

ADD International

Annual Report & Accounts

31 December 2013

ADD International is registered as Action on Disability and Development

Company Limited by Guarantee

Registered in England and Wales. Company Number: 2033925.

Charity Commission Number 294860.

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From the Chair and CEO

In 2013, ADD continued to work hard behind the scenes to ensure that the voices of disabled people from the countries in which we work were heard by senior decision makers. A High Level Panel appointed by the UN Secretary General published a long-awaited report featuring the bold statement: ‘leave no-one behind’ and for the first time since the Millennium Development Goals (due to expire in 2015) were agreed, disabled people finally got mentioned in a major way. Amongst many actions, ADD – as part of a coalition of other NGOs – put out an open letter to key opinion formers and participated in an event at the UN General Assembly in New York where they were discussing the new framework. Thanks to consistent campaigning and support, the first steps have been taken to ensure that no-one is excluded, especially people with disabilities.

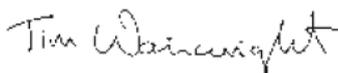
The reality of this happening came home to me this year as we met and were told the story of 10-year-old Yusuf Mbwana, a young boy living in Tanzania who relies on the use of a wheelchair to get around. You could argue that Yusuf is one of the lucky ones – most disabled children in Africa don’t even get a wheelchair when they need one, let alone get a place at school. But unfortunately his school lacked accessible toilets and being unable to use the toilet all day had made him ill. In 2013, ADD launched a 5 year education programme in Tanzania the aim of which is ultimately to ensure that all disabled children in Tanzania get a quality education.

Over the next 5 years we will be working with the government, the media and disabled people’s organisations as well as, of course, teachers in Tanzanian schools to create an environment where every child gets an equal chance of a quality education.

We would like to thank everyone – donors, colleagues, staff and the organisations whose support makes ADD’s vital work around the world possible – whether it is working in Tanzania to ensure that children like Yusuf can access school, or persuading global leaders to include disabled people in future world goals.



Saghir Alam OBE
Chair of trustees



Tim Wainwright
CEO

Trustees report

About ADD: Empowerment, inclusion and positive change for disabled people

In two years' time, ADD will be celebrating 30 years of working across Africa and Asia alongside disabled people. So much has been achieved during this period – from seeing countries ratify the UN Convention on the Rights of Persons with Disabilities (UNCRPD) to the growth of strong disabled people's organisations and groups. More than ever, people with disabilities are coming together, but we still have a wide remit: there are currently over 1 billion disabled people in the world, the majority of whom live in extreme poverty. In our journey to pursue and achieve lasting change, we will remain committed to our vision, now, and in the coming years.

Our Vision: A world where all disabled people are free from discrimination and oppression, enjoying equality within an inclusive society.

Our Mission: To achieve positive and lasting change in the lives of disabled people, especially those living in poverty.

We will do this through developing capacity, influencing and working in partnership to ensure that:

- + Disabled People's Organisations are stronger and better able to realise the rights of their members, and to tackle poverty and exclusion.
- + Conditions are in place to empower disabled people to transform their lives
- + Changes are secured in policies, practices, services and attitudes so that disability discrimination is addressed.
- + Mainstream development programmes focus on disability and include disabled people as active participants.

Our Values:

- + **Rights:** An understanding of disability that is rooted in the equal human rights of all individuals.
- + **Empowerment:** Creating the conditions for individuals to transform their own lives.
- + **Participation:** Supporting the self-representation and active engagement of disabled people.
- + **Inclusion:** Modelling and promoting practices that facilitate the inclusion of all disabled people, such as those who are marginalised as a result of gender, age, geographical location and other factors in addition to disability.
- + **Collaboration:** Working as an ally to the Disability Movement and in partnership with all those who share our vision in order to achieve our mission.
- + **Learning:** Continually learning from our and others' experiences, to develop our practice, improve outcomes, demonstrate our impact and remain accountable to disabled people and our supporters.

In 2013, we set out to implement a new strategic framework, strengthen our programmes, build our resources, and drive forward our policy and influencing work.

We formally launched and introduced a new 2013–2017 strategic framework with a renewed set of focus areas: **Poverty, reaching the unreached, learning, communications and influencing, and resourcing**. While we have not fundamentally changed the nature of our work, we recognise that in order to achieve our mission, we need to remain ambitious and responsive to the global challenges and the changing environment in which we operate.

Our strategic framework prompted us to carefully scrutinise our internal systems and – in order to demonstrate impact and the value of our work – strengthen our focus on monitoring and evaluation.

In reality, this year presented both challenges and successes: As an organisation, we remained financially stable and retained relationships with key existing donors but securing funding was a challenge in what is still a tough economic climate. In Bangladesh, Cambodia, Uganda, Tanzania, Sudan, Cote d'Ivoire and Burkina Faso, we continued to support Disabled People's Organisations as vital partners to helping us reach more disabled people. However, due to political instability in Mali, we took a strategic decision to close our programme here.

In other areas we made significant steps forward: through our policy and influencing work we captured the attention of key decision makers both here and overseas, as well as other NGOs, to address the gaps in equality and inclusion of disabled people, particularly in development programmes.

