

Registered number: 05072000
Charity number: 1106715

INCLUSION INTERNATIONAL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

INCLUSION INTERNATIONAL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Inclusion International (the charity) for the year ended 31 December 2016. The trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2016).

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Policies and objectives

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the charity commission relating to public benefit.

The charity's objectives are:

To advance the relief of persons with Intellectual Disability without regard to nationality, race or creed, by securing on their behalf from all possible sources the provision of residential, educational training, employment and support services.

Strategies for achieving objectives

In order to deliver the charities objectives in 2016 our work was focused in the following main themes, which are in line with the strategy agreed:

- provide opportunities through events and projects for our members to learn and share from each other and direct outreach to our members in support of their work at country level;
- strengthen self-advocacy through the launch of a global strategy to support the leadership of self-advocates within the global movement for change;
- finalise the Membership Review and approve changes to membership structure;
- enable our members' voices to be heard at the global level in UN processes;
- hold the 2016 General Assembly and International Forum in Florida, 26 - 29 October 2016.

ACHIEVEMENTS AND PERFORMANCE

2016 has been a successful year. We have moved forward the themes mentioned above:

Empower Us: A global Resource to support Self-Advocacy

Inclusion International hosted a Global Self-Advocacy Leadership Summit in Orlando, Florida in October 2016. The summit was an opportunity for self-advocates to connect and be part of building self-advocacy everywhere. The summit also marked the launch of our global self-advocacy initiative – the Empower US Initiative. As a part of our efforts to build this initiative we have been engaged in several activities:

- conducting a survey of members/self-advocacy groups on self-advocacy practices and resources;

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- follow up interviews to get support and participation in the initiative;
- development of the global report Self-Advocacy for Inclusion, which describe: What is self-advocacy; What is good support; Supporting supporters; How Families can support self-advocacy and How organisations can support self-advocacy leadership and participation (in the organisation);
- building a website and platform for groups to contribute/share resources.

Catalyst for Inclusive Education

The Catalyst for Inclusive Education was launched in Orlando in October and will among other things provide an online global resource platform for our members on inclusive education. This will help our members with inclusive education projects and initiatives that build on larger education reform efforts. It will support the development of leaders to effectively bring about inclusive education and the inclusion of people with intellectual disabilities and their families.

General Assembly and Global Forum in Florida

Leaders for inclusion from around the world came together for Shaping the Future, an international forum that was co-hosted with the Arc of the United States in Orlando, Florida October 2016.

Issues that are important to people with intellectual disabilities and their families were discussed:

- inclusive education
- employment
- inclusive communities
- access to justice
- inclusive development
- political participation
- assisted dying laws
- building leaders for inclusion

Inclusion International also held a successful General Assembly at which the Membership Review was discussed and proposed resolutions adopted (see below) and new officers and council members were elected.

Membership review

The main aim of the membership review was to introduce new membership categories and to introduce a new fee structure. In summary it was agreed to:

- use the Statement of Unity as the basis for new and on-going membership of Inclusion International.
- create additional member categories.
- create a Membership Committee to review new member applications. The General Assembly will retain the right to ratify new members.
- voting at future General Assemblies will be held by full members, where each country has one vote. It will be up to the members in that country to agree how that vote is cast.
- the proposed fee structure for new members was approved with immediate effect.

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- the transitional fee arrangements for existing members (as of Oct 2016) were also approved and will be implemented after discussion with existing members from 2018 to 2020.
- in future the Council will be able to approve inflationary increases to fees up to 10% per year with any other changes being ratified by the General Assembly.
- Inclusion International's Council were instructed to ensure that the membership changes are reflected in the Constitution of Inclusion International.

FINANCIAL REVIEW

Financial review and reserves policy

We have performed in line with our expectations with Membership and Grant income holding up well, without this support we could not undertake the activity described above.

Total income for the year was €1,000,592 (2015 – €823,329), with total expenditure of €920,746 (2015 – €866,733) and other gains of €8,044 (2015 - €30,651). This resulted in net income of €87,890 (2015 – net expenditure of €12,753). Most of this is due to the timing of project funds.

The prime sources of income for the year were the fees from members, project grants and donations.

