



# **ADD INTERNATIONAL ANNUAL REPORT & ACCOUNTS.**

## **31 DECEMBER 2022.**

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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.

[info@add.org.uk](mailto:info@add.org.uk)

[www.addinternational.org](http://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:**

**Deborah Botwood Smith – *Co-Chair***

**Matthew David Jackson – *Co-Chair***

**Louise Catherine James (resigned due to term ending March 2023)**

**Ken Jones**

**Janice May Knight (resigned due to term ending July 2022)**

**Jillian Emma Popkins (resigned due to term ending March 2023)**

**Phillimon Simwaba**

**Liz Sayce**

**Jane Hatton**

**Richard Mativu (appointed September 2022)**

**Adetokunbo Johnson (appointed September 2022)**

**Rajuna Singh (appointed September 2022)**

**Vanthon Srey (appointed September 2022)**

## **COMPANY SECRETARY.**

The company secretaries who served during the year and since the year end were as follows:

**Mary Ann Clements. Previously Andrew Neeve, (resigned January 2023).**

## **HONARARY PRESIDENT.**

**A K Dube**

# SENIOR LEADERSHIP TEAM.

## CURRENT MEMBERS

<b>Fredrick Ouko</b>	Co-Chief Executive and Transformation Officer ( <i>appointed May 2022</i> )
<b>Mary Ann Clements</b>	Co-Chief Executive and Transformation Officer ( <i>appointed Interim CETO 1<sup>st</sup> July 2021/ confirmed Co CETO May 2022</i> )
<b>Rose Tesha</b>	Country Director, ADD Tanzania ( <i>Appointed Director of Africa March 2023</i> )
<b>Sabina Basi</b>	Director of Funding, Communications & Transformative Partnerships ( <i>appointed April 2022</i> )
<b>Shafiqul Islam</b>	Country Director, ADD Bangladesh ( <i>appointed Director of Resources, Systems and Culture March 2023 and subsequently Director of Asia August 2023</i> )

## PREVIOUS MEMBERS

<b>Andy Neeve</b>	Director of Finance and Operations ( <i>left due to restructure Jan 2023</i> )
<b>Borithy Lun</b>	Country Director ADD Cambodia ( <i>resigned April 2023 due to ill health</i> )
<b>Siham Bolad</b>	Country Director, ADD Sudan ( <i>appointed Programme Team Lead Sudan March 2023</i> )
<b>Tamsin Langford</b>	Director of Programme Support & Learning ( <i>resigned December 2022 due to a new role</i> )
<b>Thomas Kyokuhair</b>	Country Director, ADD Uganda ( <i>left due to restructure March 2023</i> )

## BANKERS.

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

### **NatWest**

4 Market Place  
Frome  
Somerset  
BA11 1AE

## AUDITOR.

**Godfrey Wilson Ltd**  
5<sup>th</sup> Floor, Mariner House  
62 Prince Street  
Bristol  
BS1 4QD

## SOLICITORS.

**Harris & Harris**  
11 Stony Street  
Frome  
BA11 1BU

# TRUSTEES' REPORT.

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2022.**

The Trustees are pleased to present their annual report together with the financial statements of the charitable company for the year ending 31 December 2022, 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).

## **IMPACT OF THE CONFLICT IN SUDAN.**

Fighting between the Sudanese Armed Forces and the Rapid Support Forces (RSF) started on 15 April 2023. This has led to about 4.8 million people being displaced and steadily increasing humanitarian needs. ADD's staff, partners and operations have been directly and adversely affected. Our office in Khartoum was taken over by armed combatants and our vehicles were stolen. Our staff became dispersed as they sought safety. Despite the fact that the international banking system ceased to operate for several months we mobilised to ensure we could continue to pay their salaries so that they could meet their basic needs and stay safe. We maintained support to our dispersed team as best as possible and have reestablished operations out of our Gedaref office where the situation is less volatile. We launched an appeal and are extremely grateful to the many supporters that have responded. We are now working with our partners and existing funders to adapt our programme to the current context.

Our primary concern has always been the safety and welfare of our staff, our partners and the people with disabilities with whom they work. We are so grateful for their hard work and resilience in these terrible circumstances and to our supporters and funders who are enabling them to respond to this humanitarian catastrophe. This conflict has though resulted in some consequences for these financial statements. Although the audit of our Sudan branch was completed before the fighting started, the offices of our auditors were occupied by the RSF and the audit partner has been displaced to Egypt. As the Sudanese auditor work-papers were not digital in nature, they have been unable to provide the necessary assurances to our UK auditors concerning the audit work that was previously carried out. This has led to our UK auditors needing to qualify their audit opinion on these financial statements in relation to the financial transactions and balances in Sudan. This limitation of scope via an audit qualification is to be expected in these extraordinary circumstances, even when there is no reason to believe the transactions or balances are materially mis-stated.