Over the next 4 years, the new framework will not only guide our work and how we operate internally but allow us the flexibility to be bold, innovative and adaptive to each country and its specific environment.

In 2014 we will:

- + Promote and stimulate the further development of grassroots and national DPOs across Africa and Asia.
- + Sustain excellent relationships with key funders, including public donors and secure new funding for priority countries.
- + Strengthen our monitoring and evaluation systems in order to demonstrate the impact and value of ADD's programmes.
- + Support our country programmes to implement effective projects that align to our overarching strategic intentions.
- + Continue to strengthen policy and influencing work in the UK and globally.

How we are organised

ADD was established as an international development agency in 1985, incorporated as a company limited by guarantee on 3 July 1986, and registered as a charity on 18 November 1986. ADD is governed by its memorandum and articles of association.

Governance

How trustees are recruited and appointed

ADD's trustees are recruited internationally to reflect the diversity of its stakeholders and we aim to have approximately 50% of our trustees being women and 50% disabled people. Of the 11 trustees serving at the end of 2013, three were women and five were disabled people.

Trustees are recruited and appointed through an open process. If a specific need for skills cannot be resolved through this process, individuals may be co-opted to the board.

Policies and procedures for induction and training of trustees

The role of trustees is set out in the *Trustees' Manual* which is given to all trustees and updated periodically. All trustees receive a day's induction with members of ADD staff before taking up their position, and are given the opportunity of external training courses in governance. The board follows a trustee and board annual performance appraisal process.

Organisational structure and how decisions are made

There are normally two face-to-face trustee meetings per year and two telephone conferences. The four current sub-committees (fundraising, HR, international development and finance) meet quarterly. They oversee and take responsibility for the agreement of ADD's strategic framework, monitoring progress against plans, and operational and financial targets.

Sub-committees are made up of trustees with specific skills who report routinely to the full board with their findings and recommendations. A further sub-committee, consisting of the chairs of the sub-committees, the chair of trustees and the vice chair(s) of trustees is an informal group whose role is to support the CEO.

The trustees regularly review the ADD risk policy, and map and assess it to ensure all reasonable steps have been taken to eliminate, minimise or mitigate risk as appropriate.

Financial Review

With the funding environment becoming ever more competitive, 2013 was a challenging year during which we have been taking action to ensure the organization is structured correctly to meet the challenges we face looking forward to 2014 and beyond. These still focus on maintaining the right cost base to maintain value for money whilst increasing capacity throughout the organization, particularly in country, but also with increased transparency and accountability.

1) *Income*

Total income for the year fell slightly to £3.360m from £3.526m in 2012; this was due to a fall in restricted funding from £1.420m in 2012 to £1.256m this year with unrestricted income remaining almost unchanged at £2.104m.

This fall in restricted income is due to the fact that the existing grants are continuing however we have been finding it very challenging, in line with virtually all other organisations in the sector, to secure new grants from institutional funders. We have been able to maintain the level of public donations at £0.863m, marginally up on 2012. The good news is that it has been confirmed that the funding from DfID's unrestricted Partnership Programme Arrangement has been extended for 2 years, at the current level of £1.134m, until March 2016.

2) *Expenditure*

Total expenditure for the year rose to £3.593m up from £3,000m in 2012, a large part of this was due to increased spending in country programmes restricted activity which went up by £0.257m. In addition to this, in 2012, additional reserves were allocated to be spent in 2013 to be able to increase our focus on fundraising, supporting our monitoring, evaluation & learning capacity to be much more effective in the future, this together with some increased direct support for countries resulted in an additional £0.232m being spent over the previous year.

Other significant expenses were the continuation of the upgrading & replacing outdated computers and IT infrastructure in our Country offices which cost £0.085m overall, £0.070m spent purchasing, setting up and installing a new global accounting system. This system went live from 1st January 2014 and will aid us in becoming more transparent & accountable together with aiding our ability to look very critically at things like increasing value for money. This will really also give us the advantage of being able to access information both for management accounting & donor reporting much more effectively & accurately in a very timely way.

On the positive side, governance costs were slightly down overall and there was an exchange gain from the interaction with the countries of £0.039m.

During 2013 there was also an increased investment of £0.036m in the work involved in maintaining our public fundraising income & also looking at ways to try to improve this further.

3) Financial position & reserves policy

Total fund balances at the end of the year were £1.134m representing a fall of £0.233m compared to 2012. Restricted fund balances were £0.430m and unrestricted funds were £0.704m.

It is our policy to retain sufficient reserves to safeguard on-going commitments and operations. Our reserves policy was reviewed in 2010, and included a statement to hold reserves sufficient to cover unrestricted expenditure commitments for approximately five months' at current spending levels. Our 'free' reserves are currently standing at £0.648m, which meets this requirement adequately.

