



ADD INTERNATIONAL ANNUAL REPORT & ACCOUNTS.

31 DECEMBER 2019.

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.

Registered Address: The Old Church School, Butts Hill,
Frome, Somerset, BA11 1HR, UK.

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www.addinternational.org

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REFERENCES AND ADMINISTRATIVE DETAILS.

Charity number: 294860

Company number: 2033925

Registered Office: The Old Church School, Butts Hill, Frome, Somerset, BA11 1HR, UK

TRUSTEES.

The directors of the charitable company are its trustees for the purpose of charity law.

The trustees and officers serving during the year and since the year end were as follows:

A K Dube – *Chair of Trustees*

Deborah Botwood Smith

Kieran Breen

Sarah Dyer

Louise Catherine James

Matthew David Jackson

Ken Jones

Janice May Knight

Sally Neville

Jillian Emma Popkins

David Ruebain

Phillimon Simwaba

SENIOR MANAGEMENT TEAM.

Jimmy Innes	Chief Executive Officer
Deborah Bickler	Interim Director of International Development (Appointed 4 September 2018 and resigned 31 January 2019)
Tamsin Langford	Director of International Development (Appointed 19 August 2019)
Clare McKeown	Director of Partnerships and Fundraising
Adil Shah	Director of Finance and Operations
Mosharraf Hossain	Director of Policy & Influencing

COUNTRY DIRECTORS.

Shafiqul Islam	ADD Bangladesh
Rose Tesha	ADD Tanzania
Siham Bolad	ADD Sudan (Appointed 1 January 2019)
Srey Vanthon	ADD Cambodia (Resigned 30 June 2019)
Borithy Lun	ADD Cambodia (Appointed 23 September 2019)
Thomas Kyokuhair	ADD Uganda (Acting Country Director from 1 August 2018 and appointed on a permanent basis from 17 October 2019)

BANKERS.

Lloyds
City Office
PO Box 72 Bailey Drive
Gillingham Kent
ME8 0LS

NatWest
4 Market Place
Frome
Somerset
BA11 1AE

AUDITOR.

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

SOLICITORS.

Harris & Harris
11 Stony Street
Frome
BA11 1BU

FROM THE CHAIR AND CEO.

A word from Jimmy Innes, CEO:

I am writing this note in April 2020 when the world is focused on the fight of our lives to mitigate the fallout from COVID-19. This unprecedented global crisis is having an impact across all our areas of work. We are currently working flat out to ensure our organisation can continue its operations and activities now and into the future.

We are now developing robust plans alongside our country teams to advocate for the rights of disabled people in the face of this pandemic. Now, more than ever, this is of critical importance. In this global pandemic, disabled people are disproportionately affected by the Coronavirus, and are disproportionately excluded from the response to its impact and effect. At ADD International, we are doing all we can to help ensure that disabled people and their representative organisations – the Disabled People's Organisations (DPOs) who are our partners and allies – are empowered and supported to be front and centre in ensuring that the response to the Coronavirus pandemic is disability inclusive.

2019 Reflections.

2019 was another busy year for ADD International. As the year closed, my prevailing feeling was one of deep admiration for our staff and partners. They continually go above and beyond the call of duty in their work. Together, we strive to meet the challenges we face and enhance the positive impact we continue to have on the lives of thousands of people with disabilities around the world. Their dedication consistently reconfirms to me the relevance and importance of our mission, and their commitment to it goes a long way to helping us achieve it. Thank you to them all from the bottom of my heart.

And we are certainly making progress against our mission – 2019 has been a strong year of delivery in our country programmes as we continue to develop, embed and improve the quality and impact of all our various programmes, projects and areas of work.

2019 Highlights.

We have made substantial progress across all our country programmes. Highlights for me, include our role as part of the innovative 'Inclusive Futures' consortium. Inclusive Futures is working to create a world where everyone has the same opportunities to go to school, access quality healthcare, and claim their rights to employment. Spanning two programmes in seven countries over six years, Inclusive Futures is unprecedented in its scope and scale. Funded by UK Aid, it brings together 16 development organisations, the public and private sector, working with and for people with disabilities and the groups that represent them. Our country teams in Uganda, Tanzania and Bangladesh have established ADD as a key, and valued partner – and our work over 2019 has cemented our role and unique contributions to the programmes.

Elsewhere, in all country programmes, we have seen some powerful and pleasing delivery – whether supporting women and girls with disability in Cambodia or continuing to deliver our inclusive education programme in Sudan, despite the ongoing political crisis earlier in 2019. All our country programmes can be proud of the work they have delivered and the impact they had in 2019.

In our advocacy work, we have had some notable successes. We continue to have strong advocacy and representational voice and position in key international bodies, events and networks – like DFID, the UN and the Bond network in the UK. And we have established partnerships with new organisations, which offer opportunities to build on into the future. Most notably the Commonwealth Disabled People’s Forum (CDPF), who we helped relaunch at the UN in June 2019, and for whom we continue to provide support through into 2020.

Once again, I want to thank everyone – from staff, to funders, to our beloved and loyal supporters – for all your efforts, generosity and ongoing drive that you have shown in 2019. I look forward to working with you all in 2020 as we continue to push for the betterment of our organisation in the pursuit of our mission – so we can have the most positive of impacts on the lives of people with disabilities in all aspects of our work.



Jimmy Innes, Chief Executive, 12 April 2020

A word from AK Dube, Chair:

I have experienced working with ADD International as both a beneficiary in the 1990s and now today, as the organisation's proud Chair. It is a source of immense personal pride for me to be helping the organisation that transformed my life, to transform the lives of others. The work of ADD International is more crucial than ever. I am living proof of the difference it can make.

Each year writing this note gives me time to pause and reflect on all that the last year has brought. I am always deeply moved when I think about the staff and partners of ADD International across our six-country locations. Their dedication is consistently a joy to witness. Their passion and endeavours fuel the organisation, through good times and challenging ones. The Board and I are so grateful to them for all their efforts.

Over the last year, the board and I have focused on making sure robust safeguarding measures are in place as well as overseeing exciting work on the new Global Strategic Plan. I am confident that the emerging plans will further cement ADD's role as a true ally for persons with disabilities in Africa and Asia.

ADD International has a unique and crucial role to play in the creation of a more equitable world. Our 30 years of partnership with disability activists and their organisations have helped change the global landscape when it comes to inclusion. There is still so much work to be done, but knowing this organisation as I do, lives will continue to be changed, barriers overcome, and new opportunities revealed. We will keep on together, making lasting positive change for some of the poorest disabled people in the world.

Thank you for being with us on this remarkable journey. We thank our partners, families and individuals that have contributed to the work of ADD International.

AK Dube, Chair of trustees, 12 April 2020

A handwritten signature in black ink that reads "AK Dube". The signature is written in a cursive style. To the right of the signature is a vertical line, and below the signature is a horizontal line.

TRUSTEES REPORT.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2019.

The trustees are pleased to present their annual report together with the consolidated financial statements of the charitable company for the year ending 31 December 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT.

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 charitable company on 18 November 1986. ADD is governed by its memorandum and articles of association.