We have noted the outbreak of fighting as a post-balance sheet event in Note 20 at the end of the financial statements. While it was very distressing to lose access to the Khartoum offices and have the vehicles stolen, this has no material effect on the asset values in the 2022 accounts as the offices are rented and the vehicles had already been fully expensed. Whilst we lost access to our bank balances for several months, we now have access to these bank balances once more and the ability to send money internationally to our bank account in Sudan has been re-established.

## **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% disabled people, 50% BIPOC people from the countries where we work and 50% women. Of the 12 Trustees serving at the end of 2022, 7 were women and 7 were disabled people. Last year our Board recognised that we have not been achieving our aims in terms of ensuring that 50% of our Board are disabled people or that 50% are Black Indigenous and People of Colour from the countries where we work, and in this current year we have begun to rectify by recruiting four disabled BIPOC people from the regions where we work to the Board. We still intend to appoint a new Chair or Co-Chairs with some lived experience of disability in 2023. Trustees are 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. All Trustees receive induction with members of ADD staff before taking up their position and are given the opportunity of external training courses in governance. The Board annually reviews its commitments about how to best serve ADD International as an Organisation and shares them with all staff.

## **POLICIES AND PROCEDURES FOR INDUCTION AND TRAINING OF TRUSTEES.**

(continued)

In the coming year the focus will continue to be on supporting the organisation:

- to transition to a new business model;
- to continue its journey of decolonising its ways of working and shifting power and decision making closer to disabled people in the global south;
- to increase its representation of disabled people amongst staff; and
- to develop its work on diversity, equity and inclusion.

## **ORGANISATIONAL STRUCTURE AND MANAGEMENT.**

At the end of 2022 the Board reviewed their approach which since early 2021 had been to hold regular full Board meetings six times a year virtually with an Officers' Meeting in the intervening months to deal with urgent business and receive updates on finances, risk and HR issues. We have now agreed to make these Board meetings quarterly and to ensure that one per annum is in person as opposed to virtual. Whilst the Board no longer has sub-committees and all of the business that we previously considered is now brought to the Officers' Meeting or the full Board for discussion and agreement. This includes agreeing ADD's strategic framework, monitoring progress against plans, and operational and financial targets, monitoring risk and ensuring effective governance, policy and practice. Trustees do have a Safeguarding Lead who attends the Officers meeting and are now (in 2023) also appointing an Inclusive Culture Lead as well.

In November 2021 as part of that process the Trustees took the decision to introduce a Co-Leadership model whereby the role of Chief Executive is shared by two individuals, one of whom will always be a disabled person with lived experience of the work that we do. The Co-leadership model means two Chief Executives, who are also charged with transformation, are appointed together by the Trustees for the day-to-day operations of the charitable company. To facilitate effective operations, the Chief Executives together have delegated authority, within terms of delegation approved by the Trustees, for Trustees matters including finance, HR, programme implementation, fundraising and performance-related activity. In May 2022 the Trustees confirmed Mary Ann Clements, formerly the interim Chief Executive, to a role as co-leader of ADD alongside Fredrick Ouko who was newly recruited. This operates as a Job Share and both Mary Ann and Fredrick are part-time.

The Trustees regularly review the ADD risk policy and register and assess it to ensure all reasonable steps have been taken to eliminate, minimise or mitigate risk as appropriate. A new process for doing this as effectively as possible is currently under development. Trustees ensure that any risks that are taken with the core purpose of the charity in mind.

## **KEY MANAGEMENT PERSONNEL.**

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

Throughout 2022 ADD's Senior Leadership Team was made up of the Chief Executives and three departmental heads (the Director of Funding, Communications & Transformative Partnerships, the Director of Programmes and the Director of Finance and Operations) as well as our five Country Directors. Names of the SLT members can be found on page 4 of this report. Following a restructure announced on 1 December 2022 the new SLT will have four members globally who are the Director of Africa, the Director of Asia, the Director of Funding Communications and Transformative Partnerships and the Director of Resources, Systems and Culture. This structure came in to place on 1 April 2023.

