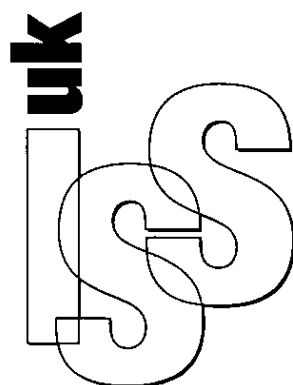


ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR
1ST APRIL 2006
TO 31ST MARCH 2007

FOR
INTERNATIONAL SOCIAL SERVICE OF
THE UNITED KINGDOM

Registered Charity No. 1085541
Company No. 04025539



protecting children
and uniting families
across borders



L3RZWREF
LD6 20/07/2007 191
COMPANIES HOUSE

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM
FOR THE YEAR ENDED 31 MARCH 2007

CONTENTS	Pages
Legal and administrative information	1-2
Trustees report	3-7
Auditors report	8
Statement of Financial Activities	9
Balance sheet	10
Notes forming part of the financial statements	11-16

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2007

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	
	Sir Anthony Figgis, KCVO, CMG	
	Mr Mark Florman	(resigned 1 11 06)
	Mrs Liz Grimsey, CBE, LVO	
	Dr Anthony Haden-Taylor	(resigned 12 7 06)
	Mr Robert Hutchinson, MA	
	Mrs Pam Louhichi	
	Mr Robert Lyle	
	Lady Middleton	
	Mr Peter Orton	(resigned 12 7 06)
	Mr Andrew Rinker, Jr	(resigned 12 7 06)
	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

Staff

Ms Sue Gilbert, BA (Hons), M Phil, CQSW (Acting Director)

Caseworkers

Ms Lesley Austen, (Tracing and Family Contact Worker)
Mr Marek Ganther, B Sc Soc (Hons), CQSW, DASS
Ms Kerstin Hassler, MA, DSA
Ms Hellen Kulazikulabe, MBA, BA Soc W/Soc Admin
Mrs Margaret Paton, JD, MSW, BA, LGSW
Ms Nadine Schmitt, Dipl Soc-Pad (FH)
Mr Georg Stahl, MSc, Dipl Soc-Pad (FH)

Administration

Mr Mark Hunt
Mr Christopher Platt, BA, IPS
Mrs Elizabeth Sharp

Fundraising

Ms Nicola Power, BA (Hons), Event & Major Donor Manager
Ms Lina Santeusano, Trusts and Grants Co-ordinator

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

FOR THE YEAR ENDED 31 MARCH 2007

Charity Registered Number 1085541

Company Registered Number 4025539

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

Auditors haysmacintyre, Fairfax House, 15 Fulwood Place, London, WC1V 6AY

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 2007

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 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 Acting Director, govern the Charity. The Board meets at least six times per year and on every Agenda there is a Director'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 Acting Director, 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 four members resigned.

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

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

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 to discuss the range of issues that the Charity deals with. The Board has adopted measures to monitor their own progress by the use of annual appraisals.

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 2007

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

There have been no changes in the objectives since the last annual report. The Board of Trustees regularly reviews the policies and is currently working on a detailed review of its risk assessment policies.

Aims of the Charity

The Charity was in its second year of its three-year Strategic Plan and worked on the following six core aims

- 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

To actively improve all its developmental plans but to concentrate on items 5 & 6

Strategies for Achieving Objectives

The Board supported two independent reviews of its work. The first looked at its Policies, Procedures and Governance with particular regard to registering as an Adoption Support Agency. The second looked at the way the Charity raised its funds.

Significant Activities Contributing to Achievement of Stated Objectives

The Charity was inspected by the Commission for Social Care Inspection which resulted in the confirmation of its status as an Adoption Support Agency. Following a review of fundraising activities it was also decided to create two new posts of 1) Trusts and Grants Co-ordinator and 2) Events and Major Donor Manager. This will significantly increase the potential to increase funding.

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 where staff from over one hundred Embassies and High Commissions based in London volunteers their time to sell goods from their countries in aid of the charity.