Part of our risk mitigation for our project funds is where possible to agree payment in advance of expenditure. Therefore when project funding goes over our financial years (1 January to 31 December) it means that we show a significant surplus on these projects in one year (when the cash is received) and a deficit in the year when the cash is spent.

With this in mind, the trustees actively monitor the position excluding project funds so as to understand the core viability of the charity. A target has been set for an appropriate level of reserves in respect of unrestricted funds of €100,000. This is sufficient to meet the charity's core non-project funding requirements for at least six months.

At the year end, total funds stood at €572,662 (2015 - €484,772) and were made up of restricted funds of €394,758 (2015 - €321,720), unrestricted designated funds of €76,474 (2015 - €59,321) and unrestricted general funds of €101,430 (2015 – €103,731), which is in line with policy. We are planning on retaining this level of unrestricted reserves over the next three years.

Whilst the financial position of Inclusion International has improved, we are still reliant upon raising income to continue and grow our work.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 12 March 2004. The Council approved updated Articles of Association on 1 December 2011 and 25 September 2014. The company is a registered charity number 1106715.

The General Assembly has intrusted the Council of Inclusion International to change the Constitution to reflect the changes to our membership rules. It is expected that these changes will formally implemented from April 2017.

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The membership of Inclusion International is as follows:

Companies Act Members (as defined by the Companies Act) are the Council of Inclusion International for the period they hold office.

Regions shall be based on the continents of the world and boundaries defined from time to time by the Council. The Council may, in exceptional circumstances, establish Regions based on published criteria. The Regions will make their own membership arrangements and where there is no functioning Region the Secretariat will coordinate the Full Members in that Region for membership purposes.

Full Members are family or self-advocacy based organisation recognised as a national organisation or as an organisation responsible for bringing a country level voice of families of persons with intellectual disabilities and/or self-advocates. To qualify Full Members must accept and support the Statement of Unity, agree to meet all obligations of full membership including the payments of such subscriptions as are determined by the Council, and participate in the affairs of the Charity as a responsible voting member. Full members have voting rights at the General Assembly of Inclusion International. Where there is more than one Full Member in a country, those Full Members will agree how to share the vote and, in the absence of such agreement, equal fractional votes will be assigned to the constituent organisations.

Affiliate Members are organisation with an interest in the affairs of persons with intellectual disability or a self-advocacy or family organisation which in either case accepts and supports the Statement of Unity but which does not meet all of the requirements for full membership. Affiliated Members have no voting rights at the General Assembly of Inclusion International.

Individual Members are individuals who accept and support the Statement of Unity may be admitted as Individual Members without vote. An Individual Member has the right to attend any and all meetings of the Assembly.

Trustees, organisational structure, governance and management

The following trustees served during the year:

Trustees up to the General Assembly October 26, 2016:

Klaus Lachwitz (President)
Fadia Farah (Vice President)
Ralph Jones (Secretary General)
Vanessa dos Santos (co-opted)
Tim Gadd (Treasurer)

Trustees elected/re-elected at General Assembly October 26, 2016:

Klaus Lachwitz (President)
Sue Swenson (president elect) appointed 26 October 2016
Tim Gadd (Treasurer)
Fauzia Mwita Haji (secretary General) appointed 26 October 2016

The current trustees are all experienced trustees of other organisations.

The trustees are elected by the General Assembly of the member organisations and following the election of new trustees, a period of induction is arranged with existing trustees and staff in London.

The trustees meet at least once a year (face to face) and at least quarterly via teleconference and are the prime decision-making body of the charity. Between meetings other business is conducted by email.

The Council of Inclusion International (whose members are the constitutional members of the organisation)

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meets once a year at the Annual Council Meeting. This meeting decides the broad strategy and direction for the coming year, and for which the Council charges the trustees with implementation.

Inclusion International works collaboratively with member organisations and with worldwide organisations like the United Nations, the World Bank and national development agencies that fund Inclusion International to undertake projects to further their work and influence.

The Trustees delegate the day to day running of the Charity to the Executive Director Connie Laurin-Bowie and her team.