## **PAY POLICY FOR SENIOR STAFF.**

In 2022 we began a thorough review of our pay and benefits for all ADD International staff globally. This review looked again at our pay principles and policy and updated them to include not just market data but also an approach to equity across the organisation. We have been supported in this work by Project Fair. As part of this project we are introducing a new global pay grading system that all roles have been mapped to and are now determining pay on the basis of that in a transparent way that can be shared with everyone across the organisation. It will take us some time to implement all of the changes that this will involve but we have set a clear commitment to a more transparent and equitable approach to pay and benefits going forward. This means that where there are differences in salary or benefits between team members in different countries, we will be able to explain the rationale behind them to all staff. Our pay policy allows for cost-of-living increments where funds allow but in the first instance we are prioritising those staff who the pay scales show are underpaid at present in the amendments we are making to pay rates in 2023. This scale now includes the pay of both SLT members and our Co-Chief Executives. The figures for SLT pay will be reviewed and approved by the Officers of the Board without SLT members being present. The Board will review and approve the remuneration for our Co-CEOs without their 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.

In March 2023 we agreed a new Vision and Mission as follows:

**Our Vision** is for a world in which ableism no longer exists and disabled people can fully participate in society.

**Our Mission** is to strengthen disability rights activists and organisations through resourcing and leadership skills.

We support disability rights activists and organisations to make change in many ways. These include equality for disabled women and girls, supporting leadership within the disability movement including young and emerging leaders, economic empowerment and their rights to work, influencing global policy and practice on disability and inclusive education.

Our work is rooted in supporting disability rights activists in Africa and Asia to realise the changes they want to see. Now, we are getting back to our roots by sharing more power and resource directly to them.

We are transforming to become a participatory grant maker in order to move more funding directly to disability rights activists. Crucially, we will also give disability rights activists greater decision-making power on who should receive funding and how funding should be spent.

We stand against ableism and racism, and we are transforming our organisation to address the colonial roots of our sector. We are also addressing inequalities within the disability rights movement by supporting disabled women and disabled young people to access funding more fairly.

## 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.

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.

## **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. Being an Effective Ally.**

We have decades of experience partnering with organisations of disability activists in the countries where we work. We are a trusted ally to their movements. Over the next five years, we will strengthen this role as an effective and supportive partner. We will ensure that disabled people are front and centre in global disability inclusion efforts, empowered and resourced and in a position to exercise collective voice and agency in realisation of equal rights for all.

### **2. Delivering Effective Programmes.**

We will build a programme of work, which transforms the lives of people with disabilities, and delivers sustainable impact. We work for long-term systemic change and empowerment. We have a strong track record of delivery. We will use the next five years to build on this so we can amplify our impact. We will evidence what we do, demonstrate the value of our approach, scale it up where we can. We will ensure that the diversity of the experience of disability and the focus on the most marginalised persons with disabilities remains our priority.

### **3. Running an Effective Organisation.**

We will be an organisation fit for purpose to achieve our mission in a changing world. We face an uncertain future: political commitments to disability funding and aid in general are changing, and sometimes rapidly. The COVID-19 pandemic has significantly heightened the financial risks we face. In the next five years we will make sure the ways we operate ensure our long-term sustainability – so we can survive and thrive in this changing world and that we remain a global force for disability rights and inclusion.

## **LOOKING BACK AT 2022.**

### **EMBRACING CHANGE AND TRANSFORMATION**

Our work has continued as we worked to review and transform the way in which we work. We have continued to implement a range of programmes in our five focus countries of Bangladesh, Cambodia, Sudan, Uganda and Tanzania.

Our programmes in the countries where ADD works continue to deliver excellent results in areas including: inclusive livelihoods and economic empowerment for persons with disabilities (Uganda and Bangladesh); ensuring inclusive pre-primary education for children with disabilities (Sudan and Tanzania); and tackling gender and disability-based violence (Cambodia).

### **OUR PLANS FOR 2023 AND BEYOND.**

In 2021 we consulted disabled people's organisations and activists about how ADD should be changing for the future and responding to their needs more effectively and our Trustees set the course for that change and we are now implementing a number of changes in how we do what we do.

Whilst the pandemic affected our work, we have also found benefit in the new ways of working that it has enabled. We have been able to recruit staff in different locations than we might have previously and support them with flexible ways of working that we hadn't imagined before. Adapting to the 'new normal' has brought both challenges and opportunities.

In late 2022 we announced an organisational restructure which sought to do three key things:

- Create 'One ADD' and dismantle perceived hierarchies between Country Offices and the UK (latterly known as Global Services);
- Create a staffing structure that is more sustainable and best structured to deliver on our new approach going forward; and
- Policy commitment that at least half of our Senior Leadership Team will have heritage from and be located in the regions where we work.

