



Annual report

and financial statements
year ended 31 March 2018

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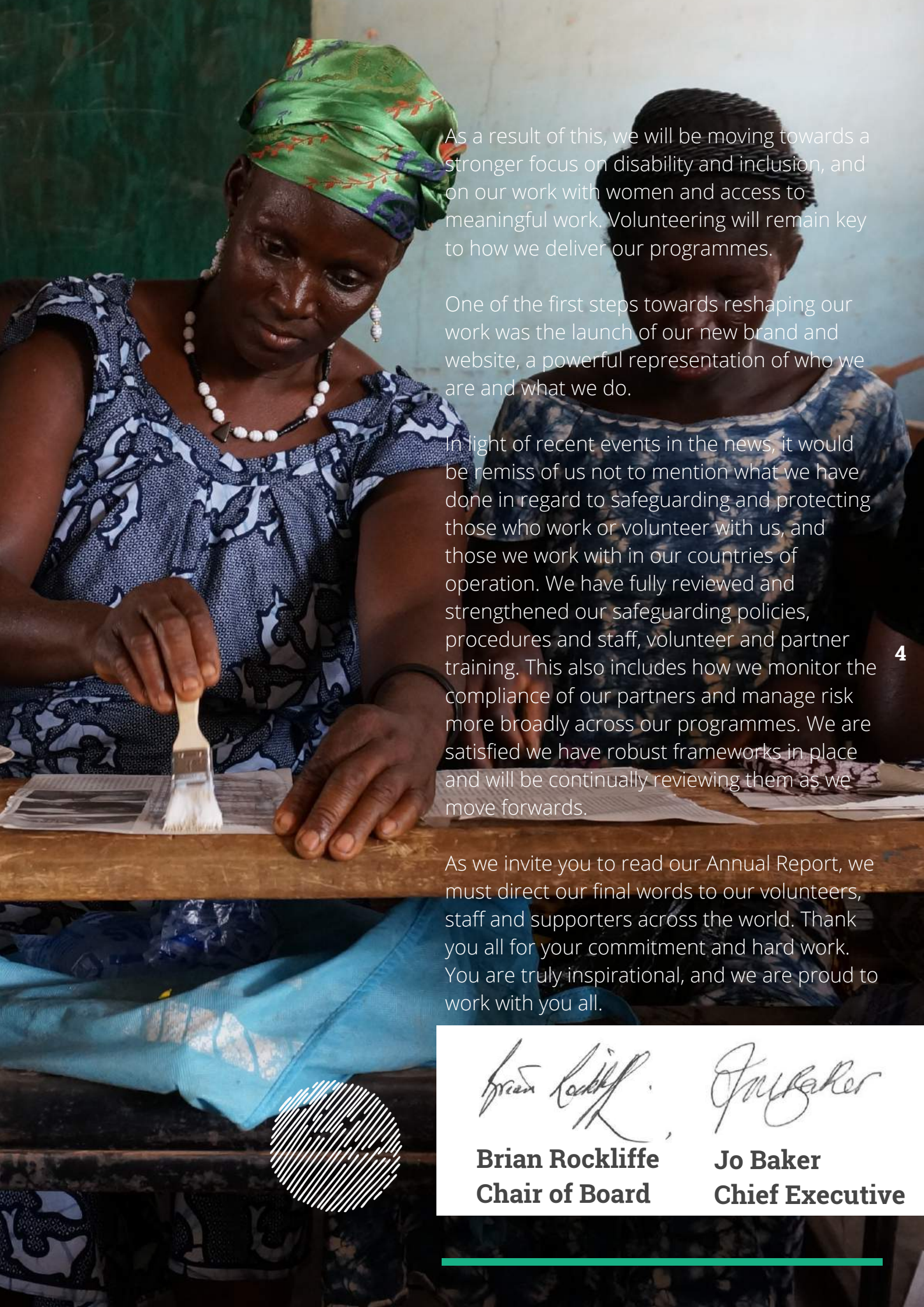
International Service
making change together

Welcome

2017-18 has been another busy year for International Service as our staff and volunteers across the world have continued to work with local communities to develop and implement local solutions to address inequalities and reduce poverty. Working alongside our partners, we reached over a quarter of a million people in 5 countries, increasing access to education and work, and building the skills, knowledge and confidence of women, youth and people with disabilities.

We have continued to deliver International Citizen Service (ICS), the DFID funded youth volunteering programme, with 655 young people completing placements with International Service. This year, ICS received the highest A+ rating from DFID in the annual review of the contract.

As the world around us keeps changing, we too need to adapt and change to remain relevant and useful in our work. So, this year we began a review of International Service and how we need to innovate and respond to the changing context of development to be even more impactful, use technology effectively, collaborate in new and exciting ways with others, create sustainable and scalable programmes, and offer even greater value for money.



As a result of this, we will be moving towards a stronger focus on disability and inclusion, and on our work with women and access to meaningful work. Volunteering will remain key to how we deliver our programmes.

One of the first steps towards reshaping our work was the launch of our new brand and website, a powerful representation of who we are and what we do.

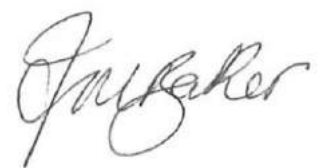
In light of recent events in the news, it would be remiss of us not to mention what we have done in regard to safeguarding and protecting those who work or volunteer with us, and those we work with in our countries of operation. We have fully reviewed and strengthened our safeguarding policies, procedures and staff, volunteer and partner training. This also includes how we monitor the compliance of our partners and manage risk more broadly across our programmes. We are satisfied we have robust frameworks in place and will be continually reviewing them as we move forwards.

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As we invite you to read our Annual Report, we must direct our final words to our volunteers, staff and supporters across the world. Thank you all for your commitment and hard work. You are truly inspirational, and we are proud to work with you all.