In setting salaries for staff the Board takes account of a number of different factors including the:

- needs of its beneficiaries and members;
- funding available for the role if externally funded;
- overall financial position of the organisations;
- location of the role and the employment laws and employment market conditions in the country where the role is based; and
- need to attract the appropriate skills required to manage Inclusion International in a way that achieves it's vision, mission and agreed strategy.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The main risk facing Inclusion International at the present time is ensuring adequate income to continue our programmes. Financial pressures on member organisations continue to lead to a reduction in the fees and donations they have been prepared to make. The membership review has identified strategies to sustain the current membership and fee structure as well as broaden the base of fee-paying members. Proposals for changes to the membership and fee structure was presented and adopted at the General Assembly of members in Orlando, Florida in October 2016.

Staff and volunteers travel and conduct business in many countries where there are concerns about security issues. We have conducted a review of security procedures and insurance coverage and we have implemented a security policy.

We continue to rely on grant funding. To reduce the risks, we continue to pursue new sources of funds and to deliver the outcomes and terms of our current agreements.

We are also conscious about minimising any foreign exchange risk. Whilst our statutory published accounts are presented in Euros, our strategy is to hold funds in Dollars for those activities funded by Dollar based grants, which is the majority of our activity. The officers will take advice on other ways to reduce this risk in 2017.

PLANS FOR FUTURE PERIODS

The following are the priorities for 2017:

- Membership engagement including support to our current regions/members, and increasing our membership;
- Advocacy goals/targets in line with the priorities of our members: We will continue to work with UN

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agencies, disability organisations and other human rights and development organisations based on the priorities identified by our members globally, we have done analysis of the events and process related to the Convention on the Rights of Persons with Disabilities (CRPD) and the Sustainable Development Goals and identified strategic opportunities for our advocacy work in the next year. We will be working to secure that the priorities of our members are included in the General Comment on Article 19 of the CRPD.

- Programmes to support the work of our members.
 - **Catalyst for Inclusive Education** - Inclusion International will mobilize its global networks and technical expertise to build Catalyst for Inclusive Education, a global knowledge network for inclusive education. With the capacity to respond in real time to issues and opportunities presented by members organizations, Catalyst for Inclusive Education will include an online platform of open source resources for strengthening inclusive education as well as a programming arm to support projects, training, and consulting at a country level. The objectives this year are to build the identification of country level projects.
 - **Empower US: A global Resource to support Self-Advocacy** - Empower Us will be organised and run by self-advocates and will include an online platform for sharing tools and resources as well as a program of activities to support exchanges; workshops and forums. By bringing together individuals and organisations throughout our global network this initiative will help to grow and build self-advocacy and inclusion around the world. The objectives this year are to build the processes and mechanisms to deliver the programmes and the identification of country level projects.
- Planning for a World Congress 2018 in Birmingham.
- A revitalised Communications Strategy to support all of the above.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Inclusion International for the purposes of company law) are responsible for preparing the trustees' 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 are sufficient to show and explain the charitable company's transactions and 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

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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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the trustees on 4/05/17 and signed on their behalf by:



Mr T J Gadd
Trustee

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Trustees

Mr K Lachwitz
Ms F Farah, (resigned 31 January 2017) effective as of 26 October 2016
Mr R Jones (resigned 26 October 2016)
Mr T J Gadd
Mrs V H Dos Santos (resigned 26 October 2016)
Ms F Haji (appointed 26 October 2016)
Ms S Swenson (appointed 26 October 2016)

Company registered number

05072000

Charity registered number

1106715

Registered office

University of East London
4 - 6 University Way
London
E16 2RD

Executive Director

Mrs C Laurin-Bowie

Independent auditors

Peters Elworthy & Moore
Chartered Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers

NatWest Bank PLC
Hornchurch
Essex
RM12 4DF

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCLUSION INTERNATIONAL

We have audited the financial statements of Inclusion International for the year ended 31 December 2016 set out on pages 11 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 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.

OPINION ON OTHER MATTER 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' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCLUSION INTERNATIONAL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.