We now have a leadership team of six, based in five different countries with representation from both of the regions where we work. Many other staff are also located across our regions of work. The new 'One ADD' structure is now fully in place and will help us guide the changes that we are making going forward. We are continuing to embrace the opportunities that virtual collaboration and re-centring how our organisation does business can reflect the ways in which we want to ensure that more power rests with disabled activists and organisations as well as our staff teams in the Global South.

Meanwhile, we continue to manage the many risks inherent in the work we do and the change process we are undertaking including mitigating against the financial and funding challenges that face the organisation. In 2022 we invested in new fundraising staff capacity to help enable us to translate our transformational plans to shift power and resources to the constituents we serve into a reality and now, in 2023, that is beginning to bear fruit.

Over the next five years our plan is to transform our approach, becoming a participatory grant maker, developing a leadership academy to serve the disability movement, and supporting movement building. We are clear that more, better and flexible funding needs to flow to disability movements, and we believe ADD has a role to play in enabling that and supporting those movements to thrive. With a transformed approach to doing what we do we hope to continue to diversify our funding base and ensure that as many resources as possible flow to the movements we support.

## **FINANCIAL REVIEW.**

### **INCOME.**

ADD International's total income in 2022 was £2.78m, of which £0.62m (2021: £0.63m) was unrestricted and £2.16m (2021: £2.00m) was restricted. The total income in 2022 was £2.78m (5.6%) higher than the previous year.

While total unrestricted income in 2022 was broadly similar in total to 2021, there were some natural attrition of donations, offset by the UK Aid Match appeal at the end of 2022. We are deeply grateful to our committed supporters for their continuing generosity and their willingness to participate in this appeal.

We are shifting the focus of our grant fundraising in 2023, in order to raise more funds of a flexible nature that can be used to support ADD's new model of participatory grant-making.

### **EXPENDITURE.**

In 2022, ADD International's total expenditure was £2.89m (2021: £2.85m), which is an increase of 1.5% on 2021. The unrestricted expenditure during the year decreased by £0.05m (6.5%), with a view to minimising the unrestricted deficit for the year.

In 2022, ADD International spent £0.27m to generate £0.61m through donations and legacies. This equates to £2.26 raised for every £1 spent.

## **FINANCIAL REVIEW.** (continued)

### **FINANCIAL POSITION.**

The end-year balance of unrestricted funds reduced by £0.03m to £0.50m.

The end-year restricted fund balance closed at £0.34m, down by £0.07m. This reflects a continuation of the trend from 2021, whereby more of the funds that are ultimately derived from the UK's Foreign Commonwealth Development Office are being received by ADD International as contracts from other development organisations that are paid in arrears, whereas in the previous decade or so we had received funds from the UK government as grants that were paid in advance. This creates pressure on cashflow which is now much more of a critical risk to ADD International than in previous years.

### **FINANCIAL PLANS FOR 2023 AND BEYOND**

The financial plans for 2023 reflect the pivot that is underway from ADD International being an implementer of projects to being a participatory grant-maker. This will require a shift in fundraising away from highly restricted and pre-programmed grants, to more flexible funding. Therefore, while we expect overall income levels in 2023 and beyond to be broadly similar to 2022, we expect that the nature of that income will change to being more unrestricted, or at least much more flexible in terms of how it can be used by ADD to achieve the intended outcomes.

The nature of expenditure will also be shifting to reflect the changes we have been making to our organisational structure and to prioritise funding disabled people's organisations, over maintaining the staff that we have previously needed to implement and coordinate projects.

Given unrestricted reserves at the end of 2022 are £0.5m, we have set ourselves a target of attaining a break-even position on unrestricted funds in 2023. We have developed longer term financial projections to 2025, which aim to achieve modest unrestricted surpluses in subsequent years and build our unrestricted reserves in order to increase our financial sustainability. This will be even more important as we become a source of longer-term funding to disabled people's organisations, as they also need more financial sustainability and to be confident in our ability to fulfil our long-term commitments.

In 2023, we will be implementing a shift in how our salaries, pay and benefits better reflect our values and our principles of inclusion and access.

## **FINANCIAL REVIEW.** (continued)

### **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 £0.31m. Our 'free' reserves are currently standing at £0.5m, which meets this requirement adequately.

As noted above in the section on our longer-term financial plans, we aim to build unrestricted reserves over coming years as we recognise that the nature and duration of financial commitments that we will be making to disabled people's organisations will change as we become a participatory grant-maker. The Trustees will review our reserves policy in 2023 to reflect these changes to our operating model.