Brian Rockliffe
Chair of Board



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*	<div> <div>Mr. B Rockliffe OBE (Chair)</div> <div>Ms. N Redpath (Treasurer)</div> <div>Mr. L Conlon</div> <div>Mr. B Dignen</div> <div>Prof. P Gready</div> <div>Prof. J Grugel</div> <div>Ms. K Hyde (appointed 15 September 2017)</div> <div>Mr. L Njenga</div> </div> <div> <div>Mr. C Northcote</div> <div>Ms. N Passman</div> <div>Ms L Asrari</div> <div>(resigned 24 July 2017)</div> <div>Ms. C Sayer</div> <div>(resigned 14 July 2018)</div> <div>Prof. K Stanton</div> <div>(resigned 9 July 2017)</div> </div>	
Chief Executive Officer	J Baker	
Registered office	Second Floor, Rougier House 5 Rougier Street York YO1 6HZ	
Auditor	Murray Harcourt Limited 6 Queen Street Leeds LS1 2TW	
Bank	HSBC 13 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	

Trustees' Annual Report

(including Directors' Report and Strategic Report)

The Trustees present their report and the audited financial statements of the charity for the year ended on 31 March 2018. The Trustees have adopted the provisions of 'Accounting and Reporting by Charities: Statement of Recommended Practice' (SORP 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.

The Trustees ensure that the activities of the charity are consistent with its charitable aims and objectives and in agreeing our annual plans, the Trustees have due regard for public benefit as set out in the Charity Commission's general guidance on public benefit.

Our Vision, Mission and values

International Service was founded in 1953 under a Memorandum of Association which established our objects and powers and is governed under the Articles of Association. International Service's mission as specified in the 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'.

What we want

is a world where people living in any form of poverty have the tools to challenge injustice and change their lives for the better.

What we do

is work alongside change-makers to end poverty and discrimination in communities across the world.

Our values

We are passionate about working in partnership with organisations across the world to make change where change is needed. These are the values that guide everything we do:

Lasting change: because change is only real if it stays that way.

Local solutions: because one size does not fit all.

Human rights: because there is no hierarchy of human worth.

People: and they are the heart of everything we do.

Our organisational strategy 2016-19

In line with our 2016-19 Organisational Strategy last year we worked in line with the following principles:

Access to Human Rights

As human beings, we are all entitled to basic freedoms and protections, regardless of who we are. These fundamental entitlements are our human rights. But the reality is that not all human beings are able to exercise their rights. Due to circumstance, prejudice, poverty or behaviour of others, many are blocked from living life free from fear, discrimination or restriction.

International Service puts human rights at the centre of what we do. Our work focuses on increasing people's access to their rights and enabling them to change their futures for the better.

We focus on people's rights because increasing understanding of and access to rights is the key to sustainable and lasting change. Our livelihoods projects enable people to earn a fair income in the

short-term, but by raising awareness about their right to earn an income and participate in society, it empowers them for the long-term.

Working in partnership

All our projects are delivered in partnership with local organisations who understand the specific challenges their communities face. We find organisations who are already making change and bring our 65 years of experience and development expertise to work in partnership with them. Our input enables them to reach more people, work more effectively, and have a greater impact in their community.

For us, a successful partnership is one that comes to a natural end. We work with our partners so that one day we won't have to. With more skills, more funding and more resources, our partners can continue to change their communities for the better long after our partnership ends.

Volunteering for change

Volunteering is key to how we deliver our projects. At International Service we

strive to deliver effective, inclusive volunteering programmes globally to promote active citizenship and leverage the impact of our development projects.

We strive to enable a diverse and inclusive group of volunteers to gain new skills and contribute to the communities we work with, and support the personal and professional development of our volunteers before and after their volunteering placement. Volunteering provides people-power, ideas and momentum, enabling our partners to become more sustainable in their work and have a greater impact in their communities.

The extensive network of active citizens we have built through volunteering is a source of continuous support for the work of International Service in the UK and overseas.

Global Goals for Sustainable Development



In September 2015, world leaders signed up to a set of Sustainable Development Goals which frame a global commitment to end extreme poverty, fight inequality and injustice and address climate change. In line with our strategy, last year International Service continued to focus on contributing towards the achievement of five Sustainable Development Goals:

Global Goal 1: No Poverty
To end poverty in all its forms everywhere.

Global Goal 4: Quality Education

To ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Global Goal 5: Gender Equality

To achieve gender equality and empower all women and girls.

Global Goal 10: Reduced Inequalities

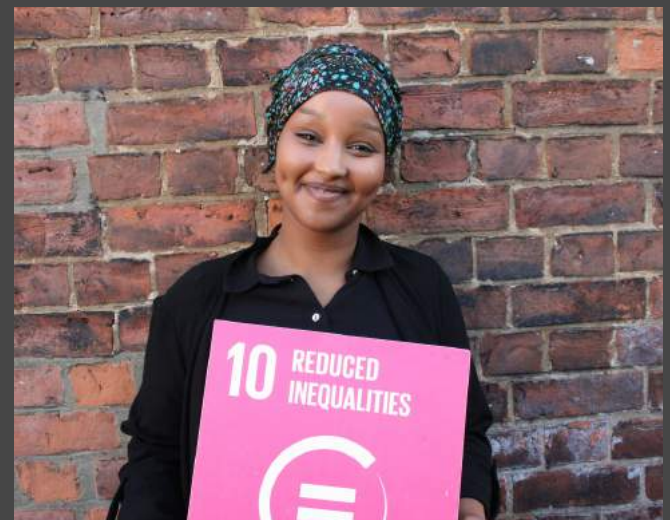
To reduce inequality within and among countries.



Global Goal 16: Peace, Justice and Strong Institutions

To promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

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Annual Plan 2017-18

In keeping with our 2016-19 Organisational Strategy, last year we worked towards a number of specific objectives:

- Support women and people with disabilities in communities with extreme poverty to improve their livelihoods
- Embed human rights in all our work
- Use strategic partnerships to deliver concrete outputs which increase our impact
- Develop and begin to deliver UK programming to reduce poverty and inequality
- Deliver excellence in International Citizen Service (ICS)
- Develop and maintain a diverse network of active citizens and volunteers
- Achieve equality of people management and development for staff

The remaining sections of this report outline how International Service performed against our annual objectives.