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2007

ACHIEVEMENTS AND PERFORMANCE

Review of Performance Against Objectives

The main objectives of the Charity for the year came under six headings and the following progress was achieved

1 To offer a first class professional social work service to our clients

During the year 1355 people were offered advice about a huge range of problems that crossed a national frontier. The Charity offered specific help to 432 cases dealing with children and families in over 100 different countries.

Marek Ganther again escorted mothers and members of their UK family to Libya to reunite with their abducted children, whom they only get to see once a year through the work of ISS, the Libyan People's Bureau and a network of contacts. This is ongoing work that is supported by the Foreign & Commonwealth Office.

Marek also took the lead in dealing with clients who wish to live permanently overseas and applied to the Travel Assistance scheme sponsored by the Home Office. During the year 16 clients were helped and 3 clients asked for an escort back to their country of origin as they needed extra help, both on the journey and reuniting with family overseas.

2 To develop our profile and capacity in order to inform and influence UK policy and practice in our field of work

The Bridge House Trust sponsored a three year project to raise awareness amongst specific London Local Authorities of the services offered to looked after children and young people from a non-white ethnic background. The London Project shares good practices and highlights issues of diversity and ensures the participation of the young person. The Project Manager, Nadine Schmitt, has produced appropriate literature and is working towards greater co-operation within the London area.

3 To play an active role in the development and strengthening of the international network

Imperial Tobacco agreed to sponsor our efforts to strengthen our international network of contacts in Africa. The Principal Social Worker, Georg Stahl, is taking the lead on this project and has already visited Kenya and South Africa and has arranged for training for colleagues from the Democratic Republic of the Congo.

4 To ensure that staff support, development and welfare is integral to ISS UK to the benefit of our clients

A training budget was established for all staff and regular supervision and appraisals were undertaken where training needs can be easily identified. Independent consultations took place which are discussed in detail in significant activities. A review in May 2007 will review the Administration function and the effectiveness of the work undertaken by the support workers as well as their personal development.

5 To achieve and maintain the highest standards of good governance

The Board of Trustees, the Professional Advisory Group and the staff continue to work and review all its policies. During the year great improvements were made within the office with the installation of a networked computer system with broadband access. This was sponsored by Lloyds TSB and has led to a tremendous improvement in efficiency and greater ease of connection with partners overseas.

6 To develop a sustainable and diverse financial basis

This is discussed in detail in the following sections.

Review of Fundraising Activities

The Trust Fund Co-ordinator has arranged for the production of a Legacy leaflet and is currently sending these out, as well as investigating new sources of Trust funding. The Event and Major Donor Manager is currently planning at least four future events.

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2007

Review of Fundraising Activities (continued)

The Annual Spring Fair, under the chairmanship of Elizabeth Young and her Committee, managed to raise the amount of £96,311 Dr Sattaripour and his Committee held another Golf Day in June and raised £50,000 In November a dinner sponsored by the Russian Embassy raised the amount of £15,694 On the 31st January Mrs Daghestani and her Committee arranged a dinner and entertainment at the Guildhall where the takings were £102,742

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

Financial Review

ISS UK continues to administer the Travel Assistance Fund on behalf of the Home Office The Foreign and Commonwealth Office covered office expenses to ensure mothers could be reunited with their children in Libya ISS UK was successful in raising funds from the following Trusts

Rayne Foundation	£7,000
Bridge House Trust	£20,000
Garfield Weston Foundation	£29,000
The Hobson Charity	£50,000
Imperial Tobacco	£30,000
Lloyds TSB	£28,805
Henry Smith Charity	£20,000

The Charity has an accumulated deficit on its unrestricted funds of £56,026 and plans to rectify this in 2007-2008 by increasing its fundraising It has employed two specialised fundraisers and has already received an individual donation of £50,000 to its unrestricted funds

Related party relationships

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

Reserves policy

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 £295,000 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

The Board appointed the Acting Director, Sue Gilbert, as Director on the 1st April 2007 and her brief will be to provide leadership and direction to staff and for all professional services provided by ISS UK The planned future developments will be

Establish a more diverse funding base through

- Increasing the number of annual fundraising events
- Developing relations with major donors to increase the potential for donor funding in the medium/long term
- Submitting funding bids to appropriate trusts and grant-making bodies

To increase the number of service users utilising the services of ISS through

- Increasing awareness of ISS in appropriate arenas
- Obtaining the views of service users about ISS UK, to ensure that the services provided are both satisfactory and responsive to emerging needs