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% people with disabilities. Of the twelve trustees serving at the end of 2019, six were women and three 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 MANAGEMENT.

There are normally two face-to-face full trustee meetings per year. The four current sub-committees (Funding and Partnerships, Policy and Influencing, International Development and Finance, Audit and HR) meet quarterly. They oversee and take responsibility for the agreement of ADD's strategic framework, monitoring progress against plans, and operational and financial targets.

STRUCTURE, GOVERNANCE AND MANAGEMENT. (continued)

ORGANISATIONAL STRUCTURE AND MANAGEMENT. (continued)

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 now a formal group whose role is to support the CEO. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, HR, programme implementation, fundraising and performance related activity.

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.

KEY MANAGEMENT PERSONNEL.

All Trustees give their time freely and no trustee received remuneration in the year.

The Senior Management team is made up of the Chief Executive and four departmental heads including Director of International Development, Director of Fundraising and Partnerships, Director of Global Policy and Influencing and Director of Finance and Operations. Names of the SMT members can be found on page 4 of this report.

PAY POLICY FOR SENIOR STAFF.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. The responsibility of setting and agreeing remunerations is delegated to the Finance, Audit and HR subcommittee by the Board. The organisation conducts a benchmarking process each year to ensure that staff remuneration is in accordance with market rates in order to retain the best talent. The benchmarking process is undertaken by a senior HR consultant and led by the Director of Finance and Operations. The Chief Executive recommends the remunerations for the four SMT members to Finance, Audit and HR subcommittee without any of them being present, and the Director of Finance and Operations recommends the Chief Executive's remuneration to the Finance, Audit and HR Subcommittee without his presence.

ABOUT ADD INTERNATIONAL.

PURPOSE.

The registered purpose of ADD International is;

- To relieve poverty and sickness amongst disabled persons throughout the world; and
- To advance any other exclusively charitable purpose for the benefit of disabled persons throughout the world.

Our vision is a world where all disabled people are free from discrimination and oppression, enjoying equality within an inclusive society.

Our mission is to achieve positive and lasting change in the lives of disabled people, especially those living in poverty.

We 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 policy, practice, services and attitudes so that disability discrimination is addressed.
- Mainstream development programmes focus on disability and include disabled people as active participants.

ADD International plays a distinctive role focusing on all types of disabilities from a rights perspective and works specifically in developing countries. Not only are we an ally that works alongside disability movements, we also work within a global network of international development organisations promoting and advocating for the inclusion of disabled people.

ACTIVITIES, ACHIEVEMENT AND PERFORMANCE.

ADD International. Independence, equality and opportunity for disabled people living in poverty.

WHY WE'RE HERE.

ADD International is an ally to the global disability movement. We partner with organisations of disability activists in Africa and Asia to help them access the tools, resources and support they need to build powerful movements for change.

Disability has its own stigma present in every society but in parts of Africa and Asia discrimination towards disabled people can be particularly oppressive. Disabled people are often considered weak, worthless and in some cases, subhuman. For disabled people to have a fighting chance at living their best life, the stigma and discrimination that oppresses them must be confronted and uprooted.

Shifting deeply entrenched social stigma does not happen overnight. It is lengthy and relentless work which requires a strong team of courageous people with a bold vision for change. That's why the movement for disability equality, like all significant movements for social progress, is powered by the passion, vision and courage of activists – ordinary people taking action to create social change.

Often disabled themselves, disability activists have the passion to fight for change. It's their lives, and their communities, at stake. What they often need is support in how to run and build their organisations. That's where ADD International steps in. We help disability activists access the tools, skills and resources they need to turn their vision into powerful organisations that lead powerful movements for change.

WHAT'S THE PROBLEM?

There's a global disability crisis. One billion people worldwide are disabled. 80% live in the developing world.

Disabled people living in poverty are among the most marginalised and stigmatised people on earth. Often, they have no access to basic human rights, education, or the opportunity to earn a living. The injustice disabled people face often includes:

- **Violence.** Disabled people are disproportionately vulnerable to abuse, with children and women particularly affected.
- **Discrimination.** Disabled people face stigma and discrimination in their families and communities, mostly because of misconceptions about disability.
- **Exclusion.** Disabled people often live in isolation and are excluded from their communities, from the education system, from health care and other vital services. Sometimes, they're even hidden away by their families.

ACTIVITIES, ACHIEVEMENT AND PERFORMANCE. (continued)

WHAT WE DO.

Right now, organisations of disability activists are working to fight discrimination and ensure every disabled person gets a fighting chance at living their best life. We are an ally to their powerful movements for change.

1. We empower disability activists.

We provide disability activists with the tools, resources and support they need to build strong and sustainable organisations that can have an ever-increasing impact and help disabled people achieve their full potential.

2. We strengthen the disability movement in Africa and Asia.

We help organisations of disability activists connect with each other to build wider movements for change and work with them to promote the rights of disabled people.

3. We influence for policy change.

We work with organisations of disability activists to influence governments, international development organisations and the private sector to design policies and services on a local and global scale which consider disabled people and offer inclusive solutions.

LOOKING BACK AT 2019.

AN ALLY TO DISABLED PEOPLE LIVING IN POVERTY.

In 2019 we continued to strengthen the disability movement in the countries where we work with new programmes and partnerships. While all these exciting developments enhance what we do, our work always comes back to the value and vitalness of disability activists and their organisations. Disabled People's Organisations deliver critical advocacy and programmatic work but they also play a powerful role in the lives of each of their members through the community, confidence and courage they yield. Disabled people are always telling us of how being part of a DPO, a group that understands and supports them, is transformative in itself. Partnering with local organisations of disability activists in 2019, our work focused on:

- Modelling inclusive pre-primary education in Sudan and Tanzania.
- Tackling gender and disability-based violence in Cambodia.
- Economic empowerment in Uganda and Bangladesh.

We have continued to embed a culture of learning across our programmes. Our quarterly reviews across all programmatic areas allow us to reflect on progress and challenges and identify what we are learning as we deliver our projects.

A GLOBAL PARTNERSHIP TO TACKLE ECONOMIC EXCLUSION.

In 2019 we continued our global collaboration through the 'Inclusion Works' programme to pioneer a new way of working to achieve employment for disabled people living in poverty. 'Inclusion Works' is a Consortium programme of 11 global partners, led by Sightsavers, focussing on the economic empowerment of people with disabilities. The project brings together a diverse range of NGOs and research centres with expertise in different areas. Together we are utilising our collective specialisms to find solutions to the economic exclusion of disabled people. Inclusion Works runs in Bangladesh, Nigeria, Kenya and Uganda where we will be testing innovative ways to improve economic empowerment and inclusion for people with disabilities, enabling them to find employment and earn a living.

STRENGTHENING THE GLOBAL DISABILITY MOVEMENT.