4) Financial outlook

Financial planning and forecasting activity takes place within the context of the overall strategic plan and objectives. While our expectation is that fundraising challenges will continue, it has now been confirmed that we have successfully secured a 2 year extension to the Programme Partnership Arrangement (PPA) from the Department for International Development which will continue to contribute £1.134m to our annual income until March 2016. We expect income from individuals to remain fairly static in 2014, however, funding from institutional funders is increasingly challenging to secure & we do not expect this to increase until 2015 following increased numbers of quality proposal submissions currently being made. Income from this stream in 2014 will fall due to the time lag between submission and receipt of funds.

5) Risk management

An understanding of the risks the organisation faces and careful management of these risks is necessary. The major potential risks facing the organisation in relation to resources have been identified as:

1. Longer term shortfall in funding; at the moment there is no indication of what will happen after the current DfID PPA ends in March 2016, so this places some uncertainty over the future;
2. The inability to continue to raise voluntary unrestricted income to support the organisation in 2014 and beyond at current or increased levels;
3. Not being able to secure enough Institutional funds to replace the shortfall in unrestricted income to fulfill our strategic ambition;
4. Failure to manage grants effectively – both contractual and associated programme delivery;
5. Not clearly demonstrating the impact of our work;
6. Skills shortage within our country programmes arising from an inability to retain or recruit staff .

Steps taken to mitigate these risks include:

- Monitoring a range of performance indicators to track the success of funding proposals and diversifying our portfolio to attract more supporters;
- Regular review and monitoring of institutional fundraising performance by the Fundraising sub-committee (comprised of trustees and SMT members) to support delivery of ADD strategic framework ;
- Continuing to look at ways to increase our income from Public Fundraising by investing & testing innovative approaches in this area;
- The continuation of a cohesive and disciplined grant management process and undertaking a series of training sessions with our country directors, relevant programme staff and finance teams;
- Undertaking continuous training specifically for the Country Office finance teams to provide a focus on further improving our basic systems and controls;
- Continued investment in country-based Monitoring, Evaluation and Learning (“MEL”) officers focussing on the development of a strong MEL Framework to accurately record and demonstrate the impact of our work;
- Review and implement a comprehensive training and development policy for staff with clear objectives. We are also establishing and implementing a transparent worldwide salary review policy .

6) *Internal control*

The trustees have overall responsibility for ensuring that the organisation has appropriate systems of control, financial and otherwise. They are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

The trustees recognise that systems of control can only provide a reasonable and not complete assurance against inappropriate or ineffective use of resources, or against the risk of errors or fraud. They remain satisfied that the internal systems provide reasonable assurance that the organisation operates efficiently and effectively, safeguards its assets, maintains proper records and complies with relevant laws and regulations.

We operate a comprehensive accountability system which includes a rolling 24 month cash-flow and annual budgets approved by trustees. These are reviewed by the Finance and Audit sub-committee who will consider actual results compared with plans and forecasts, and non-financial performance data. We do not have an internal audit function but instead outsource this to overseas auditors who conduct risk-based internal audits and review internal controls. Reports and recommendations are submitted to the finance and audit sub-committee for scrutiny each quarter.

7) *Public benefit statement*

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's objectives and aims and in planning future activities for the year.

Statement of trustees' responsibilities

The trustees (who are also directors of Action on Disability and Development for the purposes of company law) are responsible for preparing the trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. 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 Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Haji Saghir Alam OBE

Chair of Trustees

Independent auditor's report to the members of Action on Disability and Development

We have audited the financial statements of Action on Disability and Development for the year ended 31 December 2013 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. 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 charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 (APB'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 charitable company'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' Annual 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 2013 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 the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.



Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

31st July 2014

Statement of financial activities year to 31 December 2013

	Unrestricted funds	Restricted funds	2013 Total funds	2012 Total funds
	£	£	£	£
Income & expenditure				
Incoming resources				
Incoming resources from generated funds				
Voluntary income (notes 1 and 2)	2,093,573	-	2,093,573	2,093,923
Interest receivable	10,571	2,713	13,284	9,664
Incoming resources from charitable activities (note 2)	-	1,249,612	1,249,612	1,414,839
Other incoming resources	50	3,516	3,566	8,157
Total incoming resources	<u>2,104,194</u>	<u>1,255,841</u>	<u>3,360,035</u>	<u>3,526,583</u>
Charitable expenditure				
Cost of generating funds				
Cost of generating voluntary income (note 1)	498,989	-	498,989	462,047
Support of the International Disability Movement				
International programme offices	1,243,899	1,311,080	2,554,979	2,030,005
Programme Support	377,695	-	377,695	324,483
Governance costs	161,719	-	161,719	183,763
Total resources expended (note 6)	<u>2,282,302</u>	<u>1,311,080</u>	<u>3,593,382</u>	<u>3,000,298</u>
Net incoming/ (outgoing) resources before transfers	(178,108)	(55,239)	(233,347)	526,285
Transfers between funds	-	-	-	-
Net incoming/ (outgoing) resources and Net movement in funds (note 7)	(178,108)	(55,239)	(233,347)	526,285
Fund balances b/f at 1 January 2013	<u>881,903</u>	<u>485,171</u>	<u>1,367,074</u>	<u>840,789</u>
Fund balances c/f at 31 December 2013	<u>703,795</u>	<u>429,932</u>	<u>1,133,727</u>	<u>1,367,074</u>

There is no difference between the net movement in funds stated above, and the historical cost equivalent. All of the charity's activities derived from continuing operations during the above two financial periods.