Paul Chapman (senior statutory auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
12 May 2017

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STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Restricted funds 2016 €	Unrestricted designated funds 2016 €	Unrestricted general funds 2016 €	Total funds 2016 €	Total funds 2015 €
INCOME FROM:						
Donations	2	-	3,453	163,092	166,545	184,478
Investments		-	-	39	39	46
Charitable activities	3	<u>834,008</u>	<u>-</u>	<u>-</u>	<u>834,008</u>	<u>638,805</u>
TOTAL INCOME		<u>834,008</u>	<u>3,453</u>	<u>163,131</u>	<u>1,000,592</u>	<u>823,329</u>
EXPENDITURE ON:						
Charitable activities		<u>748,368</u>	<u>69,767</u>	<u>102,611</u>	<u>920,746</u>	<u>866,733</u>
TOTAL EXPENDITURE		<u>748,368</u>	<u>69,767</u>	<u>102,611</u>	<u>920,746</u>	<u>866,733</u>
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
		85,640	(66,314)	60,520	79,846	(43,404)
Transfers between Funds	9	<u>(20,628)</u>	<u>83,649</u>	<u>(63,021)</u>	<u>-</u>	<u>-</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		65,012	17,335	(2,501)	79,846	(43,404)
Other gains/(losses)		<u>8,026</u>	<u>(182)</u>	<u>200</u>	<u>8,044</u>	<u>30,651</u>
NET MOVEMENT IN FUNDS		<u>73,038</u>	<u>17,153</u>	<u>(2,301)</u>	<u>87,890</u>	<u>(12,753)</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		<u>321,720</u>	<u>59,321</u>	<u>103,731</u>	<u>484,772</u>	<u>497,525</u>
TOTAL FUNDS CARRIED FORWARD		<u>394,758</u>	<u>76,474</u>	<u>101,430</u>	<u>572,662</u>	<u>484,772</u>

All activities relate to continuing operations.

The notes on pages 14 to 23 form part of these financial statements.

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REGISTERED NUMBER: 0507200

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	€	2016 €	€	2015 €
CURRENT ASSETS					
Debtors	7	260,313		-	
Cash at bank and in hand		<u>650,881</u>		<u>531,812</u>	
		911,194		531,812	
CREDITORS: amounts falling due within one year	8	<u>(338,532)</u>		<u>(47,040)</u>	
NET CURRENT ASSETS			<u>572,662</u>		<u>484,772</u>
NET ASSETS			<u>572,662</u>		<u>484,772</u>
CHARITY FUNDS					
Restricted funds	9		394,758		321,720
Designated funds	9		76,474		59,321
General funds	9		<u>101,430</u>		<u>103,731</u>
TOTAL FUNDS			<u>572,662</u>		<u>484,772</u>

The trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the trustees on _____ and signed on their behalf, by:



Mr T J Gadd
Treasurer

The notes on pages 14 to 23 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 €	2015 €
Cash flows from operating activities			
Net cash provided by operating activities	11	<u>119,069</u>	<u>35,467</u>
Change in cash and cash equivalents in the year		119,069	35,467
Cash and cash equivalents brought forward		<u>531,812</u>	<u>496,345</u>
Cash and cash equivalents carried forward	12	<u><u>650,881</u></u>	<u><u>531,812</u></u>

The notes on pages 14 to 23 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

Inclusion International meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. With respect to the next reporting period, 2017, the most significant area of uncertainty is project income.

1.2 COMPANY STATUS

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 FUND ACCOUNTING

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

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 costs 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.

1.4 INCOME

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included as income when these are received / receivable.

Membership income is recognised in the period to which it relates to. Any membership income received in advance is deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

1.6 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into euros at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into euros at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of financial activities incorporating income and expenditure account.

1.7 PENSIONS

The charity contributes to the personal pension plan of two of the employees. Contributions are charged to the profit and loss account as incurred.

1.8 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 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 of the deposit or similar account.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.10 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 FINANCIAL INSTRUMENTS

The charity only has financial assets and financial 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 bank loans which are subsequently measured at amortised cost using the effective interest method.

2. INCOME FROM DONATIONS

	Restricted funds 2016 €	Unrestricted funds 2016 €	Total funds 2016 €	Total funds 2015 €
Donations	-	3,453	3,453	9,880
Membership income	-	163,092	163,092	146,397
Grants	-	-	-	14,853
Similar incoming resources	-	-	-	13,348
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations	-	166,545	166,545	184,478
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The income from donations was €166,545 (2015 - €184,478) of which all (2015 - €148,357) was unrestricted and none (2015 - €14,853) was restricted.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2016 €	Unrestricted funds 2016 €	Total funds 2016 €	Total funds 2015 €
Grants for projects	834,008	-	834,008	638,805

In 2015 all income from charitable activities was restricted.

4. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	Governance €	Direct €	Total 2016 €	Total 2015 €
Consultancy	-	126,081	126,081	103,634
Insurance	-	1,583	1,583	515
Supplies and expenses	-	36,994	36,994	24,201
Publications and printing	-	10,183	10,183	19,211
Rent	-	10,164	10,164	12,366
Computer consumables	-	2,189	2,189	-
Telephone and internet	-	4,934	4,934	5,279
Translation and website	-	8,047	8,047	8,930
Travel and accommodation	-	237,445	237,445	397,312
Donations	-	223,130	223,130	-
Study Tour	-	-	-	28,617
Audit fees	8,210	-	8,210	8,143
Audit fees - UN grant audit	-	-	-	1,443
Accountancy fees	1,745	-	1,745	1,685
Legal fees	563	-	563	711
Wages and salaries	-	231,355	231,355	235,367
National insurance	-	13,714	13,714	14,256
Pension cost	-	4,409	4,409	5,063
	10,518	910,228	920,746	866,733

Expenditure on charitable activities was £920,746 (2015 - £866,733) of which £102,611 (2015 - £166,290) was unrestricted, £69,767 (2015 - £1,283) was designated and £748,368 (2015 - £699,160) was restricted.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. NET INCOME

This is stated after charging:

	2016	2015
	€	€
Auditors' remuneration - audit	8,210	8,143
Auditors' remuneration - other services	1,745	3,128
	8,955	11,271

6. STAFF COSTS

Staff costs were as follows:

	2016	2015
	€	€
Wages and salaries	231,355	235,367
Social security costs	13,714	14,256
Pension costs	4,409	5,063
	249,478	254,686

The average number of persons employed by the charity during the year was as follows:

	2016	2015
	No.	No.
Employees	4	4

The number of higher paid employees was:

	2016	2015
	No.	No.
In the band €100,001 - €110,000	1	1

During the year expenses of €6,852 (2015 - €12,085) were reimbursed to five (2015 - four) trustees. No remuneration was paid to any of the trustees during the period in accordance with the Articles of Association.

The key management personnel of the charity comprise the trustees, the Executive Director, the Coordinator/Administrator, the Director of Global Initiatives, Policy and Human Rights and the Project Manager of the charity. The total employee benefits of the key management personnel of the charity were €250,376 (2015 - €254,686).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

7. DEBTORS

	2016	2015
	€	€
Other debtors	4,285	-
Prepayments and accrued income	256,028	-
	<u>260,313</u>	<u>-</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	€	€
Accruals	<u>338,532</u>	<u>47,040</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

9. STATEMENT OF FUNDS

	Brought forward €	Income €	Resources expended €	Transfers in/out €	Gains/ (Losses) €	Carried forward €
DESIGNATED FUNDS						
Equipment	2,888	-	(445)	-	(70)	2,373
Global Event	56,433	3,453	(69,322)	55,149	(112)	45,601
Membership development	-	-	-	28,500	-	28,500
	<u>59,321</u>	<u>3,453</u>	<u>(69,767)</u>	<u>83,649</u>	<u>(182)</u>	<u>76,474</u>
GENERAL FUNDS						
Unrestricted funds	<u>103,731</u>	<u>163,131</u>	<u>(102,611)</u>	<u>(63,021)</u>	<u>200</u>	<u>101,430</u>
Total Unrestricted funds	<u>163,052</u>	<u>166,584</u>	<u>(172,378)</u>	<u>20,628</u>	<u>18</u>	<u>177,904</u>
RESTRICTED FUNDS						
Open Society Foundation	163,396	240,292	(246,519)	-	9,331	166,500
Capacity Building Fund	77,787	179,991	(192,854)	-	2,809	67,733
IHC New Zealand	76,727	-	-	-	(10,461)	66,266
IHC Self advocacy	1,391	-	(1,391)	-	-	-
NFU – Inclusion Africa	-	92,306	(55,696)	-	2,460	39,070
Open Society Foundation - Beijing	2,419	-	-	(2,304)	(115)	-
UNICEF	-	17,177	(13,277)	(3,827)	(73)	-
Open Society Foundation - Education	-	66,742	(15,628)	-	4,075	55,189
Local projects	-	237,500	(223,003)	(14,497)	-	-
	<u>321,720</u>	<u>834,008</u>	<u>(748,368)</u>	<u>(20,628)</u>	<u>8,026</u>	<u>394,758</u>
Total funds	<u>484,772</u>	<u>1,000,592</u>	<u>(920,746)</u>	<u>-</u>	<u>8,044</u>	<u>572,662</u>

The purposes of the designated funds are as follows:

Equipment

To set aside funds for future equipment purchases.