In 2019 there were some milestone achievements for the global disability movement. The United Nations launched its first Disability Inclusion Strategy. The strategy will make the UN system and all UN organisations disability-inclusive. We also made key contributions to the IDC Inquiry on Disability Inclusion which reviews DFIDs impact. We were able to make a unique contribution to the inquiry by sharing the perspectives and understandings of disabled people from the Global South. We also supported the launch of the 'Commonwealth Disabled People's Forum' (CDPF). The CDPF was re-established as a platform for disabled people across the Commonwealth to advocate for independence and equality, and we are their proud fiscal partner.

LOOKING BACK AT 2019. (continued)

NEW FUNDING PARTNERSHIPS.

In 2019 we secured key new funding, particularly in Bangladesh where CAFOD is supporting a project to deliver climate-resilient livelihoods and the Foreign Commonwealth Office is funding work to increase the representation and participation of disabled people in local governance. We also secured funding from The Wellspring Foundation to deliver an innovative advocacy programme in Tanzania to support disabled women to build partnerships with the national women's movement, and create disability-inclusive equality agendas.

GROWING THROUGH CHALLENGE AND STRENGTHENING OUR SYSTEMS.

2019 was yet another successful year but full of challenges. During the year, we embarked on developing our new five year Strategy and business plan for 2020 – 2025. The overall financial squeeze of the charitable sector continued to take its toll and the disability sector was not immune to it. However, against all odds, ADD International increased financial support to the disability movement compared to the previous year and we were able to create some important partnerships with other likeminded organisations.

We continued to strengthen our organisational systems, and our focus remained on implementing the safeguarding plan. We trained all our staff in the UK and country programmes on safeguarding to ensure that our staff carry out their duties knowledgeably and safely. Furthermore, we developed an online knowledge testing system which is essential for all staff to complete and pass.

Our new Regional Head of Finance has contributed significantly in developing new systems. They had been instrumental in developing the innovative peer-to-peer internal audit systems which have been approved by our Finance and Audit Subcommittee, and we hope to conduct internal audits in two countries before the end of 2020.

OUR PLANS FOR 2020.

Emergency plans to mitigate the impact of COVID-19 on disabled people in the countries where we work will be the focus of our activities for as long as is required in 2020. We will do everything in our power to protect our partners and make sure disabled people are not left behind in response plans. Due to COVID 19, like other organisations, ADD International has to make necessary adjustments in working patterns to support staff working from home. All our staff in the UK and country programmes work from home. The transition was much easier for us as our IT systems were already set up to support home working. However, the challenges remain in country programmes where internet connections are unreliable and temperamental. We aspire to improve and strengthen our IT systems further to continue support to home working as long as it is necessary.

Alongside this vital work, in 2020 we will announce our new 5-year Global Strategic Plan & Business Strategy. The launch will be an exciting moment for us to articulate our vision for an ADD International that is fit for the future. The strategy builds on the three core components of our identity – being an effective ally to the disability movement, delivering effective programmes, and running an effective organisation.

We also have ambitious fundraising targets for 2020 to strengthen our financial position and create a platform of stability from which we can deliver our future vision. Across the year, we plan to raise £1m in new restricted contracts and 700k in unrestricted income.

We will continue to improve our international programmes by ensuring the effective delivery of quality disability-inclusive, gender-balanced and safe programmes. We will strengthen staff capacity in project management and core technical areas of gender, disability inclusion, monitoring evaluation and learning.

2020 also brings some key advocacy moments. In particular around the 25th anniversary of the Beijing Declaration and Platform for Action (BPfA). The BPfA is a critical political document for advancing gender equality. National and global reviews of BPfA progress are a crucial opportunity for us to ensure disabled women are given a voice, and a platform in the decisions that affect their lives across all 12 of the BPfA identified priority areas.

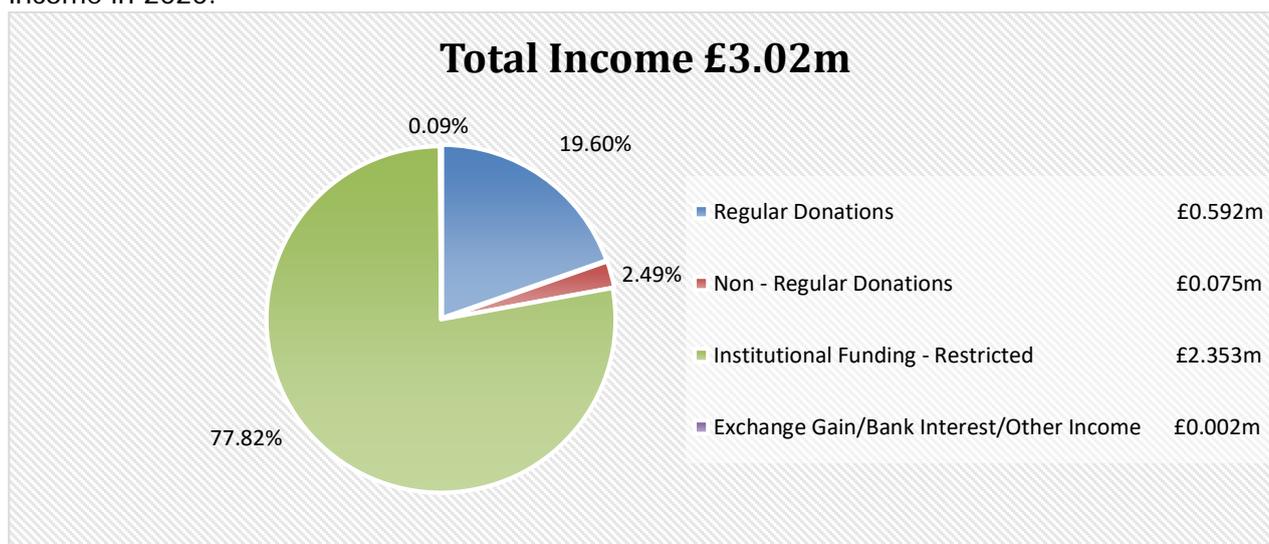
FINANCIAL REVIEW.

INCOME.

ADD International's total income in 2019 was £3.02m, of which £0.67m (2018: £0.71m) was unrestricted and £2.35m (2018: £1.90m) was restricted. The total income in 2019 was £0.40m (15.4%) higher than the previous year. This was due to an increase in the restricted funding which is mainly a result of focusing on quality and learning, as well as the success of our strategy to diversify income streams.

The total unrestricted income in 2019 reduced by £0.04m (6.4%) which was mainly due to the change of treatment of income from an institutional grant. However, the income from regular and non-regular donations increased by £0.09m. The increase is due to the success of our fundraising appeals. We are deeply grateful to all those who contributed their support to ADD International in 2019.

We will continue with the strategy of diversification of income in 2020 with a focus on raising match funding through institutional donors. We are anticipating this strategy to increase our unrestricted income in 2020.