Balance Sheet 31 December 2013

	2013	2013	2012	2012
	£	£	£	£
Fixed assets				
Tangible fixed assets (note 10)		55,822		64,184
Current assets				
Debtors (note 11)	530,145		343,183	
Cash at bank and in hand (note 12)	<u>1,270,630</u>		<u>1,351,115</u>	
	1,800,775		1,694,298	
Creditors: Amounts falling due within 1 year (note 13)	<u>(450,145)</u>		<u>(114,112)</u>	
Net current assets		<u>1,350,630</u>		<u>1,580,186</u>
Total assets less current liabilities		1,406,452		1,644,370
Provisions (note 14)		<u>(272,725)</u>		<u>(277,296)</u>
Total net assets		<u><u>1,133,727</u></u>		<u><u>1,367,074</u></u>

Represented by:

Funds and reserves

Income funds

Restricted funds (note 15)

Unrestricted funds (note 16)

- *General funds*

- *Designated funds*

	429,932	485,171
	703,795	634,903
	-	247,000
	<u><u>1,133,727</u></u>	<u><u>1,367,074</u></u>

Approved by the trustees on 9th May 2014 and agreed on their behalf



Saghir Alam OBE

Chair of Trustees

Principal accounting policies

Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006 and applicable accounting standards. The Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) has been followed in the preparation of these financial statements.

Incoming resources

All incoming resources becoming available to the charitable company during the year are recognized, gross, in the Statement of Financial Activities. Volunteer time is not included in the financial statements.

Legacy income is accounted for on a receivable basis. A legacy is considered receivable for the period only once the amount is known with certainty.

Grants receivable are normally accounted for when receivable, except where they relate to a specified future period, in which case they are treated as deferred income.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Resources expended are shown gross and accruals are included in creditors for all known liabilities relating to the year.

Expenditure on overseas programmes comprises all direct programme expenditure and all staff related costs of the countries' offices. Grants payable to overseas partners are those grants paid both directly from the UK and those paid by ADD programmes overseas to the charitable company's partners overseas.

Programme support costs comprise expenditure incurred for management of and support to overseas programmes together with the related overheads which are recovered through administration charges levied on programmes in agreement with funders.

Cost of generating funds relate to the costs incurred by the charitable company in inducing others to make voluntary contributions to it.

Governance costs of the charitable company comprise costs of the management of its assets, organisational management and administration, and compliance with constitutional and statutory requirements including audit fees.

Support costs comprise staff and overhead costs which fall into more than one of the above categories. These costs have been allocated on the basis of full time equivalent staff numbers in the relevant categories of expenditure.

The charitable company makes contributions on behalf of its UK employees into their personal pension funds. The amounts charged in the Statement of Financial Activities represent the contributions payable to the funds in respect of the accounting period. Outstanding pension contributions at the year-end are included in creditors.

In a number of countries in which the charity operates, it is legally required to fund end of service payments to staff at the end of their employment with the charity. Full provision is made for the cost of these benefits relating to past services and this is included within overseas staff costs.

Tangible fixed assets

All assets in the UK costing more than £500 and with an expected useful life exceeding one year are capitalised.

Fixed assets are depreciated at the following annual rates in order to write them off over their estimated useful lives:

- Computer equipment: 25% straight line
- Office equipment: 25% reducing balance
- Motor vehicles, overseas programmes: 33% straight line

Capital items purchased for use overseas, with the exception of vehicles, are depreciated 100% in the year of acquisition.

Fund accounting

Restricted funds are funds subject to specific conditions imposed by the funders and relate to specific projects. Expenditure which meets these criteria is charged to the funds together with a fair allocation of management and support costs.

Interest earned on restricted income is not applied to the restricted fund unless specifically requested by the donor. Such interest will be treated as unrestricted income designated for programme support.

Unrestricted funds comprise accumulated surpluses and deficits on general funds and are available for use at the discretion of the trustees in furtherance of the objectives of the charitable company.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Foreign currencies

Transactions in foreign currency are accounted for on a monthly basis at the monthly spot rate. At the balance sheet date, any cash or other monetary items held are translated at the closing spot rate.

Provisions

Provisions are made where there exist contractual liabilities for payment of funds at an unspecified future date, or for obligations where it is probable that payment of funds will be required at an unspecified future date where no contractual liability exists.

Notes to the financial statements

1 Voluntary income and cost of generating voluntary income analysis

	2013 total funds	2012 total funds
Income	£	£
Grants (note 2)	1,153,825	1,153,825
Regular donations and collections	863,214	850,469
Donations from legacies and trusts	49,784	67,255
Mailings	26,750	22,374
Total voluntary income	2,093,573	2,093,923
Cost of generating voluntary income		
Grants	59,264	78,062
Regular donor acquisition and support	382,074	266,983
Trust development	26,175	47,780
Mailings	12,546	11,780
Promotional activities	18,930	57,442
Total costs of generating voluntary income	498,989	462,047

Note: The continued increase in regular donor acquisition investment to £0.382m in 2013 was as a result of increased investment in donor retention activities together with an extensive pilot in attempting to increase income further in this area. Also, this investment will help to secure future income stability.