International Service
making change together

Our impact 2017-18

In 2017-18, International Service worked in partnership with 20 local organisations, reaching over a quarter of a million people across five developing countries. We continued to leverage our impact through International Citizen Service, placing over 600 volunteers on development projects; and began the delivery of our new UK programme, to ensure vulnerable groups in the UK share in the commitment to 'leaving no one behind' made through the Sustainable Development Goals.

In 2017-18 International Service:

- reached 253,978 people through our work
- partnered with local organisations to deliver 22 development projects
- facilitated 1,564 hours of awareness raising and peer education
- provided 2,097 hours of training to communities and partners
- contributed to the development of 1,833 educational resources
- and carried out 336 research project

Ghana

129,834 people reached

200 hours of peer education

113 research projects

255 hours of awareness raising

279 hours of training

427 resources developed

60 community networks



Case study

Our two-year project delivered in partnership with Non-Formal Education Division (NFED), a unit of Ghana's Ministry of Education, ended in late 2017, having completed the formal registration of 14 women's income generating groups we worked with.

The project worked with groups of women who engage in income generating activities, such as shea butter processing and dress making, but who were not formally registered as cooperatives. Because of this the groups were missing out on the many benefits that being a cooperative offers, such as access to affordable finance.

"Before I started working here I was not aware of all the benefits that come with being a part of the association and having your own income. After hearing the benefits of having a bank account from the ladies in the successful groups in Tolon, we now truly see the advantages." – a cooperative member.

International Service partnered with the groups to improve their knowledge and activities through training so that they could fulfil the requirements needed to operate as a cooperative. We offered training in product quality and diversification, marketing and financial markets, as well as organised exchange visits between the already registered cooperatives and the non-formal groups.

All of the women's groups we worked with are now aware of the benefits of being registered as a cooperative and have access to financial services, and 14 have formally registered. This means they will be more resilient to deal with challenges and able to expand their activities, making their income more sustainable in the long term.



Burkina Faso

101,814 people reached

233 hours of peer education **15**

108 action research projects

443 hours of awareness raising

1,249 hours of training

1,379 resources developed

89 community infrastructure projects

68 community networks

Despite significant development progress across the country, Burkina Faso remains in the bottom 10 countries in the world according to the UN Human Development Index, with nearly 45% of the population living below the poverty line. With 71% of its population dependent on agriculture, many families need their children to work in the fields. The resulting lack of education means that children grow up to be adults who can't access decent work. And they, in turn, will rely on their children to bring in an income.

People with disabilities fare even worse: discrimination means that over 88% of disabled people in Burkina Faso have never attended school. This means they are even more likely to lack the skills they need to earn an income and escape poverty.

In 2017-18 International Service worked in partnership with 7 local organisations to break this cycle of poverty:

- 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
- Association Manegbzanga de Loumbila (AML)

Throughout the year, our work reached over 100,000 people across Burkina Faso, with projects focusing on economic empowerment of women and the rights of people with disabilities. We worked with local women's cooperatives producing shea butter lotion, moringa tree powder and hand-made jewellery, teaching them the skills they need to earn an income. We delivered training in business skills, such as marketing and finance, so that the women can promote their products, access new markets and improve the quality of their handicraft. Our community events encouraged more women to join the cooperatives, and worked with new members to teach them the skills they will need make and sell products.

Disability inclusion is a major focus of our programme in Burkina Faso. We use education and sport to tackle the stigma around disability, so that people with disabilities can get an education and access work. Last year, we worked with non-disabled and disabled children and their parents through Espace Bambino, an education centre for children with disabilities, to promote inclusion; and addressed thousands of young people in local schools about the rights and potential of people with disabilities, so that they grow up free of prejudice. And we worked with local disabled people's associations to teach disability sports to communities, organise inclusive sport tournaments and establish new inclusive sports clubs.

Case study

Handicap Solidaire Burkina (HSB) is a local disability organisation which is led, staffed and managed by people living with disabilities. International Service has worked with HSB since 2012 to improve social and economic integration of people living with disabilities.

'The key issue affecting the community is in relation to disability; this means the lack of knowledge of laws voted to support disabled people. Local people do not know that people living with disabilities have rights.'

– an HSB associate

Last year we began our partnership with HSB's newly set up branch in the town of Pabré, in central Burkina Faso. Since HSB was established in Pabré, we have worked with volunteers to raise awareness of disability and the rights of people with disabilities through disability sport. Inclusive sport is a powerful way of encouraging community members to re-think their negative attitudes that keep people with disabilities out of education and work.

We worked together to construct a basketball court in the heart of the community to provide HSB's wheelchair basketball team with a space to practice and play their sport; and promoted disability sports in the communities and through disabled people's organisations, encouraging more people to join inclusive sports clubs. We introduced new disability sports, such as wheelchair archery, to those already offered by HSB and organised inter-community sport tournaments in handibasket and torball.

We also facilitated awareness raising events about the rights of people with disabilities, types of disability and ways of integrating children with disabilities into mainstream education, as well as introduced awareness raising on mental health issues to the project.

Rwanda

3,030 people reached

196 hours of peer education

47 action research projects

21 hours of awareness raising

486 hours of training

6 community networks



In Rwanda we worked with two local partners, LUTI (Let Us Transform Life Initiative) and Kopakama and focused on capacity building and sustainable livelihoods.


Since the genocide in 1994, Rwanda has introduced economic and structural reforms to reduce inequality, especially gender inequality. While women make up over 50% of Rwanda's parliament, women in rural areas have yet to see the benefits. Despite being one of the fastest-growing economies in Central Eastern Africa, more than 60% of the population live below the poverty line.

In Huye, together with LUTI we worked with people who have been left behind by development: single mothers, unemployed young people and sex workers. We worked with them to develop the skills they need to earn a sustainable, safe income. We set up a work experience scheme for young people and spent 360 hours training five local institutions to offer work placements so that students can gain the skills needed to move into employment. We worked with Community Health Workers to teach nutrition to mothers of malnourished children and show them how to grow and maintain a communal garden. We worked with female sex workers to act as a bridge between the group and the community, so that the women could access the support they needed. As well as ensuring the women could stay safe, we trained them on how to make soap and lotions, so they can find alternative ways to earn a living.