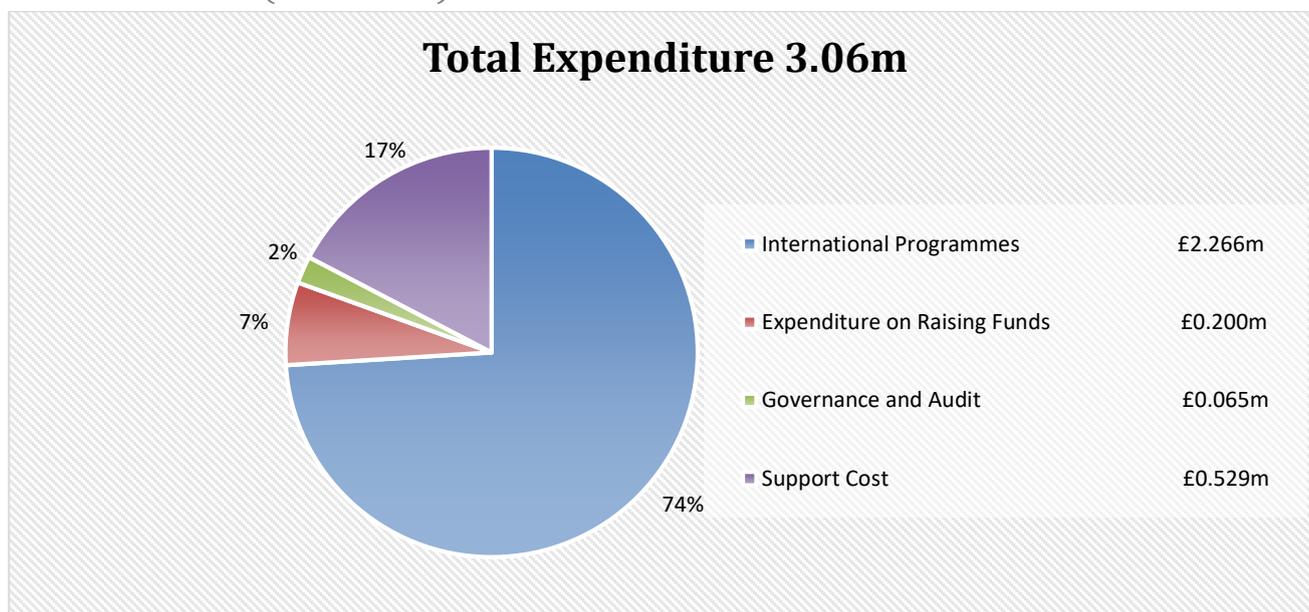
EXPENDITURE.

Our support to disability movements continued to grow over the past three years. In 2019, ADD International's total expenditure was £3.06m (2018: £2.78m), up by £0.28m (10.1%) from 2018. This increase in expenditure during the year is due to an increase in restricted expenditure of £0.44m (23.1%). The unrestricted expenditure during the year decreased by £0.16m (19.8%). The decrease in unrestricted expenses reflects the strategy to balance income and expenditure within the unrestricted fund.

In 2019, ADD International spent £0.20m to generate £0.66m through donations and legacies. This equates to £3.34 raised for every £1 spent which is consistent with the sectoral standards.

FINANCIAL REVIEW. (continued)

EXPENDITURE. (continued)



FINANCIAL POSITION.

The end-year balance of unrestricted funds reduced by £0.007m to £0.460m. This was due to an exchange loss of £0.021m recorded in expenses arising from balances held at the year end.

The end-year restricted fund balance closed at £0.618m, down by £0.030m, which mirrors our commitment to deliver projects in a timely manner and reflects the success in landing new restricted funding streams. Liquidity remains strong with net current assets of £1.2m.

FINANCIAL PLANS FOR 2020.

We are embarking on developing our new Global Strategy and Business plan (2020-2025) to guide our work and ensure that it remains relevant and effective in achieving our organisational mission within shifting global and local contexts. A strategy working group was established comprising of Jimmy Innes (Chief Executive), Srey Vanthon CD Cambodia), Mosharraf Hossain (Director of Policy and Influencing) and Emma Cain (ADD's Consultant Strategic Adviser) to oversee the process. The work was developed in two phases. In Phase 1, the GSP was developed through inputs from a variety of stakeholders, and in phase 2, the organisation's business plan will be developed. We expected this piece of work to be completed by May 2020, but the timeframe was affected by the global COVID-19 pandemic and lockdown in all our country programmes. However, the working group was able present a strategic framework which addressed COVID-19 impact and overall financial viability of the organisation. It is expected that a new staffing structure in the UK will be born as a result of the new strategy with higher emphasis to move the center of gravity to the global south.

FINANCIAL REVIEW. (continued)

FINANCIAL PLANS FOR 2020. (continued)

In setting our operating budget for 2020, a strong emphasis was made to balance the budget by the end of this year. The reforecast budget which was produced in late March 2020 showed a strong result in achieving balance budgets. However, the COVID-19 pandemic has started to show its effects now and it seems unlikely that ADD International will close 2020 with a balanced budget. Nevertheless, we still strive to work to close the gap between our income and expenditure.

The senior leadership team has developed ADD's approach to provide support to persons with disabilities during the lockdown and in the response to COVID-19, as the pandemic will hit the most marginalised people the hardest. The ADD approach was shared widely with donors and stakeholders which has resulted in current activities being adapted and new funding to address the disability-inclusive COVID-19 response situation.

We continue to focus on developing our systems and compliance in 2020. We started to develop a peer-to-peer internal audit function towards the end of 2019. The internal audit charter, methodology and plan was approved by the Finance, Audit and HR Subcommittee in January 2020. However, the suspension of all international travel due to COVID-19, meant it wasn't possible to conduct the first audit. We now plan to conduct our pilot internal audit in Uganda in July 2020 which will be led by our Regional Head of Finance based in Uganda.

RESERVES POLICY.

Unrestricted reserves are defined as general funds and are available to enable ADD International to meet its objectives.

The Trustees reviewed the reserves policy in November 2016 at the Board meeting and agreed to continue holding reserves at least at a level sufficient to cover all liabilities in the event of a sudden and complete organisational shut down. This amount was calculated to be £0.280m, which is also sufficient to cover unrestricted expenditure commitments for approximately five months at the current spending levels. Our 'free' reserves are currently standing at £0.452m, which meets this requirement adequately.

The trustees agreed to review the reserves policy in 2020 in order to ensure prudence and effectiveness.

GOING CONCERN.

The trustees have assessed whether the use of going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

FINANCIAL REVIEW. (continued)

GOING CONCERN. (continued)

Whilst the degree of uncertainties described in this going concern assessment warrants transparent disclosure, the trustees have concluded that it does not constitute a material uncertainty related to going concern. The Trustees going concern assessment is based on the assumption that funders continue to have confidence in ADD as key player on the disability agenda and in delivering activities through the COVID 19 pandemic. We adapted activities to respond to COVID 19 and arrangements are made to safeguard our staff and beneficiaries from any potential harm.

Therefore, the financial statements for the year ended 31st December 2019, should be prepared on the going concern basis.

INVESTMENT POLICY.

The trustees, having regard to the liquidity requirements of the organisation, have kept available funds in an interest-bearing deposit account and seek to achieve a rate on deposit which matches or exceeds inflation as measured by the retail prices index. Due to wider economic circumstances, deposit rates have been depressed and so this aim was not achieved in the year. The invested funds held on deposit achieved an average rate of 0.5% against the retail price index of 2.5% for the year.

