

Registered number: 05072000
Charity number: 1106715

INCLUSION INTERNATIONAL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

INCLUSION INTERNATIONAL
(A company limited by guarantee)

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INCLUSION INTERNATIONAL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017. 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).

As part of our planning for the 2018 World Congress we have established a wholly owned trading company Inclusion Trading Limited. The activity of Inclusion Trading Limited is not included in this Trustees' Report and Financial Statements. The report for 2018 will include group accounts covering both the Charity (Inclusion International) and Inclusion Trading Limited. Sue Swenson and Tim Gadd are the directors of Inclusion Trading Limited.

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

The work of Inclusion International to deliver its objectives falls broadly into three themes:

- Being a Global Voice to ensure our members are heard at the UN and in global processes. A very important part of this is ensuring that families and people with intellectual disabilities (self advocates) are included at every level within our global movement for change.
- Being an effective global network of likeminded organisations and individuals by providing opportunities through events and projects for our members to learn, share and support each other. A vital part of this objective is strengthening the leadership provided by families and self-advocates globally, regionally and locally.
- Providing support to our members by direct outreach in support of their work at a country level.

ACHIEVEMENTS AND PERFORMANCE

2017 has been a successful year. We have moved forward the themes mentioned above:

Global Advocacy

Our advocacy efforts as a global network have ensured that important issues affecting people with intellectual disabilities and their families are heard at the UN and in global processes.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

Living in the Community:

The CRPD Committee drafted a General Comment (GC) on living and being included in the community. Our goal was to make sure it was progressive and reflected what our members have been calling for. Through our efforts, including hosting side events at the UN in New York and Geneva, participating in UN meetings, submissions to the CRPD Committee, and a petition signed by almost 1000 people, our global network secured a GC that:

- respects the right to choose where you live
- rejects institutions,
- recognizes that families need support,
- links the right to live in the community with other important issues like education, employment and poverty.

Supporting Families:

Multiple UN Agencies were addressing the role of families. Our goal was to build awareness of the role of families in supporting a family member with an intellectual disability and get recognition of families' need for supports.

- The development of a discussion paper on families helped the international community and the UN better understand what families need.
- Our participation in the UN Human Rights Council's intersessional seminar of families secured support from States Parties about the need to support families.

Our engagement with UN DESA family unit secured recognition that families supporting a family member with disability need distinct supports.

Inclusive Development:

The Sustainable Development Goals represent the largest development agenda in history. Our goal was to ensure that people with intellectual disabilities and their families were not left behind or excluded.

- Our participation in the Stakeholder Group of Persons with Disabilities made sure that the issues facing people with intellectual disabilities and families were captured in the briefing papers developed for the High Level Political Forum (HLPF).
- Our participation in regional consultations helped highlight our issues nationally and regionally with governments and civil society.
- Our presence at the HLPF ensured the voice of our global network was heard within civil society and by States Parties.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

Supporting the Work of our Members

Self Advocacy:

In 2017, key accomplishments include:

- Developing and sharing resources and how-to guides on supporting self-advocacy and inclusion. Including guides on what good support looks like and how to host inclusive meetings.
- Delivering a self-advocate led 2-day training on self-advocacy and human rights that was piloted in Togo, West Africa with a group of self-advocates from the region.
- Growing our global Action Team who will be able to give advice and support to self-advocates, supporters, families, and organizations on self-advocacy and its development around the world.

Inclusive Education:

In 2017, key achievements for Inclusive Education include:

- Global team development, including Regional Response Team orientation and training and the establishment of an Expert Advisory Group of technical advisors.
- Scoping missions in Paraguay, Peru, and Nepal to analyse how Catalyst can best support our members to make change at the local, national, or regional level.
- Learning exchange between members in Nepal and New Zealand.
- Inclusive education resource development.

Being an Effective Global Network

Following the Membership Review adopted in 2016 we are actively seeking new members in order to grow the membership. Early indications are good that there are many organisations and individuals who want to join our network. A Membership Committee was set up in July 2017, and its role has been essential in the application review process and in developing strategies to recruit new members in each region. We will continue in 2018 and beyond to grow our membership and facilitate our network so that it drives forward its global objectives of full inclusion in every aspect of life for people with intellectual disabilities.