In Rutsiro, we partnered with Kopakama Coffee Cooperative to offer training in finance and business management so that coffee farmers can make a fair profit from their work. And we worked with Kopakama's members to grow their membership, so that more rural women have access to a sustainable income to provide for their families.

Case study

Kopakama Coffee Cooperative unites 799 smallholder coffee farmers (over 300 of whom are women), who all share in the profit the cooperative makes. Our partnership with Kopakama began in mid-2017. Last year we focused on the development of Kopakama's marketing strategy and increasing their online presence, so that they can reach more buyers internationally; and an internal communications system to enable easy communication between office staff and farmers working on production and in the field.



"The most important platform where there was capacity growth is social media and the website. These are now used as communication channels which has been beneficial for our marketing. Now Kopakama can be contacted through these platforms which increases business nationally and internationally."

Justin, a Field Officer at Kopakama

The business activities were supplemented by formal business training and literacy and numeracy classes, as well as human rights sensitisations which were an integral part of the project. We engaged the cooperative and the wider community about gender equality and sexual and reproductive rights, encouraging more women to join the cooperative.

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The human rights sessions have helped Kopakama and the community. Teaching Kopakama members about their human rights and about gender equality builds a foundation for the community and for sustainable agriculture.'

– Kopakama's Production Manager

Working with Kopakama to develop the cooperative and the members' knowledge of human rights benefits individual farmers and the community and strengthens the cooperative as a sustainable source of income for its members. The human rights sensitisations educate the community about gender equality, helping to overcome some of the barriers and beliefs that prevent rural women from engaging and benefiting from sustainable agriculture.



Malawi

20,760 people reached

54 hours of peer education

68 action research projects

165 hours of awareness raising

84 hours of training

20 resources developed



Case study

'Most girls drop out of school because of the problems they are facing at home. They decide to get married to reduce the problems; sometimes parents are forcing the girls to get married so that they can help them.' – Eunice, a local community member

Last year, International Service partnered with YONECO, a community organisation working with young people, to reduce the negative behaviours observed among the youth in Malawi's Zomba district. Malawi's Zomba district is affected by high levels of teenage pregnancy, substance abuse and HIV prevalence rate, which has meant that an increasing number of young people drop out of school.

The project used community theatre as a means of engaging young people. Portraying difficult subjects through traditional play, song and dance helps to overcome some of the barriers that would otherwise prevent community members from engaging with the project.

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Together with YONECO, we formed two new theatre groups composed of experienced performers and community members who attended YONECO's drop-in centres. With every play put on for the communities, the theatre groups tackled a real issue present in the communities. Over the course of the year, we delivered 14 theatre performances in the region and dealt with a variety of subjects including drug and alcohol abuse, family planning and gender-based violence.

"While it will take some time to see long-term effects it is clear since we have been here that they have changed the youth group hugely. We have seen that the numbers attending these sessions have gone up since we arrived and that the youth are engaged and interested in the topics."
Happiness, a community member

Occupied Palestinian Territories

Over our 40-year presence, International Service's approach in the Occupied Palestinian Territories has been to support local organisations to best serve communities and contribute to their development, in the recent years using OSAT, our bespoke Organisational Self-Assessment Tool.

Throughout 2017-18 we re-developed and updated OSAT to incorporate greater emphasis on technology and use of social media platforms, and facilitated 11 OSAT workshops for four Palestinian organisations: Palestine ABS, Jerusalem School, Sunflower Association and the River Company.

United Kingdom

In line with our Annual Plan, International Service began to deliver two UK-based projects in 2017-18:

Making the Global Goals Local

With the support of York City of Human Rights, we worked with City of York Council to conduct a Global Goals rapid assessment of their corporate strategies and plans, capturing the findings in a report which was discussed and agreed with their leadership teams and circulated within the Council. The report highlighted several ways in which the Sustainable Development Goals could be used to enrich the Council's strategic vision and identified gaps where their current strategic direction did not cover contributions to relevant Goals.

The findings were presented to the Council's Central Management Team and provoked a desire to engage with 1-3 of the Goals which the Council was not targeting in any corporate strategy. International Service fed back to our sponsors at York Human Rights City and have since begun to explore how the Global Goals can complement the existing York Human Rights Indicator Report to promote fair access to human rights in the city.



Voice for Rights

Voice for Rights is a self-led human rights advocacy scheme designed for International Service alumni and ambassadors. Under Voice for Rights participating International Service alumni and ambassadors implement an advocacy campaign in their community to promote access to rights, and mobilise social action and community engagement to create positive change. The 6-month pilot phase of Voice for Rights was launched in the UK, Burkina Faso and Ghana in January 2017.

International Citizen Service

Volunteering is key to how we deliver our projects. Last year, International Service continued to facilitate volunteering placements under DFID-funded International Citizen Service (ICS). ICS brings together volunteers aged 18 to 35 from across the UK, with volunteers from a range of developing host countries, giving them the chance to develop their skills while making a positive contribution in some of the world's poorest communities.

In addition, ICS encourages volunteers to apply the skills, confidence and knowledge they gained through 'action at home' activities upon their return home.

In 2017-18, we facilitated 655 volunteering placements through ICS:

- 327 volunteers from the UK
- 118 volunteers from Ghana
- 122 volunteers from Burkina Faso
- 53 volunteers from Malawi
- 35 volunteers from Rwanda

The second phase of ICS started in 2015 with the overall contract held by Voluntary Service Overseas (VSO) and the ICS programme delivered by a consortium of eight development agencies, including International Service.

The latest Annual Review carried out by DFID rated the ICS contract delivery in 2017 as 'A+', an improvement on the 'A' rating it received in the previous two years. The report highlighted the significant increase in the diversity of UK volunteers and the successful implementation of a new incident management system, while noting the need for a further boost in the number of participants with disability and the continuing focus on safety and security.