Global Event

To set aside funds for future global events (Council, General Assemblies a future World Congress).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

9. STATEMENT OF FUNDS (continued)

Membership Development

To set aside funds for progression and development of the Inclusion International membership structure.

The purposes of the restricted funds are as follows:

Open Society Foundation

To build the capacity of national members of Inclusion International to identify key issues of discrimination in the areas of education, legal capacity, living in the community and family support and to develop strategies and tools for self-advocate and family organisations to use in implementing inclusion.

Capacity Building Fund

To promote the inclusion of people with intellectual disabilities and their families in strategies to implement and monitor the UN Convention on the Rights of Persons with Disabilities and to strengthen the capacity of family based organisations and self advocates to use the Convention as a tool for promoting the human rights of persons with intellectual disabilities.

IHC New Zealand

To provide a contingency fund for the London office and the Secretariat of Inclusion International.

IHC Self Advocacy

To conduct an overview of self-advocacy efforts globally and to identify strategies to support self-advocacy leadership within the Inclusion movement. It will inform and support the development of the global strategy on self-advocacy launched in 2016.

Norwegian Association for Persons with Development Disabilities (NFU)

To support the development of the regional work of Inclusion International in Africa, including support for the coordination of Inclusion Africa.

Open Society Foundation - Beijing

To build the capacity of the Chinese family based organisation Rong Ai Rong Le parent through participation in a global exchange opportunity.

UNICEF

Providing support to UNICEF to develop methods of making digital books accessible to students with intellectual disability, and to ensure that the development of a digital accessible textbook application will be easy to use for classroom teachers in inclusive schools.

Open Society Foundation - Education

To establish partnerships which can help to develop a global mechanism that brings together people and resources to support and enable Inclusion International member groups to advocate, promote and support the implementation of inclusive education.

Local Projects

To promote the implementation of the UNCRPD and in particular article 24 and to empower people with disabilities to become active, contributing members of their communities. The transfer relates to a management fee Inclusion International were entitled to for overseeing the project.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 €	Unrestricted funds 2016 €	Total funds 2016 €	Total funds 2015 €
Current assets	618,361	292,833	911,194	531,812
Creditors due within one year	(223,603)	(114,929)	(338,532)	(47,040)
	<u>394,758</u>	<u>177,904</u>	<u>572,662</u>	<u>484,772</u>

11. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 €	2015 €
Net income/(expenditure) for the year (as per Statement of financial activities)	79,846	(43,404)
Adjustment for:		
Gain on foreign exchange	200	30,651
(Increase)/decrease in debtors	(260,313)	28,592
Increase in creditors	299,336	19,628
Net cash provided by operating activities	<u>119,069</u>	<u>35,467</u>

12. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 €	2015 €
Cash in hand	650,881	531,812
Total	<u>650,881</u>	<u>531,812</u>

13. PENSION COMMITMENTS

The company pays in to the personal pension plan of two employees. The pension cost charge represents contributions payable by the company and amounted to €4,409 (2015 - €5,063).

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NOTES TO THE FINANCIAL STATEMENTS
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14. RELATED PARTY TRANSACTIONS

Mr R Jones was a trustee of the charity until 26 October 2016 and is chief executive officer and board member of a national member organisation of Inclusion International which pays membership fees to the charity.

Ms F Farah is a trustee of the charity until 13 January 2017 and is president of a national member organisation of Inclusion International which pays membership fees to the charity.

The membership fees are considered to be in the course of normal operations.

The national member organisation of which Mr R Jones is chief executive and board member is IHC New Zealand Incorporated. During the prior year, IHC New Zealand Incorporated made a donation of €9,708 to the charity which was included in restricted funds. No donation was made this year.