cost of employing a Social Worker in family tracing.

The Henry Smith Charity have provided £29,000 towards the salaries and on-costs of two specialist Social Workers working with children and young people. The work on this project commenced in 2006/7.

SUMMARY OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
General Funds	63,507	404,779	541,708	(73,422)
Restricted Funds	11,623	170,297	125,933	55,987
Total of Funds	<u>£ 75,130</u>	<u>£ 575,076</u>	<u>£ 667,641</u>	<u>£ (17,435)</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
Tangible fixed assets	-	175	175	350
Current assets	55,987	49,768	105,755	87,820
Creditors due within one year	-	(39,365)	(39,365)	(13,040)
Creditors falling due after one year	-	(84,000)	(84,000)	-
Total	<u>£ 55,987</u>	<u>£ (73,422)</u>	<u>£ (17,435)</u>	<u>£ 75,130</u>

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

16. OPERATING LEASE COMMITMENTS

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	2006 £	2005 £
Expiry date:		
Between 2 and 5 years	61,114	1,466
After more than 5 years	-	40,467

17. RELATED PARTY TRANSACTIONS

During the year three trustees advanced loans to the charity without any charge for interest. The loans have no definite date as to their reimbursement and are as follows:

	2006 £	2005 £
Douglas Lewis, Chairman	26,000	-
Dr Ali Sattaripour	50,000	-
Mark Florman	8,000	-
	<u>84,000</u>	<u>-</u>

18. CREDITORS: Amounts falling due after more than one year

	2006 £	2005 £
Trustees' loans	<u>£ 84,000</u>	<u>£ -</u>

As stated above the loans from trustees are interest free and have no fixed repayment date.

19. FUTURE OF THE CHARITY

The Statement of Financial Activities shows that the charity has an overall deficit on unrestricted funds of £73,422. The trustees have taken measures to increase funding and have made cost savings after the year-end, including making redundancies. To solve the short-term financing needs, trustees have lent the charity a total of £84,000 (see above) which will be repaid when funds allow.