ICS volunteer case study

For 25-year old Shahema, an ICS placement with International Service was a defining moment: a source of inspiration and knowledge which led to the onset of a passion-driven career. Shahema spent three months volunteering in Ghana with our partner Women Support & Activist Group (WOSAG), educating communities about sexual reproductive health rights and domestic violence.

‘Our team worked on involving men and women as equal partners in any activities and conversations to encourage men to take an equal part in the mission to achieve gender equality.’

After returning to the UK Shahema completed her ‘action at home’, the final stage of the ICS journey. Inspired by working with women in Ghana, Shahema took on a new challenge to set up ‘A Woman’s Wish’, a local community group.

‘ICS gave me the confidence and skills to come back to the UK and tackle job interviews at hand. There is so much to talk about the project, the country I went to, my action at home and the opportunities I have had with International Service.’

Shahema’s International Service placement has also shaped her approach to development work. Soon after completing ICS, Shahema did a one-year apprenticeship with Child.org and worked as an Engagement Coordinator with National Citizen Service. She also carried on volunteering with International Service as an ambassador and a Voice for Rights advocate.

She currently works as a Volunteer Support Coordinator at Human Relief Foundation and is leading a project to incorporate Sustainable Development Goals into their refugee programme in Jordan.

Our people

Office volunteers

International Service was founded by volunteers 65 years ago and the unique contribution they make remains vital to our impact today - our work would not be possible without their hard work and dedication.

Volunteers continue to give their time, skills and expertise by supporting International Service in the UK and project countries. In 2017-18, 43 office volunteers donated 4,533 hours of their time to International Service, with an approximate monetary value of £37,173.

Being able to contribute to a cause they care about while using their skills and experience is one of the reasons motivating our volunteers.

Sally has volunteered with our UK Business Development team as a Research Volunteer since November 2017. Summarising her experience with International Service Sally said: 'I find it very rewarding to be able to draw on my experience in international development and to contribute my time to a local organisation which is working to ensure the rights of some of the most vulnerable people in the world, and whose values I share!'

As well as a sense of belonging, for many the role is a way of learning new things.

"I volunteer to put to good use my skills in Business Development to change our remote communities through the projects we develop.

It gives me great satisfaction to witness first-hand the impact of projects developed and not to forget about the continuous learning process whilst volunteering." *Abdul, Business Development volunteer in our Ghana office*

At International Service we are dedicated to our office 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 work reference, should they need one in the future.

Our staff

In 2017-18 International Service employed 43 staff members: 22 in our UK head office and 21 in our in-country offices in Burkina Faso, Ghana, Malawi, Rwanda and the Occupied Palestinian Territories. As of July 2017, our workforce comprised of 50% female and 50% male employees.

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

International Service obtained our Living Wage, Mindful Employer and Disability Confident accreditations in September 2017.

Our new brand

This year we recognised that it was time to bring our visual brand in line with our vision. We wanted an image that would reflect our vibrant, people-centred approach to development and represent the personal connection we have with everyone we work with. In the first half of the year, we worked hard on re-framing our brand, with a new logo and website, to capture our dynamic history whilst launching us into our exciting future.

We redefined our vision and mission by working out what we exist to do. International Service exists to work together with local organisations to make change where change is needed. Together, we enable people on the margins of society to challenge the unfair circumstances in which they live, change their futures for the better, and make sure it stays that way. Global inequality is a complex problem – but one which we cannot ignore. By working in partnership with local organisations in each country, we ensure that people in developing communities are leading the change that will transform their lives for the better. And the single, motivating belief that's at the heart of the organisation, the reason we come to work, is this: there is no hierarchy of human worth.

We re-wrote our organisational strapline to express more concisely and memorably our approach to development. 'Making change together' is meaningful, concise and clear. It refers to our cause and our development approach, whilst indicating, at a more subliminal level, our underlying value base: we are working to make change in developing communities, we are doing it in partnership with organisations and local

people where we work, and we do this because we value the equal input of everyone we work with.

The globe motif in our new logo represents a fingerprint, symbolising our personal, bespoke approach; the positive mark we leave wherever we work, and our belief in the specific individuality and involvement of everyone we work with.

Equipped with our engaging new brand, we move now into the future, with 65 years of experience at our heels.

International Aid Transparency Initiative

International Service participates in the International Aid Transparency Initiative (IATI). IATI is a voluntary, multi-stakeholder initiative that seeks to improve the transparency of aid, development, and humanitarian resources in order to increase their effectiveness in tackling poverty. IATI brings together donor and recipient countries, civil society organisations, and other experts in aid information who are committed to working together to increase the transparency and openness of aid.

Safeguarding and Safety & Security

Safeguarding

In early 2018, reports of serious breaches of safeguarding principles by several international charities appeared in the media. The ensuing nationwide concern led donors, with the UK Department for International Development in the forefront, to question the practices and principles of international NGOs. International Service decided to revisit our safeguarding policy and processes to confirm that it is fully compliant with safeguarding best practice, principles and requirements.

As a result, our existing Safeguarding Policy was reviewed and updated, with a summary and a link to the full text now available on our website. New DBS checks were carried out on all UK-based staff and trustees, police checks carried out on international staff, and a safeguarding refresher training was organised for all staff. All ICS volunteers, partner organisations and host homes continued to receive safeguarding training, as per our standard procedure. These policies and processes form the International Service Safeguarding Standards which will be reviewed annually.

Incidents reported to International Service in 2017-18 were reviewed again. There had been no breaches by staff of the organisation's Safeguarding Policy.

Safety & security

The security situation remained volatile in some countries where International Service operates. Notably, several terrorist attacks took place in Burkina Faso, including its capital Ouagadougou. The earlier decision by International Service to not have any projects in the capital, however, ensured the safety of volunteers and staff in the country, and after renewed risk assessments following the attacks, operations were able to continue normally.