RISK MANAGEMENT.

The board of trustees is responsible for the management of risks and is assisted by the SMT in the implementation. A risk register is maintained and used to examine and monitor risk to the organisation. The Finance, Audit and HR Subcommittee assess risk on quarterly basis while risk management priorities and systems are assessed and agreed at the board meetings.

During 2019, ADD International implemented a new approach to risk management, resulting in a risk register that identifies and priorities risk in relation to the likelihood of the risk emerging and the level of impact it would have on the organisation and outline the measures in place to prevent or mitigate the impact of such risk. This new approach define risk in the following categories:

- Strategic risk
- Operational risk
- Financial risk
- Reputational
- Safeguarding

The key risk to ADD International continues to be the reduction in unrestricted funding. Also, loss of key funding which could create a major disruption and business continuity issues. The Trustees and management have identified the following risks in 2019-20 risk register, along with actions to mitigate them:

RISK MANAGEMENT. (continued)

- **Attrition of public fundraising income**

Public donations are falling each year due to the difficult environment to recruit new donors. Currently, the unrestricted funding provides flexibility to cover some costs of certain essential functions which would be difficult to fund otherwise.

While we recognize that the public fundraising landscape is unfavorable at present, efforts are being made to run donor retention and acquisition programmes and encourage existing donors to increase giving. We continue to look at ways to increase our income from Public Fundraising by investing and testing innovative approaches including targeted campaigns which will help recruit new donors.

- **Unable to Demonstrate Impact**

Our reliance on restricted funds has increased in recent years resulting in an increased need to be able to clearly demonstrate the impact of our work for each project.

While there continues to be an uphill struggle against the backdrop of staff shortages, and danger of quarterly programme reviews not taking place due to lockdown, this risk has been mitigated by investing in strong Monitoring, Evaluation and Learning (“MEL”) experts at the UK level, and in country-based MEL officers focusing on the development of a strong MEL Framework to accurately record and demonstrate the impact of our work.

- **Retaining and recruiting skilled workers**

We have grown our funding portfolio over the past few years but our size, salary and/or lack of investment in staff development can contribute to the inability to retain or recruit staff with the right skills and experience.

We have either reviewed or are in the middle of reviewing the salaries in accordance with our benchmarking process in all country programmes. The review will help us bring ADD’s salaries to the market median rates which will give competitive leverage to retain and recruit skilled workers. We also intend to implement a comprehensive training and development plan for staff with clear objectives.

- **Impact of possible economic recession amid global pandemic**

It is expected that the UK economy will shrink by 30% by the end of this year and world economy may hit a double digit recession which could be worse than the Great Depression. The commitments of UKAID and other Bilateral funding could decrease as a result affecting current and future funding.

We continue to engage with key donors to show importance of their support as well as influencing them to focus on the disability inclusive agenda.

RISK MANAGEMENT. (continued)

- **Cashflow crisis**

Due to COVID-19 impact and lockdown, donors may be unable to transfer funds on agreed timelines creating difficult cashflow situation for the organisation. This could lead to a financial crisis situation where ADD is unable to fulfil its financial commitments.

The management is monitoring cashflow position on a weekly basis and follow ups are made when a grant payment becomes due. We are also monitoring individual donations on a monthly basis so an appropriate and timely response could be made for any significant variation.

- **Failure of safeguarding system**

Failure to safeguard our partners, beneficiaries, staff and all who have contact with our organisation, which could lead to reputational issues with different stakeholders.

We have updated our safeguarding policy and reporting tools to provide the appropriate response to allegations. The Trustees dedicate a large chunk of time in Board meetings to discuss the safeguarding arrangements within the organisation. We have created a safeguarding working group that meets on a quarterly basis and considers learnings from our country programmes to continuously improve systems.

- **Higher risk of reported safeguarding concerns**

There is a higher risk of safeguarding concerns arising due to the pressures caused by strict lockdown measures on populations – including mental stress created by increased financial pressures, house isolation, school closures and lack of normal outlets for stress and frustrations.

All non-essential in-person meetings in our country programmes are cancelled. We continue to take all safeguarding concerns seriously and will respond to any allegation that comes to light. We continue to work with our partners and local DPOs so support mechanism is in place for people with disabilities.

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 FRS 102 SORP and 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.

INTERNAL CONTROL. (continued)

We operate a comprehensive accountability system which includes an annual budget approved by trustees. The budget and any subsequent reforecasts are reviewed by the Finance, Audit and HR Sub-Committee and they consider actual results compared with plans and non- financial performance data. We do not have an internal audit function as yet but our country programmes are audited through qualified external auditor annually who conduct risk-based audits and review of internal controls. we plan to conduct our first internal audit in July 2020 in Uganda.

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 charitable company's objectives and aims and in planning future activities for the year.

FUNDRAISING POLICY

The charitable company aims to achieve best practice in the way in which it communicates with donors and other supporters. The charitable company takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charitable company manages its own fundraising activities and does not employ the services of professional fundraisers. The charitable company undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charitable company received no complaints about its fundraising activities.

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 charitable company and of the income and expenditure, of the charitable company 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102);

STATEMENT OF TRUSTEES' RESPONSIBILITIES. (continued)

- 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company'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 charitable company'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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Chair of Trustees

Date: 22/07/2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTION ON DISABILITY AND DEVELOPMENT.

OPINION.

We have audited the financial statements of Action on Disability and Development (the 'charitable company') for the year ended 31 December 2019, which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of 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 OF OPINION.

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

EMPHASIS OF MATTER.

We draw attention to the accounting policies, specifically the policies relating to accounting estimates and going concern, which describe the economic and social disruption the Charity is facing as a result of Covid-19.

Our opinion is not modified in respect of this matter.

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, who are also the directors of Action on Disability and Development for the purposes of company law, are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006.

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 the 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 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' exemptions from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES.

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS.

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

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

USE OF OUR REPORT.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

28 July 2020

STATEMENT OF FINANCIAL ACTIVITIES YEAR TO 31 DECEMBER 2019.

	Notes	Unrestricted funds £	Restricted funds £	2019 total funds £	Unrestricted funds £	Restricted funds £	2018 total funds £
Income from:							
Donations and legacies	1	668,162	-	668,162	658,934	19,810	678,744
Interest receivable	3	1,809	-	1,809	951	-	951
Charitable activities	4	-	2,353,951	2,353,951	50,930	1,884,852	1,935,782
Other income		764	-	764	5,717	-	5,717
Total income		670,735	2,353,951	3,024,686	716,532	1,904,662	2,621,194
Expenditure on:							
Raising funds	2	200,437	-	200,437	219,733	-	219,733
Support of the International Disability Movement		477,815	2,384,177	2,861,992	625,639	1,936,674	2,562,313
Total expenditure	6	678,252	2,384,177	3,062,429	845,372	1,936,674	2,782,046
Net expenditure before transfers		(7,517)	(30,226)	(37,743)	(128,840)	(32,012)	(160,852)
Transfer between funds		-	-	-	(6,242)	6,242	-
Net movement in funds	7	(7,517)	(30,226)	(37,743)	(135,082)	(25,770)	(160,852)
Fund balances at 1 January 2019		467,780	648,464	1,116,244	602,862	674,234	1,277,096
Fund balances 31 December 2019		460,263	618,238	1,078,501	467,780	648,464	1,116,244

There is no difference between the net movement in funds stated above, and the historical cost equivalent.