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2007

To improve the quality of service provided by ISS UK by

- Working with other ISS branches to increase the capacity of some ISS units overseas
- Ongoing training of the social work team to provide high quality and expert advice on inter-country social work

To improve the internal operation and management of ISS UK

- Clarification of all roles/responsibilities and tasks within the ISS team and the Board of Trustees
- Review and finalisation of internal policy, practice and procedural documentation

Re-organisation of the Administrative team and a streamlining of practices to improve efficiency

- To identify the future direction of ISS UK through
- A review of the Strategic Plan
- The identification of the target population and what we are seeking to achieve with those populations

Establishing a system for monitoring and evaluating the work of ISS UK

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company and charity law require the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

So far as each of the Trustees is aware at the time the report is approved

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Auditors

The auditors, Trustient, have merged with haysmacintyre and are willing to be reappointed in accordance with Section 385 of the Companies Act 1985 under the name of haysmacintyre.

This report was approved by the Trustees on 12 7 07 and signed on its behalf, by



**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 2007 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure account), the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charitable 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 charity's members those matters we are required to state to them in an auditors' 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the Trustees (who are also the directors of International Social Service of the United Kingdom for the purposes of Company Law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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 whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company 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 transactions with the charitable company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

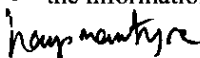
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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.

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 Entities, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.


haymacintyre
Registered Auditors

Date 12 July 2007.

Fairfax House
15 Fulwood Place
London
WC1V 6AY

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2007

	Notes	Restricted Funds £	Unrestricted Funds £	Total 2007 £	Total 2006 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	-	6,189	6,189	37,289
Activities for generating funds - Fundraising income	3	-	264,747	264,747	245,222
Investment income					
Bank interest		-	1,887	1,887	1,584
Incoming resources from charitable activities -					
International Social Welfare matters	4	292,920	140,371	433,291	290,981
Sundry income		-	3,172	3,172	-
Total incoming resources		<u>292,920</u>	<u>416,366</u>	<u>709,286</u>	<u>575,076</u>
RESOURCES EXPENDED					
<i>Cost of generating funds</i>					
Costs of generating voluntary income	5	-	96,078	96,078	134,159
Charitable activities - International Social Welfare matters		240,170	248,430	488,600	458,421
Governance costs	8	-	54,462	54,462	75,060
Total resources expended	9	<u>240,170</u>	<u>398,970</u>	<u>639,140</u>	<u>667,641</u>
Movement in total funds for the year - net income/(expenditure) for the year		52,750	17,396	70,146	(92,565)
Fund balances brought forward at 1 April 2006		<u>55,987</u>	<u>(73,422)</u>	<u>(17,435)</u>	<u>75,130</u>
Fund balances carried forward at 31 March 2007		<u>£108,737</u>	<u>£(56,026)</u>	<u>£52,711</u>	<u>£(17,435)</u>

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

The notes on pages 11 to 16 form part of these financial statements

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

BALANCE SHEET

AS AT 31 MARCH 2007

	Notes	£	2007	£	£	2006	£
FIXED ASSETS							
Tangible fixed assets	11			32,490			175
CURRENT ASSETS							
Debtors	12	46,706			25,628		
Cash at bank		54,010			80,127		
		<u>100,716</u>			<u>105,755</u>		
CREDITORS: Amounts falling due within one year	13	<u>(54,495)</u>			<u>(39,365)</u>		
NET CURRENT ASSETS				<u>46,221</u>			<u>66,390</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				78,711			66,565
CREDITORS. Amounts falling due after more than one year	18			<u>(26,000)</u>			<u>(84,000)</u>
NET (LIABILITIES)/ASSETS	15			<u>£52,711</u>			<u>£(17,435)</u>
CHARITY FUNDS							
Restricted Funds	14			108,737			55,987
Unrestricted funds							
General funds	14			<u>(56,026)</u>			<u>(73,422)</u>
				<u>£52,711</u>			<u>£(17,435)</u>

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 and authorised for issue on 12.7.07 and signed on their behalf, by



The notes on pages 11 to 16 form part of these financial statements

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES

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.

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.