2 Grants (all institutional)

	Unrestricted funds	Restricted funds	2013 Total funds	2012 Total funds
	£	£	£	£
Allan & Nesta Ferguson Charitable Trust	-	-	-	25,000
Asia Foundation	-	6,987	6,987	-
AusAID	-	-	-	36,524
AusAID (CBM)	-	23,667	23,667	23,047
Breadsticks Foundation	-	18,623	18,623	78,000
CAFOD	-	104,463	104,463	87,541
Comic Relief	-	225,000	225,000	300,000
Commission for the European Communities (CEC)	-	363,461	363,461	369,392
Cordaid (note 4)	-	93,244	93,244	43,473
Department for International Development (DFID)	1,133,825	-	1,133,825	1,133,825
Germany Embassy	-	24,564	24,564	-
Isabelle	-	7,383	7,383	-
Manusher Jonno Foundation	-	94,987	94,987	130,786
National Children's Bureau (NCB)	-	4,044	4,044	5,053
New Field Foundation	-	52,261	52,261	41,931
Other and anonymous grants	20,000	51,681	71,681	42,954
Open Society Initiative Eastern Africa (OSIEA)	-	18,298	18,298	-
Shiree	-	39,998	39,998	134,674
Sightsavers International	-	-	-	9,027
The Headley Trust	-	29,250	29,250	-
the innocent foundation	-	16,000	16,000	22,000
The James Tudor Foundation	-	30,800	30,800	-
The Kadoorie Charitable Foundation	-	8,718	8,718	29,078
The Sylvia Adams Charitable Trust	-	-	-	13,000
The Tides Foundation	-	33,134	33,134	22,110
Zain Co.	-	3,049	3,049	-
Total grants	1,153,825	1,249,612	2,403,437	2,547,415

3 Movement in deferred income

	At 1 January 2013	Movement	At 31 December 2013
	£	£	£
Breadsticks Foundation	18,623	(18,623)	-
Department for International Development (DFID)	-	283,456	283,456
Total	18,623	264,833	283,456

We received the 2014 first quarter payment for our PPA funding at the end of 2013 so this was carried forward to the 2014 accounts.

4 Cordaid grant by country

	2013	2012
	£	£
Bangladesh	93,244	43,473

5 Grants and payments to partners from programmes

	2013	2012
	£	£
Paid from ADD's country programmes		
Bangladesh	104,611	53,952
Cambodia	43,105	71,255
Sudan	49,744	123,957
Tanzania	11,384	15,583
Uganda	30,300	27,106
Francophone West Africa	66,242	68,809
	305,386	360,662
Paid from UK direct to partners		
ADD India	35,313	40,000
The Secretariat of the African Decade of Persons with Disabilities	-	15,000
East Africa Federation of the Disabled	-	1,811
POWER International	-	15,000
United Kingdom Disabled People's Council	-	(7,500)
	35,313	64,311
Total grants	340,699	424,973

Where ADD's support to partners includes the provision of funds, a formal Agreement to Support (ATS) is entered into. Grants are made for the running costs and activities of the partner or disabled peoples' organisations. A list of grants and payments to partners greater than £2,000 is shown in the appendix.

6 Total resources expended

	International Programmes	Programme Support	Cost of generating voluntary income	Governance costs	Support costs	2013 Total	2012 Total
	£	£	£	£	£	£	£
Staff costs (note 8)	822,241	157,618	217,572	59,347	134,931	1,391,709	1,149,170
Office running costs & audits	221,245	2,134	43,644	43,529	272,773	583,325	397,217
Transport & travel	106,013	58,918	19,376	7,867	22,176	214,350	214,744
Grants payable to partners (note 5)	305,386	35,313	-	-	-	340,699	424,973
Field operations	685,804	-	-	14,422	4,796	705,022	506,969
Trustees' costs	-	-	-	27,494	-	27,494	27,733
Exchange loss/gain	(38,781)	(114)	(108)	-	(300)	(39,303)	11,791
Fundraising activities	6,755	459	171,665	3,421	1,467	183,767	136,733
Consultancy & external advice	17,258	108,180	27,855	1,842	31,184	186,319	130,968
Subtotal	2,125,921	362,508	480,004	157,922	467,027	3,593,382	3,000,294
Support costs	429,058	15,187	18,985	3,797	(467,027)	-	-
Total resources expended 2013	2,554,979	377,695	498,989	161,719	-	3,593,382	-
Total 2012	2,030,005	324,483	462,047	183,763	-	-	3,000,294

The increase in staff costs is all in relation to project related restricted funding, mainly in Tanzania where the Modelling Inclusive Education (Comic Relief) had its first full year. In fact UK staff costs fell by around £27,000 in 2013.