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 €1,105,420 (2016 – €1,000,592), with total expenditure of €887,555 (2016 – €920,746) and other losses of €71,087 (2016 - other gains of €8,044). This resulted in a net surplus of €146,778 (2016 – net surplus of €87,890). Most of this is due to the timing of project funds and foreign exchange losses.

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

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FOR THE YEAR ENDED 31 DECEMBER 2017

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 €719,440 (2016 - €572,662) and were made up of restricted funds of €541,970 (2016 - €394,758), unrestricted designated funds of €76,430 (2016 - €76,474) and unrestricted general funds of €101,040 (2016 - €101,430), 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. In 2016 the Council of Inclusion International was entrusted to update the Constitution to reflect the changes to our membership rules. These changes were approved on 30 March 2017. The company is a registered charity number 1106715.

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 organisations 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.

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Individual Members are individuals who accept and support the Statement of Unity and may be admitted as Individual Members without a 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:

Klaus Lachwitz (President)
Sue Swenson (President Elect)
Fadia Farah (Vice President) resigned 13/01/2017
Tim Gadd (Treasurer)
Fauzia Mwita Haji (Secretary General) resigned 14/09/2017

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) held a virtual meeting in 2017. The meeting dealt with the broad strategy and direction of Inclusion International. 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 main risks facing Inclusion International at the present time are:

- Ensuring adequate income to continue our programmes.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

- Financial pressures on member organisations continue to lead to a risk against the level of fees and donations they have been prepared to make. Membership income held up well in 2017 and the Trustees will continue to monitor this as we implement the Membership Review approved by our members in 2016. The early indication is that many existing members as of 2016 (when the rules were changed) are continuing at least in the short term to pay the solidarity payment and new members are joining.
- The financial risk of running out Global Events such as the World Congress. We have built up our reserves over the last couple of years to support this vital activity.
- We continue to rely on grant funding. To reduce this risk, 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 US Dollars for those activities funded by US Dollar based grants, which is the majority of our activity. As of 1 January 2018, our base currency for accounting will be US Dollar and the future statutory published accounts will therefore be presented in US Dollars.
- 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.

PLANS FOR FUTURE PERIODS

The following are the priorities for 2018:

Inclusion International will be holding our 17th Inclusion World Congress in Birmingham, UK from 30 May to 1 June. The Congress Learn, Inspire, Lead is held in partnership with Inclusion Europe and sponsored by Mencap. The World Congress will also host International Disability and Development Consortium's (IDDC) General Assembly. Session topics will include:

- Inclusive education
- Living & Being Included in the Community
- Right to Decide
- Inclusive development
- Families and Self-Advocates
- Leaders for inclusion.

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 Agencies, disability organisations and other human rights and development organisations based on the priorities identified by our members globally, we have analysed the events and processes 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.

Programmes to support the work of our members:

Empower Us: A global Resource to support Self Advocacy

Empower Us responds to the demand for more information and practical tools and tips to support building self-advocacy for change. The main objectives this year includes holding a self-advocate led 2-day regional training on self-advocacy and human rights in Nepal in March, and to organise a Global Self-Advocacy Summit on 31 May in Birmingham, UK.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

Catalyst for Inclusive Education

Catalyst for Inclusive Education is a programme designed to assist our members with initiatives that build on larger education reform efforts and support the development of leaders to effectively bring about inclusive education and the inclusion of people with intellectual disabilities and their families. The objectives this year include securing continued financial support for the Catalyst, continued development of the Global Team including the Regional Response Teams and to continue to identify and support country level initiatives.

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 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 28th/3/18 and signed on their behalf by:



Mr T J Gadd
Trustee

INCLUSION INTERNATIONAL
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2017

Trustees

Mr K Lachwitz
Ms F Farah (resigned 13 January 2017)
Mr T J Gadd
Ms F Haji (resigned 14 September 2017)
Ms S Swenson

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

INCLUSION INTERNATIONAL
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCLUSION INTERNATIONAL

OPINION

We have audited the financial statements of Inclusion International (the 'charity') for the year ended 31 December 2017 set out on pages 12 to 25. 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).

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 opinions we have formed.

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 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 auditors' 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCLUSION INTERNATIONAL

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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

RESPONSIBILITIES OF TRUSTEES

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, 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCLUSION INTERNATIONAL

AUDITORS' 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 auditors' 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 auditors' report.