All of the charitable company's activities derived from continuing operations during the above two financial periods.

BALANCE SHEET 31 DECEMBER 2019.

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible fixed assets	10		7,954		6,367
Current assets					
Debtors	11	343,978		261,902	
Cash at bank and in hand	12	1,007,705		1,089,529	
		<u>1,351,683</u>		<u>1,351,431</u>	
Creditors: Amounts falling due within 1 year	13	(127,088)		(107,752)	
Net current assets			<u>1,224,595</u>		<u>1,243,679</u>
Total assets less current liabilities			<u>1,232,549</u>		<u>1,250,046</u>
Provisions	14		(154,048)		(133,802)
Total net assets			<u><u>1,078,501</u></u>		<u><u>1,116,244</u></u>
Represented by:					
The funds of the charitable company:					
<i>Restricted funds</i>	15		618,238		648,464
<i>Unrestricted funds</i>					
- <i>General funds</i>			460,263		467,780
			<u>1,078,501</u>		<u>1,116,244</u>

Approved by the trustees and agreed on their behalf



Chair of Trustees

Date: 22/07/2020

Action on Disability and Development (operating as ADD International)
Company registration number: 2033925 (England and Wales)

STATEMENT OF CASH FLOWS YEAR TO 31 DECEMBER 2019.

	Notes	2019 £	2018 £
Cash inflow from operating activities:			
Net cash used in operating activities	A	(34,989)	(261,061)
Cash inflow from investing activities:			
Purchase of tangible fixed assets		(7,187)	(878)
Net cash used in investing activities		(7,187)	(878)
Change in cash and cash equivalents in the year		(42,176)	(261,939)
Movement due to foreign exchange		(39,648)	5,018
Cash and cash equivalents at 1 January	B	1,089,529	1,346,450
Cash and cash equivalents at 31 December	B	1,007,705	1,089,529

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR TO 31 DECEMBER 2019.

A Reconciliation of net movement in funds to net cash provided by **operating** activities

	2019 £	2018 £
Net movement in funds (as per the statement of financial activities)	(37,743)	(160,852)
Adjustments for:		
Depreciation charge	5,600	4,958
Loss on the sale of tangible fixed assets	-	813
Foreign exchange losses gains	39,648	(5,018)
Increase in debtors	(82,076)	(145,190)
Increase in creditors	19,336	5,766
Increase in provisions	20,246	38,462
Net cash used in operating activities	(34,989)	(261,061)

B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,007,705	1,089,529
Total cash and cash equivalents	1,007,705	1,089,529

PRINCIPAL ACCOUNTING POLICIES.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

BASIS OF ACCOUNTING.

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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) ('Charities FRS 102 SORP 2015'), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2011.

The charitable company constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT.

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets; and
- termination provisions.

A further key judgement required in preparing these accounts has been the estimation of the impact on the Covid-19 pandemic on the income and expenditure flows of the charity and on its short to medium term financial stability in assessing going concern (see below).

ASSESSMENT OF GOING CONCERN.

The trustees have assessed whether the use of going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

ASSESSMENT OF GOING CONCERN (continued).

Whilst the degree of uncertainties described in this going concern assessment warrants transparent disclosure, the trustees have concluded that it does not constitute a material uncertainty related to going concern. The Trustees going concern assessment is based on the assumption that funders continue to have confidence in ADD as key player on the disability agenda and in delivering activities through the COVID 19 pandemic. We adapted activities to respond to COVID 19 and arrangements are made to safeguard our staff and beneficiaries from any potential harm.

Therefore, the financial statements for the year ended 31st December 2019, should be prepared on the going concern basis.

INCOME.

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

Legacies are included in the statement of financial activities when the charitable company is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charitable company.

Entitlement is taken as the earlier of the dates on which either: the charitable company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charitable company that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charitable company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charitable company, or the charitable company is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charitable company.

Grants receivable are normally accounted for when receivable, except where there are conditions preventing recognition in the current accounting period, in which case they are treated as deferred income and are recognised once the relevant conditions are met. Where matched funding is received for which the match element of funding will be raised in a future accounting period, the funding is deferred until the matched element is raised.

EXPENDITURE 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.

EXPENDITURE AND THE BASIS OF APPORTIONING COSTS.

(continued)

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

Expenditure on international programmes comprises all direct expenditure and all staff related costs of the countries' offices plus the costs related to the Global Policy and Influencing team.

Grants payable to overseas partners are those funds paid both directly from the UK and those paid by ADD Country offices to the charitable partners overseas. These partner organisations are Disabled Peoples Organisations (DPO's), and funds are provide for specific purposes i.e. to deliver an activity etc. These payments often include staff salary and other office support costs. Grants for programmes where the programme activity is controlled by ADD International is recognised once expended by the partner.

Expenditure on raising funds relate to the costs incurred by the charitable company in inducing others to make voluntary contributions to it.

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 charitable company operates, it is legally required to fund end of service payments to staff at the end of their employment with the charitable company. Full provision is made for the cost of these benefits relating to past services and this is included within overseas staff costs. It is our intention that we treat all staff fairly, so in countries where it is not a legal obligation we would still contribute to an end of service/pension provision as per our HR guidelines.

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

TANGIBLE FIXED ASSETS (continued).

- 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.

DEBTORS.

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

CASH AT BANK AND IN HAND.

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

CREDITORS.

Creditors 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. Creditors and provisions are recognised at the amount the charitable company anticipates it will pay to settle the debt.

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.

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.

FINANCIAL INSTRUMENTS.

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Listed investments are a basic financial instrument as detailed above. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments, and are measured at amortised cost.

PENSIONS.

Contribution to the defined contribution pension scheme are recognised in the SOFA when they are payable. The nature of the scheme assures there will be no funding deficit or surplus accruing to the Charity in the future. The pension scheme is independently administered, and the assets of the scheme are held separately from those of the Charity.

TAXATION.

As a registered charity, ADD is exempt from taxation of income and gains to the extent these are applied to charitable objectives.

Irrecoverable VAT is not separately analysed and is charged to the SOFA when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

NOTES TO THE FINANCIAL STATEMENTS.

1) INCOME FROM DONATIONS AND LEGACIES.

	Unrestricted funds	Restricted funds	2019 total funds	Unrestricted funds	Restricted funds	2018 total funds
	£	£	£	£	£	£
Regular donations and collections	592,968	-	592,968	603,594	19,810	623,404
Non-regular donations and legacies	75,194	-	75,194	55,340	-	55,340
	668,162	-	668,162	658,934	19,810	678,744

2) EXPENDITURE ON RAISING FUNDS.