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.

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.

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.

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).

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
Computer equipment	33% straight line

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

1 ACCOUNTING POLICIES (Continued)

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 £	Unrestricted Funds £	2007 £	2006 £
Donations	£ -	£6,189	£6,189	£37,289
3. FUNDRAISING INCOME	Restricted Funds £	Unrestricted Funds £	2007 £	2006 £
Spring Fair	-	96,311	96,311	90,110
Mansion House Event	-	-	-	49,100
Embassy Dinner	-	15,694	15,694	31,000
Guildhall event	-	102,742	102,742	-
Marlborough House	-	-	-	64,167
St James's Palace event	-	-	-	7,110
Carol service	-	-	-	3,335
Golf event	-	50,000	50,000	400
TOTAL	£ -	£264,747	£264,747	£245,222
4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	Restricted Funds £	Unrestricted Funds £	2007 £	2006 £
Fees and user payments	-	133,371	133,371	120,684
Home office grant – travel assistance	107,385	-	107,385	108,239
The Henry Smith Charity – Social Workers	20,000	-	20,000	29,000
Other grants	185,535	7,000	172,535	33,058
	£292,920	£140,371	£433,291	£290,981
5. COSTS OF GENERATING VOLUNTARY INCOME	Restricted Funds £	Unrestricted Funds £	2007 £	2006 £
Advertising, publicity and promotions	-	1,461	1,461	34,735
Fund-raising event costs	-	52,566	52,566	59,094
Wages and salaries	-	27,264	27,264	23,515
Other fundraising costs	-	14,787	14,787	16,815
	£ -	£96,078	£96,078	£134,159

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

6.	CHARITABLE ACTIVITIES BREAKDOWN	Activities undertaken directly £	Support costs £	Total 2007 £	Total 2006 £
	Advice and assistance	431,894	56,706	488,600	442,294
	Research	-	-	-	8,064
	International liaison	-	-	-	8,064
	Governance costs	37,004	17,458	54,462	75,060
		<u>£468,898</u>	<u>£74,164</u>	<u>£543,062</u>	<u>£533,482</u>
7.	SUPPORT COSTS			2007 £	2006 £
	Staff costs			35,414	36,989
	Premises costs			18,975	17,935
	Office running costs			7,742	9,356
	Other costs			9,947	10,988
	Depreciation costs			2,086	175
				<u>£74,164</u>	<u>£75,444</u>
8.	GOVERNANCE COSTS	Restricted Funds £	Unrestricted Funds £	2007 £	2006 £
	Staff costs	-	32,189	32,189	49,155
	Auditors' remuneration	-	4,815	4,815	4,062
	Allocation of support costs	-	17,458	17,458	21,843
		<u>£ -</u>	<u>£54,462</u>	<u>£54,462</u>	<u>£75,060</u>
9.	NET INCOMING RESOURCES/ (RESOURCES EXPENDED)			2007 £	2006 £
	This is stated after charging				
	Depreciation of tangible fixed assets				
	- owned by the charity			2,086	175
	Auditors' remuneration			4,815	4,062

During the year, no Trustees received any remuneration (2006 £Nil)

During the year, no Trustees received any benefits in kind (2006 £Nil)

During the year, 1 Management Council member received reimbursement of travel expenses of £406 (2006 1 member - £208)

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

10. STAFF COSTS AND NUMBERS

	2007 £	2006 £
Staff costs were as follows		
Wages and salaries	301,547	322,589
Social security costs	30,614	33,434
	<u>£332,161</u>	<u>£356,023</u>

The average monthly number of employees during the year was

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

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

11. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £	Computer equipments £	Total £	Restricted fund £
Cost				
At 1 April 2006	47,643	-	47,643	-
Additions	-	34,401	34,401	28,805
At 31 March 2007	<u>47,643</u>	<u>34,401</u>	<u>82,044</u>	<u>28,805</u>
Depreciation				
At 1 April 2006	47,468	-	47,468	-
Charge for the year	175	1,911	2,086	1,600
At 31 March 2007	<u>47,643</u>	<u>1,911</u>	<u>49,554</u>	<u>1,600</u>
Net Book Value				
At 31 March 2007	<u>£ -</u>	<u>£32,490</u>	<u>£32,490</u>	<u>£27,705</u>
At 31 March 2006	<u>£175</u>	<u>£ -</u>	<u>£175</u>	<u>£-</u>