Kelly Bretherick (senior statutory auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
27 April 2018

INCLUSION INTERNATIONAL
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STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Restricted funds 2017 €	Unrestricted designated funds 2017 €	Unrestricted general funds 2017 €	Total funds 2017 €	Total funds 2016 €
INCOME FROM:						
Donations	2	-	-	166,271	166,271	166,545
Investments		-	-	13	13	39
Charitable activities	3	939,136	-	-	939,136	834,008
TOTAL INCOME		939,136	-	166,284	1,105,420	1,000,592
EXPENDITURE ON:						
Charitable activities	4	750,266	32,319	104,970	887,555	920,746
TOTAL EXPENDITURE		750,266	32,319	104,970	887,555	920,746
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
		188,870	(32,319)	61,314	217,865	79,846
Transfers between Funds	9	(6,608)	37,925	(31,317)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		182,262	5,606	29,997	217,865	79,846
Other gains/(losses)		(35,050)	(5,650)	(30,387)	(71,087)	8,044
NET MOVEMENT IN FUNDS		147,212	(44)	(390)	146,778	87,890
RECONCILIATION OF FUNDS:						
Total funds brought forward		394,758	76,474	101,430	572,662	484,772
TOTAL FUNDS CARRIED FORWARD		541,970	76,430	101,040	719,440	572,662

All activities relate to continuing operations.

The notes on pages 15 to 25 form part of these financial statements.

INCLUSION INTERNATIONAL
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REGISTERED NUMBER: 0507200

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	€	2017 €	€	2016 €
CURRENT ASSETS					
Debtors	7	248,368		260,313	
Cash at bank and in hand		<u>590,393</u>		<u>650,881</u>	
		619,573		911,194	
CREDITORS: amounts falling due within one year	8	<u>(119,321)</u>		<u>(338,532)</u>	
NET CURRENT ASSETS			<u>719,440</u>		<u>572,662</u>
NET ASSETS			<u>719,440</u>		<u>572,662</u>
CHARITY FUNDS					
Restricted funds	9		541,970		394,758
Designated funds	9		76,430		76,474
General funds	9		<u>101,040</u>		<u>101,430</u>
TOTAL FUNDS			<u>719,440</u>		<u>572,662</u>

The charity's financial statements have been prepared in accordance with provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 28/03/18 and signed on their behalf, by:



Mr T J Gadd
Treasurer

The notes on pages 15 to 25 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 €	2016 €
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	11	<u>(60,501)</u>	<u>119,030</u>
Cash flows from investing activities:			
Interest income		<u>13</u>	<u>39</u>
Net cash provided by investing activities		<u>13</u>	<u>39</u>
Change in cash and cash equivalents in the year		(60,488)	119,069
Cash and cash equivalents brought forward		<u>650,881</u>	<u>531,812</u>
Cash and cash equivalents carried forward	12	<u><u>590,393</u></u>	<u><u>650,881</u></u>

The notes on pages 15 to 25 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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, 2018, 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 8. 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 2017

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.

Support costs comprise governance costs only. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements. Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is 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 a set rate on the date of the transaction. The rate is constantly monitored and adjusted when it increases or decreases by 10%.

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 statutory government backed pension plan (NEST) for 4 of its UK based 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.

INCLUSION INTERNATIONAL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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.

2. INCOME FROM DONATIONS

	Restricted funds 2017 €	Unrestricted funds 2017 €	Total funds 2017 €	Total funds 2016 €
Donations	-	3,330	3,330	3,453
Membership income	-	162,941	162,941	163,092
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations	-	166,271	166,271	166,545
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2016</i>	-	166,545	166,545	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2017 €	Unrestricted funds 2017 €	Total funds 2017 €	Total funds 2016 €
Grants for projects	939,136	-	939,136	834,008
<i>Total 2016</i>	834,008	-	834,008	

In 2016 all income from charitable activities was restricted.

4. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	Governance €	Direct €	Total 2017 €	Total 2016 €
Consultancy	-	123,533	123,533	126,081
Insurance	-	1,329	1,329	1,583
Supplies and expenses	-	6,546	6,546	36,994
Publications and printing	-	2,713	2,713	10,183
Rent	-	9,631	9,631	10,164
Computer consumables	-	4,266	4,266	2,189
Telephone and internet	-	2,139	2,139	4,934
Translation and website	-	918	918	8,047
Travel and accommodation	-	160,481	160,481	237,445
Donations	-	22,300	22,300	127
Project costs	-	265,319	265,319	223,003
Audit fees	8,300	-	8,300	8,210
Accountancy fees	2,663	-	2,663	1,745
Legal fees	3,971	475	4,446	563
Professional fees	1,350	-	1,350	-
Wages and salaries	-	251,823	251,823	231,355
National insurance	-	15,616	15,616	13,714
Pension cost	-	4,182	4,182	4,409
	16,284	871,271	887,555	920,746
<i>At 31 December 2016</i>	10,518	910,228	920,746	

Expenditure on charitable activities was €887,555 (2016 - €920,746) of which €125,765 (2016 - €102,611) was unrestricted, €10,019 (2016 - €69,797) was designated and €751,771 (2016 - €748,368) was restricted.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

5. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	€	€
Auditor's remuneration - audit	8,300	8,210
Auditor's remuneration - other services	2,663	1,745
	<u> </u>	<u> </u>

6. STAFF COSTS

Staff costs were as follows:

	2017	2016
	€	€
Wages and salaries	251,823	231,355
Social security costs	15,616	13,714
Pension costs	4,182	4,409
	<u> </u>	<u> </u>
	<u>271,621</u>	<u>249,478</u>

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

	2017	2016
	No.	No.
Employees	6	4

The number of higher paid employees was:

	2017	2016
	No.	No.
In the band €100,001 - €110,000	1	1

During the year expenses of €4,727 (2016 - €4,730) were reimbursed to three (2016 - 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, Director of Global Advocacy and Human Rights, Programme Development Manager, Operations Manager and Coordinator/Administrator of the charity. The total employee benefits of the key management personnel of the charity were €234,338 (2016 - €249,478).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. DEBTORS

	2017	2016
	€	€
Other debtors	4,261	4,285
Prepayments and accrued income	244,107	256,028
	<u>248,368</u>	<u>260,313</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	€	€
Accruals and deferred income	119,321	338,532

DEFERRED INCOME

Resources deferred during the year	<u>1,075</u>
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Deferred income comprises membership income received in advance.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

9. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Brought forward €	Income €	Resources expended €	Transfers in/out €	Gains/ (Losses) €	Balance at 31 December 2017 €
DESIGNATED FUNDS						
Equipment	2,373	-	(1,437)	4,175	(129)	4,982
Global Event	45,601	-	(30,882)	33,750	(2,071)	46,398
Membership development	28,500	-	-	-	(3,450)	25,050
	<u>76,474</u>	<u>-</u>	<u>(32,319)</u>	<u>37,925</u>	<u>(5,650)</u>	<u>76,430</u>
GENERAL FUNDS						
Unrestricted funds	101,430	166,284	(104,970)	(31,317)	(30,387)	101,040
Total Unrestricted funds	<u>177,904</u>	<u>166,284</u>	<u>(137,289)</u>	<u>6,608</u>	<u>(36,037)</u>	<u>177,470</u>
RESTRICTED FUNDS						
Open Society Foundation	166,500	-	(166,500)	-	-	-
Open Society Foundation (II)	-	449,392	(83,623)	-	(8,549)	357,220
Capacity Building Fund	67,733	189,991	(148,120)	-	(19,892)	89,712
IHC New Zealand	66,266	-	-	-	(2,657)	63,609
NFU – Inclusion Africa	39,070	-	(37,873)	(1,197)	-	-
NFU - Inclusion Africa (II)	-	134,335	(126,891)	-	(146)	7,298
Open Society Foundation - Education	55,189	-	(54,204)	-	(985)	-
Local Projects	-	101,218	(97,676)	(5,411)	1,869	-
IDA No-One Left Behind	-	45,200	(31,796)	-	(2,466)	10,938
IDA Fellowship	-	19,000	(3,583)	-	(2,224)	13,193
	<u>394,758</u>	<u>939,136</u>	<u>(750,266)</u>	<u>(6,608)</u>	<u>(35,050)</u>	<u>541,970</u>
Total funds	<u><u>572,662</u></u>	<u><u>1,105,420</u></u>	<u><u>(887,555)</u></u>	<u><u>-</u></u>	<u><u>(71,087)</u></u>	<u><u>719,440</u></u>