	Unrestricted funds	
	2019 total funds	2018 total funds
	£	£
Regular donor acquisition and support	171,650	191,952
Trust development	10,589	10,695
Non regular donations	10,454	10,169
Communication and promotional activities	7,830	6,917
	200,523	219,733

3) INTEREST RECEIVABLE.

	Unrestricted funds	
	2019 total funds	2018 total funds
	£	£
Bank interest	1,809	951
	1,809	951

4) GRANTS (ALL INSTITUTIONAL).

	Unrestricted funds	Restricted funds	2019 total funds	Unrestricted funds	Restricted funds	2018 total funds
	£	£	£	£	£	£
Allen & Nesta Ferguson Charitable Settlement	-	35,000	35,000	-	-	-
Asia Foundation	-	(1,698)	(1,698)	-	4,824	4,824
Big Lottery Funding	-	40,700	40,700	-	52,543	52,543
CAFOD	-	50,134	50,134	-	50,597	50,597
CBM (Bangladesh)	-	77,656	77,656	-	224,531	224,531
Comic Relief	-	279,800	279,800	-	303,477	303,477
Commonwealth Secretariat	-	10,000	10,000	-	-	-
Department for International Development (DFID)	-	673,408	673,408	50,930	133,514	184,444
Disability Rights Advocacy Fund	-	226,209	226,209	-	-	-
European Commission (EC)	-	376,798	376,798	-	450,025	450,025
Foreign & Commonwealth Office	-	27,233	27,233	-	-	-
Guernsey Overseas Aid & Development Commission	-	-	-	-	(4,574)	(4,574)
Practical Action	-	9,070	9,070	-	21,191	21,191
USAID	-	224,531	224,531	-	413,576	413,576
United Nations Trust Fund	-	206,241	206,241	-	140,451	140,451
Wellspring Philanthropic Fund	-	118,869	118,869	-	94,697	94,697
	-	2,353,951	2,353,951	50,930	1,884,852	1,935,782

Note: Where a donor is listed as anonymous ADD International conducts appropriate due diligence to confirm that the funds are from a legitimate source and are for a genuine purpose.

Funds from Department for International Development (DFID) to deliver activities related to Disability Inclusive Development (DID) Task Order 1 were recognised under unrestricted funds. All other DID Task Order Funds have been recognised under restricted funds.

5) GRANTS AND PAYMENTS TO PARTNERS FROM PROGRAMMES.

	Unrestricted funds	
	2019	2018
	£	£
Paid from ADD's country programmes		
Bangladesh	8,672	10,887
Cambodia	46,671	34,309
Sudan	13,979	9,877
Tanzania	36,630	41,040
Uganda	-	(583)
	105,952	95,530

Where ADD's support to partners includes the provision of funds, a formal Partnership Agreement is entered into and grants are made for specific purposes and to assist in the implementation of restricted projects.

All of the grants and payments above are paid to organisations who are involved in achieving positive and lasting change in the lives of disabled people, especially those living in poverty.

6) TOTAL EXPENDITURE.

	International programmes	Expenditure on raising funds	Support costs	2019 total funds
	£	£	£	£
Staff costs (note 8)	941,994	95,285	399,197	1,436,476
Office running costs	215,180	18,296	73,680	307,156
Transport & travel	78,360	14,206	47,478	140,044
Payments payable to partners (note 5)	105,952	-	-	105,952
Field operations	861,064	-	6,368	867,432
Exchange loss/(gain)	42,526	-	(2,878)	39,648
Fundraising activities	320	28,084	-	28,404
Consultancy & external advice	9,551	17,493	44,527	71,571
Governance - Trustees' costs	8,212	-	16,556	24,768
Governance – Audit	30,283	-	10,695	40,978
Subtotal	2,293,442	173,364	595,623	3,062,429
Support costs	568,550	20,073	(595,623)	-
	2,861,992	200,437	-	3,062,429

	International programmes	Expenditure on raising funds	Support costs	2018 total funds
	£	£	£	£
Staff costs (note 8)	965,991	99,745	319,518	1,385,254
Office running costs	224,404	43,454	49,538	317,396
Transport & travel	55,182	10,646	24,076	89,904
Payments payable to partners (note 5)	95,530	-	-	95,530
Field operations	725,456	-	6,428	731,884
Exchange loss/(gain)	(4,628)	-	(390)	(5,018)
Fundraising activities	312	32,155	-	32,467
Consultancy & external advice	1,891	18,159	40,035	60,085
Governance - Trustees' costs	11,364	-	13,195	24,559
Governance – Audit	40,314	-	9,671	49,985
Subtotal	2,115,816	204,159	462,071	2,782,046
Support costs	446,497	15,574	(462,071)	-
	2,562,313	219,733	-	2,782,046

Expenditure relating to the Global Policy and Influencing team has been reflected in International Programmes as their work is global and contributes to our strategic programmatic goals and is not a support function.

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

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 charitable company. Support costs include the UK office functions such as programme support, general management, payroll administration, budgeting and accounting, information technology, human resources, restricted fundraising and reporting and finance. Support costs have been allocated on the basis of head count.

7) NET EXPENDITURE FOR THE YEAR.

This is stated after charging:

	2019	2018
	£	£
Depreciation	5,600	4,958
Trustees' reimbursed expenses:	9,151	8,371
Auditors' remuneration:		
. Statutory Audit services		
.. Current year	19,660	20,340
.. Prior year	(3,660)	(2,340)
.. Overseas auditors	24,978	31,985
	19,660	20,340
	(3,660)	(2,340)
	24,978	31,985

8) STAFF COSTS AND NUMBERS.

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

	2019	2018
	£	£
Wages and salaries	589,082	604,299
Social security costs	59,396	59,224
Pension contributions	34,026	34,199
Total emoluments paid to staff based in the UK	682,514	697,722
Other staff costs (health insurance, training & recruitment)	33,191	20,726
Total staff costs in the UK	715,695	718,448
Total staff & salary costs for field staff based overseas	720,780	666,806
	1,436,475	1,385,254

The number of employees whose remuneration for the year fell within the following bands were

	2019	2018
	Number	Number
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1

Pension contributions totalling £8,491 (2018 - £8,491) were paid in respect of these higher paid employees all of whom were accruing benefits under a defined contribution pension scheme.

The average number of employees during the year, calculated on a full time equivalent basis (which is not significantly different to a headcount basis), analysed by function was as follows:

	2019	2018
	FTE	FTE
Field staff -overseas based	61	69
Programme support - UK based	2	3
Fundraising - UK based	3	5
Support - UK based	10	9
	76	86

Total employee benefits paid to key management personnel, being members of the charitable company's senior management team, in the year totalled £289,333 (2018 - £288,016). During the year ended 31 December 2019 travel and subsistence expenses totalling £4,835 were reimbursed to 13 trustees (2018 - £8,371 to 13 trustees).

9) TAXATION.

Action on Disability and Development is a registered charitable company 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 2019	59,778	175,907	235,685
Additions in year	7,187	-	7,187
At 31 December 2019	66,965	175,907	242,872
Depreciation			
At 1 January 2019	55,061	174,257	229,318
Charge for year	3,950	1,650	5,600
At 31 December 2019	59,011	175,907	234,918
Net book values			
At 31 December 2018	4,717	1,650	6,367
At 31 December 2019	7,954	-	7,954

11) DEBTORS.