A strategic decision was taken to critically review Grant Payments to Partners in 2013 to ensure that our limited resources achieved positive impact for disabled people & not just to support organisations for their own sake. Hence the spending on this line fell but was counterbalanced by increased support for our Country offices & DPO's through capacity building & support to be more sustainable.

The increases in fundraising & consultancy costs partly reflect the above strategic decision but also the declared intent in our strategic plan to focus on more & improved fundraising to aim to secure the long term future of the organisation.

The **staff costs** related to staff involved in **development work** are included in staff costs and not in field operations.

Programme support costs comprise of expenditure incurred for management of and support to overseas programmes. This includes the costs of fundraising for restricted grants and costs related to reporting to grant givers.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. Similarly, costs will be incurred in supporting income generation activities such as fundraising, and in supporting the governance of the charity. Support costs include the UK office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources, restricted fundraising and reporting and financing. Support costs have been allocated on the basis of head count.

Governance costs comprise of trustees' costs (part of which relate to the costs of board meetings); auditors' remuneration as detailed in note 7 below and an allocation of staff costs associated with the governance of the charity.

7 Net incoming (outgoing) resources for the year

This is stated after charging (crediting):	2013	2012
	£	£
Depreciation	39,154	12,622
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses:		
Cost incurred in attending two trustees' meetings (2012: three)	5,338	6,770
 Auditors' remuneration:		
Audit	17,272	15,750
Non-audit services	-	5,895
Overseas auditors	24,998	25,584

8 Staff Costs and numbers

The total staff costs of UK-based employees were as follows:

	2013	2012
	£	£
Wages and salaries	443,036	472,799
Social security costs	44,572	48,804
Pension contributions	16,610	19,535
Total emoluments paid to staff based in the UK	504,218	541,138
Other staff costs (health insurance, training & recruitment)	65,250	54,997
Total staff costs in the UK	569,468	596,135
Total staff & salary costs for field staff based overseas	822,241	553,035
Total staff costs	1,391,709	1,149,170

No employee received total emoluments in excess of £60,000 in the year, excluding payments for disability. The average number of employees during the year, calculated on a full time equivalent basis, analysed by function was as follows:

	2013	2012
Field staff -overseas based	113	88
Programme support - UK based	5	4
Fundraising - UK based	4	5
Governance - UK based	1	1
Support - UK based	3	3
Staff numbers are based on a full time equivalent basis during 2013	126	101

9 Taxation

Action on Disability and Development is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10 Tangible fixed assets

	Office and computer equipment	Overseas assets	Total
	£	£	£
Cost or valuation			
At 1 January 2013	118,834	338,165	456,999
Additions in year	7,847	27,897	35,744
Disposals in year	(73,834)	(31,061)	(104,895)
At 31 December 2013	52,847	335,001	387,848
Depreciation			
At 1 January 2013	81,572	311,243	392,815
On disposals	(68,882)	(31,061)	(99,943)
Charge for year	11,907	27,247	39,154
At 31 December 2013	24,597	307,429	332,026
Net book values			
At 31 December 2012	37,262	26,922	64,184
At 31 December 2013	28,250	27,572	55,822

11 Debtors

	2013	2012
	£	£
Other debtors	914	491
Prepayments	2,159	30,152
Accrued income	472,040	291,872
Overseas floats and advances	55,032	20,668
	530,145	343,183

12 Cash at bank and in hand

	2013	2012
	£	£
UK current accounts and cash in hand	18,508	21,742
Foreign accounts	296,331	344,632
UK deposit accounts	955,328	984,174
Travellers cheques	463	567
	1,270,630	1,351,115

13 Creditors: amounts falling due within one year

	2013	2012
	£	£
Payroll taxes	14,270	-
Accruals	117,168	67,369
Other creditors	35,251	28,120
Deferred income (note 3)	283,456	18,623
	450,145	114,112

14 Provisions

	At 31 December 2012	Incoming (charge for the year)	Outgoing (utilised)	At 31 December 2013
	£	£	£	£
Overseas staff terminations	181,998	48,346	(33,917)	196,427
Organisational restructure	37,730			37,730
Project commitments	57,568		(19,000)	38,568
	277,296	48,346	(52,917)	272,725

Provision has been made for the costs that the charity had committed to, following the decision to restructure at the beginning of 2011, the principal amount here being the dilapidations linked to the move of the Frome Head Office which took place in February 2014.

Project commitments represent the trustees' best estimate at the balance sheet date of obligations in respect of project work completed at that date, net of amounts recoverable from donors. The provision has been estimated across a number of projects and any excess of expenditure, or reduction as applicable, will be recognised in the statement of financial activities in the year in which project accounting is finalised.

15 Restricted funds

	At 1 January 2013	Incoming resources	Outgoing resources	Transfers	At 31 December 2013
	£	£	£	£	£
Bangladesh	76,602	543,651	(507,696)		112,557
Cambodia	615	8,856	(9,471)		-
India	-	16,000	(16,000)		-
Sudan	-	177,788	(146,988)		30,800
Tanzania	314,665	276,801	(360,246)		231,220
Uganda	38,564	65,480	(77,680)		26,364
West Africa	54,725	167,264	(192,999)		28,991
Total restricted funds	485,171	1,255,841	(1,311,080)	-	429,932

Incoming resources includes institutional grant income (note 2), any sundry income and interest receivable.