Security plans for each country of operation were regularly updated throughout the period. All ICS volunteers received training in safety and security both pre-placement and in-country. Security updates were sent regularly to all volunteers and staff in-country. Staff travelling overseas were routinely briefed on the security situation in their destination by the organisation's Global Safety and Security Specialist, and all new starters received a safeguarding and safety briefing upon the start of engagement.

There were no critical incidents or crises affecting International Service volunteers or in-country staff.

Our plans for 2018-19

ICS

International Service began offering volunteering placements under the UK government-funded International Citizen Service (ICS) in 2011. ICS is a youth volunteering scheme, bringing together young people from the UK and developing countries to work together on development projects.

Having successfully delivered ICS since 2011, and following the UK government's review of the programme in early 2018, International Service is due to conclude our delivery of ICS in line with our contractual obligations in October 2018.

Programme Development

As we move away from our focus on ICS, we will continue to adapt and change to remain relevant and useful in our work. This year we began a review of International Service and how we need to innovate and respond to the changing context of development.

As a result of this, International Service will begin to deliver several new projects and programmes in 2018-19. While volunteering will remain key to how we deliver our programmes, we will be moving towards a stronger focus on a few specific programmatic areas:

- * Disability and inclusion
- * Gender equality
- * Livelihoods and enterprise
- * Youth

REACT: a step towards Fair Play

2018-19 will see the implementation of REACT, a pilot phase of Fair Play, our new inclusive sports programme, which will take place in Northern Ghana from April 2018. REACT will

bring together a group of British and Ghanaian volunteers, half of whom are partially sighted, for a 9-week project to combat the stigma around disability. Working with a Team GB Paralympian Georgie Bullen, and two partner organisations, Ghana Blind Union and CBR, REACT volunteers will use goalball, a team sport designed for visually impaired athletes, to tackle disability stigma. The volunteers will train communities to play goalball, promote the sport and speak about the rights of people with disabilities.

USP

We will also launch USP – our University Student Placement programme, a placement preparation and matching scheme that provides universities with a robust overseas placement option for their students.

USP has been designed to utilise our expertise in facilitating volunteering placements to support our development projects and generate additional income for our charitable activities. USP is built of two component parts – USP Prep and USP Match.

USP Prep is a one-day training programme for students preparing for overseas placements. It covers safety, safeguarding, culture, and resilience and communication: all-important elements for a safe and meaningful placement overseas. USP Match will facilitate overseas placements by matching students from relevant degrees to local organisations which will allow them to develop skills and experience while contributing to long-term development impact of our partners.

The delivery of USP Prep will begin in April 2018, with the first USP Match placement planned to start in 2019.

Financial review

2017-18 Financial Summary

During the year, £2,597,323 was raised in unrestricted funds, £12,346 of this was voluntary income. A further £37,810 was raised in restricted funding bringing the total incoming resources to £2,635,133. Expenditure totalled £2,308,520 comprising £2,279,531 in unrestricted expenditure and £28,989 in restricted expenditure.

The total funds brought forward at 1 April 2017 amounted to £731,705, which when added to the surplus in year of £326,613 results in a carried forward surplus in reserves of £1,058,318 (total funds) of £1,049,497 was unrestricted at 31 March 2018.

Principal Risks and Uncertainties

We have been largely dependent on the ICS contract with Voluntary Service Overseas (VSO) which concluded in autumn 2018. The Department for International Development (DFID) funds ICS and VSO is the main contract holder, we were Sub Contractors. DFID has recently announced outline plans for a subsequent programme to follow ICS after its conclusion in autumn 2018 and, if considered in line with the Charity's objectives, International Service will consider applying to be part of this programme. However, any subsequent programme is not likely to commence until late 2019 at the earliest and consequently the Charity's income from this key area of work has ceased, at least temporarily.

We have a strategy to diversify income streams and reduce dependency on any one source. The Charity has implemented a Business Continuity Plan based on developing other opportunities and seeking alternative sources of income. The plan is underpinned by a conservative going concern cash flow projection which extends to December 2019 and includes a cash flow projection scenario which does not include any ICS income.

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 a minimum of twelve months. In addition to this, an element of the reserves will be used to fund Business Development including pre-financing new programmes when 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 £560,000 which we have exceeded. Actual free reserves at 31 March 2018, excluding amounts represented by fixed assets, totalled £1,024,675. As described under 'Principal Risks and Uncertainties', funding from the ICS contract ceased in autumn 2018 and consequently the Trustees expect that some of these reserves will be consumed, at least in the short term, whilst alternative sources of income including a potential successor scheme to ICS are developed.

Fundraising

Most of our income came from contracts and we did not actively fundraise. In the 2017-18 financial year, International Service received £12,346 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 with a focus on public benefit, is managed effectively and is legally compliant. In doing so the Board are required to be transparent, accountable and demonstrate integrity.

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. 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.

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
- * International Service Policies and Procedures; and
- * The Risk Register

Board meetings

The Board of Trustees meet six times per annum 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 to maintain good governance, 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 salary and benefits are determined by the Board, individually benchmarked and positioned based on roles with similar responsibilities.

The salaries of Senior Managers, and all other staff, are set within graded pay bands which are annually reviewed in light of income and inflation. 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 continuously;

* 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.

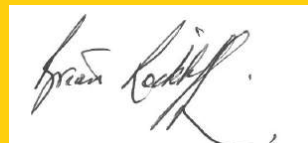
In so far as the Trustees are aware:

* 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: 16 November 2018

Independent Auditor's Report to the Members of International Service

Opinion

We have audited the financial statements of United Nations Association International Service (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities (Including Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2018, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 Directors' Report have been prepared in accordance with applicable legal requirements.

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Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 35, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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Use of this report

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.