	2019 £	2018 £
Other debtors	6,251	2,444
Prepayments	40,475	38,074
Accrued income	266,294	191,579
Overseas advances	30,958	29,805
	343,978	261,902

12) CASH AT BANK AND IN HAND.

	2019 £	2018 £
UK current accounts and cash in hand	429,746	428,173
Overseas accounts	255,622	268,134
UK deposit accounts	322,126	393,037
Overseas cash	211	185
	1,007,705	1,089,529

13) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR.

	2019	2018
	£	£
Payroll taxes	19,735	14,809
Trade creditors	17,008	14,592
Accruals	83,477	69,968
Other creditors	6,868	8,383
	127,088	107,752

14) PROVISIONS.

	At 1 January 2019 £	Incoming (charge for the year) £	Outgoing (utilised) £	At 31 December 2019 £
Overseas staff terminations	133,802	51,774	(36,243)	149,333
Project commitments	-	4,715	-	4,715
	133,802	56,489	(36,243)	154,048

	At 1 January 2018 £	Incoming (charge for the year) £	Outgoing (utilised) £	At 31 December 2018 £
Overseas staff terminations	95,340	77,397	(38,935)	133,802
	95,340	77,397	(38,935)	133,802

15) RESTRICTED FUNDS.

	At 1 January 2019 £	Income £	Expenditure £	Transfers £	At 31 December 2019 £
UK	55,394	671,723	(588,070)	-	139,047
Bangladesh	200,254	691,474	(679,861)	-	211,867
Cambodia	64,192	206,241	(206,578)	-	63,855
Sudan	62,154	367,009	(424,197)	-	4,966
Tanzania	279,417	321,499	(386,794)	-	214,122
Uganda	(11,679)	96,006	(89,143)	-	(4,816)
Temporary foreign currency gains	(1,268)	-	(9,534)	-	(10,802)
	648,464	2,353,952	(2,384,177)	-	618,239

15) RESTRICTED FUNDS. (continued)

	At 1 January 2018	Income	Expenditure	Transfers	At 31 December 2018
	£	£	£	£	£
UK	49,422	190,520	(189,548)	5,000	55,394
Bangladesh	22,859	686,843	(509,448)	-	200,254
Cambodia	46,342	140,451	(122,601)	-	64,192
Sudan	102,069	410,947	(450,862)	-	62,154
Tanzania	409,759	341,391	(471,733)	-	279,417
Uganda	7,674	134,510	(192,482)	38,619	(11,679)
Temporary foreign currency gains	36,109	-	-	(37,377)	(1,268)
	<u>674,234</u>	<u>1,904,662</u>	<u>(1,936,674)</u>	<u>6,242</u>	<u>648,464</u>

Income includes institutional grant income (note 4) and any donations and legacies given for a specific purpose by the donor.

ADD BANGLADESH RECEIVED FUNDING FROM:

- **CAFOD:** to support the “Inclusive Development Endeavour” project empowering persons with disabilities through strengthening DPOs to become sustainable organizations through which persons with disabilities can exercise their rights and improve access to resources and services. This project ended in 2019.
- **Christian Blind Mission:** to support the “Promoting Community Based Disability Inclusive Disaster Risk Reduction” project in the Coastal District of Bangladesh.
- **The CEC and Foreign and Commonwealth Office:** The project is promoting the representation and participation of Persons with Disabilities in local government and Development in Bangladesh as a strategy for their social, political and economic empowerment. The overall objective of the project is to attain social, political and economic empowerment of women and men with disabilities in predominantly disaster-prone areas in Bangladesh through specific objective of enhancing the capacity of civil society organisations and disabled people’s organisations to influence government policy and practices for increased representation and participation of persons with disabilities in local governance and development.
- **The CEC (via Practical Action):** to ensure that persons with disabilities are included in a project securing employment and economic development around the jute textile & light engineering sector in North-West Bangladesh.
- **DFID (via The Asia Foundation):** to strengthen and promote active citizenship in Bangladesh.
- **CAFOD:** to support a project to increase marginalised household participation in climate resilient livelihood. The project contributes to the disability movement in Bangladesh through supporting regular management and operation of existing Disable Persons’ Organisations (DPOs) in Bagerhat district aiming to increase access to local resources and services.

ADD CAMBODIA RECEIVED FUNDING FROM:

- **United Nations Trust Fund:** to reduce violence against women and girls, including those with disabilities, and to increase access to inclusive legal and multi-sector services.
- **United Nations Trust Funds:** to support a community mobilisation model to preventing violence against women and girls in Cambodia.

15) RESTRICTED FUNDS. (continued)

ADD SUDAN RECEIVED FUNDING FROM:

- **The CEC and DFID:** for a project modelling inclusive education for children with disabilities in rural areas of Gedarif State by raising community awareness, establishing inclusive bodies within the education system, teacher training and advocacy. This project ended in 2019.
- **USAID:** to strengthen the capacity of Disabled Persons' Organisations (DPOs) to advocate for the implementation of, and changes to policies to ensure accessibility for all types of disabilities and influence the practices of service providers, engineers and academics on accessibility.
- **DFID and Allen & Nesta Ferguson Charitable Settlement:** to support a project re inclusive education for children with disabilities in rural areas of Gedarif State.

ADD TANZANIA RECEIVED FUNDING FROM:

- **Comic Relief and My Future Rights Campaign:** for a project modelling inclusive education at pre-primary level in Pwani region, Tanzania.

ADD UGANDA RECEIVED FUNDING FROM:

- **USAID:** for a project to increase participation of people with disabilities in local councils and councils' accountability, in order to deliver effective disability programmes. This project ended in 2019.

16) ANALYSIS OF NET ASSETS BETWEEN FUNDS.

	Restricted funds £	General fund £	2019 total funds £
Fund balances at 31 December 2019 are represented by:			
Tangible fixed assets	-	7,954	7,954
Current assets	618,238	733,445	1,351,683
Current liabilities	-	(127,088)	(127,088)
Provisions	-	(154,048)	(154,048)
	618,238	460,263	1,078,501

	Restricted funds £	General fund £	2018 total funds £
Fund balances at 31 December 2018 are represented by:			
Tangible fixed assets	1,650	4,717	6,367
Current assets	646,814	704,617	1,351,431
Current liabilities	-	(107,752)	(107,752)
Provisions	-	(133,802)	(133,802)
	648,464	467,780	1,116,244

17) LEASING COMMITMENTS.

The charitable company is committed to making lease payments of £67,200 (2018 - £66,298) over the life of the leases with respect to land and buildings.

The obligation to make these payments is as follows:

	2019 £	2018 £
Due within one year	54,632	42,787
Due within 2-5 years	12,568	23,511
	67,200	66,298

For more information, or to request an accessible version, please get in touch: call 0300 303 8835 or email info@add.org.uk

Thank you



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FOR DISABLED PEOPLE LIVING IN POVERTY.**