ADD Bangladesh received funding from:

- **The Asia Foundation:** to strengthening Disabled People's engagement in elections and political processes
- **The CEC and CAFOD supported 2 projects:** a project to ensure improved food and livelihood security in the Bagerhat District, in context of increased disaster risk & climate change, plus a project for promoting social and political rights of persons with disabilities through implementation of CRPD in Bangladesh.
- **CAFOD supported 2 projects:** a project making DPO's effective, self-sustaining, democratic and representative to influence policy makers and development organisations, plus a project ensuring sanitation for women and men with disabilities.
- **Christian Blind Mission (AUSAID):** to improve the quality of life for people with psychosocial problems & empower them to become self-supporting.
- **Cordaid:** for a project supporting disabled people's rights to justice and social inclusion.
- **EEP/SHIREE (supported by UKaid from DFID):** for the economic empowerment of disabled people.
- **Germany Embassy:** to promote Economic, Social and Electoral Rights of Persons with Disabilities.
- **Isabelle:** for a project for skills development training and job creation for disabled people.
- **Manusher Jonno:** for the empowerment of disabled people to continue their studies and run their own

businesses.

- **National Children's Bureau (NCB):** for strengthening the rural health services at grassroots level of Bangladesh.
- **The Tides Foundation:** to build the capacity of rural DPOs, to work with the National Council of Disabled Women to strengthen their network and oppose violence, and to support the Disability Rights Fund Covering.

ADD Cambodia received funding from:

- **An anonymous charitable foundation:** for livelihoods work with people with intellectual disabilities.

ADD Sudan received funding from:

- **The CEC:** for a programme of work to encourage the development of a strong representative disability movement by promoting cooperation and contacts between DPOs at state level, through the formation of eight cross-disability federations leading to the creation of a national cross-disability federation. This project was completed in 2013.
- **The James Tudor Foundation:** to support the establishment of a fish farm to support the Broader Horizons Institute for Rehabilitation of Handicapped Children in Sudan.
- **Zain Co.:** for vocational training for People with Disabilities in Kartoum state.

ADD Tanzania received funding from:

- **Comic Relief and an anonymous funder:** for a project modelling inclusive education in schools in Pwani region, Tanzania. The project includes the establishment of Resource and Assessment Centres to support schools to go inclusive, and includes relevant training, awareness raising and advocacy, and research of best practice.

ADD Uganda received funding from:

- **CEC:** to promote full and equal enjoyment of human rights by persons living and affected by albinism in 2 districts.
- **Open Society Initiative Eastern Africa:** for a Consultative Meeting by East and Central African Disabled People's Organizations and Academicians on the draft Disability Protocol to the African Union Charter on Human and Peoples' Rights.
- **The Headley Trust:** for a project to provide internships for disabled graduates.

ADD West Africa received funding from :

- **The CEC and The Breadsticks Foundation:** to continue work to build the capacity of disability rights organisations in Cote d'Ivoire to form a vibrant, active, representative and democratic movement able to influence policies and practices for an inclusive decision-making process and the access of all disabled people to services and resources. The project was completed in 2013.
- **New Field Foundation:** for work empowering disabled women in Burkina Faso through economic activities

ADD India

- The India fund relates to partners in India. ADD India received continued funding from the innocent foundation to invest in agricultural livelihoods of disabled people in rural areas in 5 states.

16 Unrestricted funds

	At 1 January 2013	Incoming resources	Outgoing resources	Designations and transfers	At 31 December 2013
Designated funds :					
Donor acquisition investment	60,000	-	(60,000)	-	-
Monitoring, evaluation and learning	67,500	-	(67,500)	-	-
Programme development	89,500	-	(89,500)	-	-
Finance system	30,000	-	(30,000)	-	-
Total designated funds	247,000	-	(247,000)	-	-
General funds	634,903	2,104,194	(2,035,302)	-	703,796
Total unrestricted funds	881,903	2,104,194	(2,282,302)	-	703,796

Designated funds

Purpose of designated funds

As part of ADD's strategic development designated funds were identified in 2012 & used in during 2013, any unused amounts have been reviewed and no longer required to be designated as all necessary items have been included in 2014 budgets and reflect the current strategic priorities:

17 Analysis of net assets between funds

	Restrict ed funds	Designated funds	General fund	Total 2013
Fund balances at 31 December 2013 are represented by:				
Tangible fixed assets	27,572		28,250	55,822
Current assets	402,360	-	1,398,415	1,800,775
Current liabilities			(450,145)	(450,145)
Provisions			(272,725)	(272,725)
Total net assets	429,932	-	703,795	1,133,727

18 Leasing commitments

Within the next year the charity is committed to making lease payments of £22,957 (2012 £29,583). The obligation to make these annual payments expires as follows:

	2013	2012
Land and buildings	£	£
Expiring within one year	2,728	29,583
Expiring within 2-5 years	20,229	-
Total	22,957	29,583