Lloyds TSB provided £28,805 in the year towards computer equipment

12. DEBTORS: due within one year

	2007 £	2006 £
Trade debtors	24,815	15,852
Other debtors	4,805	4,560
Prepayments and accrued income	17,086	5,216
	<u>£46,706</u>	<u>£25,628</u>

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

13. CREDITORS amounts falling due within one year			2007	2006
			£	£
Social security and other taxes			10,445	9,956
Accruals and deferred income			44,050	29,409
			<u>£54,495</u>	<u>£39,365</u>
14. STATEMENT OF FUNDS	Balance at	Incoming	Resources	Balance at
	1 April	Resources	Expended	31 March
	2006			2007
	£	£	£	£
Unrestricted funds				
General funds	(73,422)	416,366	(398,970)	(56,026)
Restricted funds				
Travel assistance	21,221	107,385	(118,584)	10,022
Libyan Fund	5,766	11,730	(17,496)	-
Bridge House Trust	-	20,000	(10,877)	9,123
Garfield Weston Foundation	-	25,000	(25,000)	-
Children and young people's social workers	29,000	20,000	(34,410)	14,590
Hobson Charity - Fundraisers	-	50,000	(31,755)	18,245
Imperial Tobacco – Social Worker	-	30,000	(448)	29,552
Computer equipment	-	28,805	(1,600)	27,205
	<u>55,987</u>	<u>292,920</u>	<u>(240,170)</u>	<u>108,737</u>
TOTAL OF FUNDS	<u>£(17,435)</u>	<u>£709,286</u>	<u>£(639,140)</u>	<u>£52,711</u>

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

The Bridge House Trust provided £20,000 in the year as part of a three year grant of £80,000 towards the salary of a project manager and on-costs working to provide services for young people in care

The Garfield Weston Foundation provided £29,000 to assist with costs towards helping children separated from their families in the UK

The Henry Smith Charity have provided £20,000 towards the salaries and on-costs of two specialist Social Workers working with children and young people

The Hobson Charity provided £50,000 towards the salaries and on-costs of two fundraisers

Imperial Tobacco provided £30,000 toward the salaries of a social worker and travel costs to research areas worldwide

Lloyds TSB provided £28,805 in the year towards the purchased of IT equipment

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

14. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS	Balance at 1 April 2006 £	Incoming Resources £	Resources Expended £	Balance at 31 March 2007 £
General funds	(73,422)	416,366	(398,970)	(56,026)
Restricted funds	55,987	292,920	(240,170)	108,737
TOTAL OF FUNDS	£(17,435)	£709,286	£(639,140)	£52,711

15. ANALYSIS OF NET ASSET BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	2007 £	2006 £
Tangible fixed assets	27,205	5,285	32,490	175
Current assets	81,532	19,184	100,716	105,755
Creditors due within one year	-	(54,495)	(54,495)	(39,365)
Creditors falling due after one year	-	(26,000)	(26,000)	(84,000)
	£108,737	(£56,026)	£52,711	£(17,435)

16. OPERATING LEASE COMMITMENTS

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as follows -

Expiry date	Rent £	Other £	2007 £	2006 £
Between two and five years	£76,267	£1,100	£77,367	£61,114

17. RELATED PARTY TRANSACTIONS

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

	2007 £	2006 £
Douglas Lewis, Chairman	26,000	26,000
Dr Ali Sattaripour	-	50,000
Mark Florman	-	8,000
	£26,000	£84,000

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

	2007 £	2006 £
Trustees' loans	£26,000	£84,000

As stated above the loans from trustees are interest-free and have no fixed repayable date. It is unlikely they will be repaid in the forthcoming year.

INTERNATIONAL SOCIAL SERVICE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

19 FUTURE OF THE CHARITY

The charity has a deficit on unrestricted funds at the end of the financial year amounting to £56,026. To fund this, a trustee has lent the charity a sum of £26,000 and additional funds have been raised after the year end including donations of £50,000. Two fundraisers have been employed to raise additional funds, and the trustees are confident that the situation can be rectified in 2007/8.