Murray Harcourt Limited

Steven Williams FCA
Senior Statutory Auditor
For and on behalf of Murray Harcourt Limited
Registered Auditors

6 Queen Street
Leeds
LS1 2TW

United Nations Association International Service
Statement of Financial Activities (Including Income and Expenditure Account)
For the year ended 31 March 2018

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Income from:					
Donations and legacies	2	12,346	-	12,346	28,486
Charitable activities	3	2,584,977	37,810	2,622,787	2,231,557
Total income		2,597,323	37,810	2,635,133	2,260,043
Expenditure on:					
Raising funds		-	-	-	-
Charitable activities	4	2,279,531	28,989	2,308,520	2,208,268
Total expenditure		2,279,531	28,989	2,308,520	2,208,268
Net income		317,792	8,821	326,613	51,775
Transfers between funds		-	-	-	-
Net movement in funds	16	317,792	8,821	326,613	51,775
Reconciliation of funds:					
Total funds brought forward	16	731,705	-	731,705	679,930
Total funds carried forward	16	1,049,497	8,821	1,058,318	731,705

All income and expenditure derive from continuing activities.

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

United Nations Association International Service
Balance Sheet
As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	24,822	24,142
		<u>24,822</u>	<u>24,142</u>
Current assets			
Debtors	12	548,613	607,445
Cash at bank and in hand	13	1,042,697	1,267,063
		<u>1,591,310</u>	<u>1,874,508</u>
Creditors: amounts falling due within one year	14	(557,814)	(1,166,945)
Net current assets		<u>1,033,496</u>	<u>707,563</u>
Total assets less current liabilities		<u>1,058,318</u>	<u>731,705</u>
Net assets		<u>1,058,318</u>	<u>731,705</u>
Charity Funds			
Restricted funds	16	8,821	-
Unrestricted funds	16	1,049,497	731,705
		<u>1,058,318</u>	<u>731,705</u>
Total charity funds	16	<u>1,058,318</u>	<u>731,705</u>

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The financial statements were approved and authorised for issue by the Board on the 16th of November 2018.

Signed on behalf of the Board of Trustees



B Rockliffe
Chair

The notes on pages 42 - 54 form part of these financial statements.

Company registration number: 03467284

United Nations Association International Service
Statement of Cash Flows
For the year ended 31 March 2018

	Note	2018 £	2017 £
Cash flow from operating activities	18	246,529	54,284
Interest paid		-	-
Net cash flow from operating activities		246,529	54,284
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(15,895)	(20,148)
Net cash flow from investing activities		(15,895)	(20,148)
Cash flow from financing activities			
Repayment of concessionary loans		(455,000)	-
Net cash flow from financing activities		(455,000)	-
Net (decrease)/increase in cash and cash equivalents		(224,366)	34,136
Cash and cash equivalents at 1 April		1,267,063	1,232,927
Cash and cash equivalents at 31 March	13	1,042,697	1,267,063

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 up to December 2019. The Trustees are conscious that a significant proportion of the Charity's income has historically been 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 cessation of the ICS contract from autumn 2018 which is described within the Principal Risk and Uncertainties section on page 32, and concluded that sufficient resources exist to enable the Charity to pay its debts as they fall due for a period to at least December 2019 whilst the income diversification plan is implemented. Accordingly, the Trustees have prepared the financial statements on a going concern basis.

(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

	2018 £	2017 £
Gift aid	(565)	3,568
Diversity Travel	-	8,481
IVO4ALL	4,002	-
Other income	8,909	16,437
	<u>12,346</u>	<u>28,486</u>

Income from donations and legacies was £12,346 (2017 - £28,486) of which £12,346 (2017 - £28,486) was attributable to unrestricted funds.

3 Income from charitable activities

	2018 £	2017 £
Mali - USAID	-	937
DFID funding ICS	2,607,940	2,213,121
IVO4ALL	-	6,439
Bolivia IAPD	-	2,741
Bolivia LOW	-	8,319
Palestine ABS	3,601	-
Palestine Jerusalem School	3,611	-
Palestine Sunflower Association	1,692	-
Palestine River Company	743	-
SDG Project	2,000	-
Full G	3,200	-
	<u>2,622,787</u>	<u>2,231,557</u>

Income from charitable activities was £2,622,787 (2017 - £2,231,557) of which £37,810 (2017 - £11,997) was attributable to restricted and £2,584,977 (2017 - £2,219,560) was attributable to unrestricted funds.

4 Analysis of expenditure on charitable activities

	Youth volunteering £	Total 2018 £	Total 2017 £
Direct expenditure			
Staff costs	607,041	607,041	605,601
Other costs	1,335,707	1,335,707	1,264,107
Exchange rate differences	48,510	48,510	13,519
	<hr/> 1,991,258	<hr/> 1,991,258	<hr/> 1,883,227
Support costs (note 5)	317,262	317,262	325,041
	<hr/> 2,308,520	<hr/> 2,308,520	<hr/> 2,208,268

Expenditure on charitable activities was £2,308,520 (2017 - £2,208,268) of which £28,989 (2017 - £20,397) was attributable to restricted and £2,279,531 (2017 - £2,187,871) was attributable to unrestricted funds.

5 Allocation of support costs

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Support cost	Basis of allocation	Youth volunteering £	Total 2018 £	Total 2017 £
Staff costs	Allocated on time	287,528	287,528	236,667
Other costs	Location	8,577	8,577	64,607
Governance (note 6)		21,157	21,157	23,767
		<hr/> 317,262	<hr/> 317,262	<hr/> 325,041

6 Governance costs

	2018 £	2017 £
Staff costs	14,387	13,846
Auditor's remuneration	8 4,900	4,930
Board expenses	1,288	279
Legal expenses	582	4,712
	<hr/> 21,157	<hr/> 23,767

7 Net income for the year

Net income is stated after charging / (crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	15,215	14,776
Operating lease rentals	66,514	80,622
Net losses on foreign exchange	48,510	13,519

8 Auditor's remuneration

	2018 £	2017 £
Fees payable to the charity's auditor (and its associates) for the audit of the charity's annual accounts	4,900	4,930

9 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2017 - £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 £174,732 (2017 - £183,652). In addition, the organisation paid employer's NIC contributions of £18,923 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 £1,288 (2017 - £279).

10 Staff costs and employee benefits

The total staff costs and employee's benefits was as follows:

	2018 £	2017 £
Wages and salaries	785,544	778,221
Social security	76,365	41,850
Defined contribution pension costs	47,047	36,043

	908,956	856,114
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There was an average of 20 (2017 – 19) employees at the head office and 24 overseas workers during the Year (2017 – 24).