Appendix 1

List of grants over £2,000 paid to partners in 2013

£

Bangladesh

National Council Disabled Women	14,869
National Grassroots Disability Organization	12,732
Turning Point	9,537
Disary Protibondhi Sangstha	6,311
Rangdhanu Zila Protibondhi Odhiker Songstha	6,183
Surjodoy Protibondhi Songstha	6,162
Spondhon Protibondhi Kalayan Sangstha	5,303
Kompon Zilla Protibondhi Federation	5,207
Zila Badhan Protibondhi Songstha	5,064
Bogra Zilla Bondhan Protibondhi Sangstha	4,756
Natore Zilla Protibondhi Songstha -Nondan	3,515
Toranga Protibondhi Songstha	2,089
Total of payments over £2,000	81,728
Total of payments under £2,000	22,883
Total payments made to partners in Bangladesh	104,611

Cambodia

Chulkiri Disabled People Development's Organization	2,930
Khmer Disabled Women Children Development Forum	2,863
Kampong Tralach Disabled People's Development Federation	2,857
Borsat Disable People's Organization	2,856
Kong Pisey Disabled's Development Federation	2,856
Svay Angtor Disable People's Organization	2,852
Bakan Dsiabled People's Organization	2,851
Svay Kravann Disabled People's Development Federation	2,840
Total of payments over £2,000	22,905
Total of payments under £2,000	20,200
Total payments made to partners in Cambodia	43,105

Francophone West Africa

Organisation Regionale des Aveugles et Malvoyants de la Vallée de Bandama (ORAMB)/ Cote D'Ivoire	14,888
Coordination de Personnes Handicapées de la Cote d'Ivoire (COPH-CI)	6,798
Federation Regionale des Associations des Personnes Handicapees de Sikasso (FERAPH-SIKASSO)/ Republique du Mali	4,300
Coordination des Associations des Personnes vivant avec Handicap de la Vallée du Bandama(CAPH-VB)/Cote D'Ivoire	3,583
Coordination des Organisations des Personnes Handicapées de la Région du Haut Sassandra (COPHAHS)/Cote D'Ivoire	2,822
Federation Regionale des Associations des Personnes Handicapees de Segou (FERAPH-SEGOU)/ Republique du Mali	2,677

Coordination Regional des Associations de Personnes Handicapées de Poro (CRAPHP)/Cote D'Ivoire	2,409
Total of payments over £2,000	37,476
Total of payments under £2,000	28,766
Total payments made to partners in Francophone West Africa	66,242
Sudan	
River Nile Union of Deaf	2,381
Kassala Union of Blind	2,254
Haj Yousif Union of Physically Disabled	2,243
Sudanese National Union of Physically Disabled	2,187
Red Sea Union of Deaf	2,177
South Darfur Union of Deaf	2,174
Gadarif Union of Deaf	2,145
Sudanese National Union of Deaf	2,077
Mayo Union of Physically Disabled	2,067
Sudanese National Union of Blind	2,060
Kassala Union of Deaf	2,054
Total of payments over £2,000	23,820
Total of payments under £2,000	25,924
Total payments made to partners in Sudan	49,744
Tanzania	
Shivyawata	11,384
Total of payments over £2,000	11,384
Total of payments under £2,000	-
Total payments made to partners in Tanzania	11,384
Uganda	
The National Union of Disabled Persons of Uganda	16,703
The National Union of Women with Disabilities of Uganda Video on Sexual and Gender Based Violence Victims	7,486
Masaka Association of Persons living with HIV and AIDs	3,517
Elgon Foundation for Persons living with Albinism	2,595
Total of payments over £2,000	30,300
Total of payments under £2,000	-
Total payments made to partners in Uganda	30,300

Trustees and advisers

Trustees

Saghir Alam OBE – *Chair of Trustees*

Jane Anthony

A K Dube

Sarah Dyer

Liz Goold (retired Nov 2013)

Iain McAndrew (from May 2013)

Charlie Massey (retired Nov 2013)

Sebenzile Matsebula (retired May 2013)

Stuart McKinnon-Evans – *Treasurer*

Sally Neville

Bob Niven CBE

David Ruebain

John Tierney

Balakrishna Venkatesh

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Nat West

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BA11 1AE

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Solicitors

Harris & Harris

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Frome
BA11 1BU

ADD Senior Staff

Senior management team (as of December 2013)

Tim Wainwright - Chief Executive Officer

Karen De Cokere - Head of International Development

Esther Kwaku - Head of Public Fundraising and Communications

Andy Neeve - Head of Finance and Operations

Mark Stroud - Head of Institutional Fundraising

Country directors (as of December 2013)

Mosharraf Hossain - ADD Bangladesh

Sixbert Mzee Mbaya - ADD Tanzania

Mohamed Majzoub - ADD Sudan

Emilienne Sanon - ADD West Africa Programme (Côte d'Ivoire, Burkina Faso and Mali)

Vanthon Srey - ADD Cambodia

Joseph Walugembe - ADD Uganda