INCLUSION INTERNATIONAL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

9. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward €	Income €	Resources expended €	Transfers in/out €	Gains/ (Losses) €	Balance at 31 December 2016 €
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	103,731	163,131	(102,611)	(63,021)	200	101,430
	<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 of 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 gains/(losses) represent foreign exchange currency movements on the funds. Whilst these statutory published accounts are presented in Euros, our strategy is to hold funds in US Dollars for those activities funded by US Dollar based grants, which is the majority of our activity. In 2017 there was a significant movement in the exchange rate between the US Dollar and the Euro of 12% this has meant we have revalued the Euro value of our dollar held funds which has resulted in an accounting adjustment showing a loss in 2017.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

9. STATEMENT OF FUNDS (continued)

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).

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-advocacy 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.

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. The transfer relates to costs incurred by Inclusion International that the grant was agreed to support.

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 2017

9. STATEMENT OF FUNDS (continued)

International Disability Alliance (IDA) No-One Left Behind

To develop a global mechanism - led by self-advocates, for self-advocates - to support our members to advance and strengthen the self-advocacy movement.

International Disability Alliance (IDA) Fellowship

To engage a Self-Advocate Fellow to support the development of *Empower Us*, Inclusion International's self-advocacy initiative. The fellow's work will be global but will have a focus in Africa.

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2017 €	Unrestricted funds 2017 €	Total funds 2017 €
Current assets	639,646	199,115	838,761
Creditors due within one year	(97,676)	(21,645)	(119,321)
	<u>541,970</u>	<u>177,470</u>	<u>719,440</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

INCLUSION INTERNATIONAL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017 €	2016 €
Net income for the year (as per Statement of Financial Activities)	217,865	79,846
Adjustment for:		
(Loss)/Gain on foreign exchange	(71,087)	8,044
Interest received	(13)	(39)
Decrease/(increase) in debtors	11,945	(260,313)
(Decrease)/increase in creditors	(219,211)	291,492
Net cash (used in)/provided by operating activities	(60,501)	119,030

12. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 €	2016 €
Cash in hand	590,393	650,881
Total	590,393	650,881

13. PENSION COMMITMENTS

The company pays in to the personal pension plan of four employees. The pension cost charge represents contributions payable by the company and amounted to €4,182 (2016 - €4,409).

14. RELATED PARTY TRANSACTIONS

Ms F Farah was 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.

During the year, Inclusion International recharged salary costs of €17,684 and donated €22,300 to Inclusion Trading Limited, a wholly owned subsidiary. At the year end, a balance of £4,460 was owing from Inclusion Trading Limited.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

5. ANALYSIS OF CHARITABLE EXPENDITURE BY ACTIVITIES

	Direct costs €	Grant costs €	Support costs €	Total 2017 €	Total 2016 €
COMMUNITY					
Publications	148,836	-	140,212	289,048	276,931
Events - Congress	101,964	-	71,245	173,209	-
Fundings (Business Development)	5,540	-	41,104	46,644	-
Projects (Network)	38,427	-	36,043	74,470	-
Projects (Campaigns)	5,748	-	6,989	12,737	-
Projects (Other / Pilots)	389	-	230	619	-
Communications (Communications)	30,222	-	19,654	49,876	-
Communications (Awards)	972	-	1,157	2,129	-
Admin - Strategy (consultation)	-	-	13,950	13,950	41,331
Awards	-	-	-	-	2,445
MEMBERS					
Events (FEMS Sponsored meetings)	29,528	-	17,469	46,997	127,744
Funding (Grants/Awards)	26,875	409,659	19,378	455,912	382,044
Funding (Business Development)	774	-	14,871	15,645	-
Projects (Member networks)	3,161	-	1,870	5,031	-
Communications (Communications)	35,377	-	20,930	56,307	-
Admin - Governance (AGM, fees and reporting)	22,002	-	37,528	59,530	-
Member Services: Networking Building (including communications, campaigns and EAM)	-	-	-	-	144,882
Member Services: Membership (including comms, membership and governance admin)	-	-	-	-	109,623
Other admin (including business development)	-	-	-	-	135,568
Total	449,815	409,659	442,630	1,302,104	1,220,568

In 2016 all charitable expenditure was attributable to unrestricted income.

The analysis of expenditure between activities has been amended this year to more accurately reflect the core objectives/activities of the charity.