Within the International Citizen Service project, a further 357 (2017 – 240) 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:

	2018 Number	2017 Number
£70,001 - £80,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

11 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation:			
At 1 April 2017	83,524	8,800	92,324
Additions	15,895	-	15,895
Disposals	-	-	-
	<u>99,419</u>	<u>8,800</u>	<u>108,219</u>
At 31 March 2018			
Depreciation:			
At 1 April 2017	59,382	8,800	68,182
Charge for the year	15,215	-	15,215
Eliminated on disposals	-	-	-
	<u>74,597</u>	<u>8,800</u>	<u>83,397</u>
At 31 March 2018			
Net book value:			
At 31 March 2018	<u>24,822</u>	<u>-</u>	<u>24,822</u>
At 31 March 2017	<u>24,142</u>	<u>-</u>	<u>24,142</u>

12 Debtors

	2018 £	2017 £
Trade debtors	215,039	266,935
Other debtors	7,500	1,850
Prepayments and accrued income	<u>326,074</u>	<u>338,660</u>
	<u>548,613</u>	<u>607,445</u>

13 Cash at bank and in hand

	2018 £	2017 £
Cash in hand	1,615	3,250
UK account balances	881,759	1,117,818
Field account balance	159,323	145,995
	<u>1,042,697</u>	<u>1,267,063</u>

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	54,690	66,578
Other tax and social security	103,597	149,410
Other creditors	137,124	173,961
Accruals and deferred income	12,403	71,996
Concessionary loans payable (note 15)	250,000	705,000
	<u>557,814</u>	<u>1,166,945</u>

15 Concessionary loans payable

	2018 £	2017 £
Pre-financing – ICS 2	250,000	705,000
	<u>250,000</u>	<u>705,000</u>

During the period, £455,000 of the pre-financing loan was repaid. No interest is charged on the Pre-financing balance.

16 Fund reconciliation

Unrestricted funds

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 31 March 2018 £
General fund	731,705	2,597,323	(2,279,531)	-	-	1,049,497
	<u>731,705</u>	<u>2,597,323</u>	<u>(2,279,531)</u>	<u>-</u>	<u>-</u>	<u>1,049,497</u>

Restricted funds

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 31 March 2018 £
ICS – REACT	-	22,963	(19,342)	-	-	3,621
Palestine ABS	-	3,601	(3,601)	-	-	-
Jerusalem School	-	3,611	(3,611)	-	-	-
Sunflower Assoc	-	1,692	(1,692)	-	-	-
River Company	-	743	(743)	-	-	-
SDG Project	-	2,000	-	-	-	2,000
Full G	-	3,200	-	-	-	3,200
	<u>-</u>	<u>37,810</u>	<u>(28,989)</u>	<u>-</u>	<u>-</u>	<u>8,821</u>
	<u>731,705</u>	<u>2,635,133</u>	<u>(2,308,520)</u>	<u>-</u>	<u>-</u>	<u>1,058,318</u>

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Movements in restricted funds

An explanation of each of the restricted funds is as follows for the year ending 31 March 2018:

ICS – REACT

REACT is an inclusive sports programme, in this instance taking place in Northern Ghana. It brings together a group of British and Ghanaian volunteers, half of whom are partially sighted, for a 9-week project to combat the stigma around disability.

16 Fund reconciliation (continued)

OSAT

The Organisational Self-Assessment Tool (OSAT) was developed by International Service. They facilitate the self-assessment of non-governmental organisations enabling them to identify and address their own needs and priorities, become more efficient and effective. During 2017-18 International Service facilitated OSAT with the following organisations:

Palestine ABS
Jerusalem School
Sunflower Assoc.
River Company

SDG Project

A programme to support the implementation of the Sustainable Development Goals in UK cities via a rapid assessment of council corporate strategies conducted by International Service and presented to Council Leaders.

Full G

FULL-G (Functional Literacy and Livelihoods for Girls) is an education programme that works with out-of-school girls and young women to develop practical and life skills which will allow them to become self-sufficient, whilst tackling discriminatory attitudes in communities.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	24,822	-	24,822
Current assets	1,582,489	8,821	1,591,310
Current liabilities	(557,814)	-	(557,814)
Total	1,049,497	8,821	1,058,318

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

	2018 £	2017 £
Net income for year	326,613	51,775
Depreciation and impairment of tangible fixed assets	15,215	14,776
Decrease / (increase) in debtors	58,832	(142,469)
(Decrease) / increase in creditors	(154,131)	130,202
	<hr/>	<hr/>
Net cash flow from operating activities	246,529	54,284

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 £47,047 (2017 - £36,043).

As at 31 March 2018 unpaid contributions included within other creditors amounted to £7,985 (2017 - £163).

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20 Commitments

Operating leases

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

	2018 £	2017 £
Not later than one year	47,750	25,010
Later than one and not later than five years	74,375	7,804
Later than five years	-	-
	<hr/>	<hr/>
	122,125	32,814

The operating lease charge in the Statement of Financial Activities was £66,514 (2017 - £80,622).

21 Related party transactions

The entity paid training fees of £nil (2017 - £3,960) 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 (2017 - £nil).

22 Financial instruments

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

	2018 £	2017 £
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
- Trade debtors (note 12)	215,039	266,935
- Other debtors (note 12)	7,500	1,850
- Accrued income	309,358	297,147
	<u>531,897</u>	<u>565,932</u>
<i>Financial liabilities</i>		
Measured at amortised cost		
- Trade creditors (note 14)	54,690	66,578
- Other creditors (note 14)	137,124	173,961
- Accruals (note 14)	12,403	49,462
	<u>204,217</u>	<u>290,001</u>
Loan commitments measured at cost less impairment		
- Concessionary loans payable	250,000	705,000
	<u>250,000</u>	<u>705,000</u>

Impairment losses recognised on trade debtors totalled £Nil (2017 - £Nil).