### **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.

The biggest risks to our current ability to operate as a going concern are the cashflow pressures created by the contracts for projects that we hold that are paid in arrears. The biggest strategic risks that relate to our medium and long-term income projections relate to shifting our fundraising approach to raising more flexible funding. Provided ADD International can secure funding of this nature, it is also likely to be received in advance and will therefore mitigate the current pressures being felt on cashflow.

The Trustees' going concern assessment is based on the preliminary indications that management have received from several funders that they are interested in making more flexible grants to ADD International in 2023, to support the overall strategic shift in approach that we are undertaking. Therefore, the Trustees concluded that the financial statements for the year ended 31 December 2022 should be prepared on the going concern basis.

### **INVESTMENT POLICY.**

Given the liquidity requirements of the organisation, there are limited options to earn interest in the current market conditions.

## **RISK MANAGEMENT.**

The Board of Trustees is responsible for the management of risks and is assisted by senior management in implementation. A risk register is maintained and used to examine and monitor risk to the organisation, and key risks are discussed at every Board meeting. The risk register identifies and prioritises risks 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.

The Trustees and management have identified the following key risks, along with actions to manage and/or mitigate them:

- **Cashflow risks due to major sources of income for projects being received in arrears**  
Our largest projects are funded through contracts, which are paid in arrears. This puts pressure on overall cashflow given that unrestricted reserves are approximately £0.5m.

The key mitigation is to increase the levels of income from other sources that are received in advance and/or are unrestricted or flexible in nature. Management also takes steps to manage cashflow tightly, through detailed cashflow forecasting and monitoring balances in its bank accounts in different countries closely.

- **Unable to be successful in raising more unrestricted or flexible grant income**  
Our strategic ambition to become a participatory grant maker that offers more flexible funding to disabled people's organisations is dependent on us also being able to secure grant income on more flexible terms from foundations and institutional donors. This form of income will also be increasingly essential to our own operating model in future.

ADD's senior management is making this form of grant fundraising one of its top priorities in 2023 and the Trustees will be monitoring the projected pipeline of income in every Board meeting. The Trustees have approved a budget and a longer-term financial plan which will balance expenditure commitments with ADD's ability to raise this new form of income. The Trustees will monitor financial performance at each Board meeting and use a rolling forecasting model to ensure prompt action is taken to control expenditure, if required.

- **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 updated our safeguarding policy and reporting tools to provide the appropriate response to allegations in 2021. The Trustees dedicate 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.



## **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.

We operate a comprehensive accountability system which includes an annual budget approved by Trustees. The budget and any subsequent reforecasts are reviewed by the Trustees and they consider actual results compared with plans and non-financial performance data. We do not have a dedicated internal audit function, but country offices are audited through qualified external auditors annually, who conduct risk-based audits and a review of internal controls.

## **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' 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);
- 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.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES** (continued)

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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

### **AUDITORS.**

Godfrey Wilson Limited were re-appointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

***Deborah Botwood Smith & Matt Jackson - Co-Chair of Trustees***

***Date: 20 September 2023***

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

## **QUALIFIED OPINION.**

We have audited the financial statements of Action on Disability and Development (the 'charitable company') for the year ended 31 December 2022, 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, except for the possible effects of the matter described in the "basis for qualified opinion" section of our report, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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 FOR QUALIFIED OPINION.**

Due to the conflict in Sudan, we were unable to obtain sufficient, appropriate audit evidence from the local component auditor to provide assurance over expenditure incurred in the Sudanese branch. Included in total expenditure of £2.89m is expenditure recognised in the Sudan branch of ca. £370k. We were unable to satisfy ourselves by alternative means concerning the occurrence, accuracy, classification and completeness of expenditure incurred during the year ending 31 December 2022. Consequently we were unable to determine whether expenditure recognised in Sudan is fairly stated. In addition, were any adjustment to expenditure recognised in Sudan to be required, the trustees report would also need to be amended. The impact of the conflict in Sudan is described in more detail in the trustees annual report and note 20 to the financial statements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **CONCLUSIONS RELATING TO GOING CONCERN.**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## **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.

As described in the "basis for qualified opinion" section of our report, we were unable to satisfy ourselves concerning the expenditure recognised in Sudan in the year ended 31 December 2022. We have concluded that where the other information refers to the Sudan component or expenditure, it may be materially misstated for the same reason.

## **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006.**

Except for the possible effects of the matter described in the “basis for qualified opinion” section of our report, 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.**

Except for the matter described in the “basis for qualified opinion” section of our report, in 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.

Arising solely from the limitation on the scope of our work relating to expenditure recognised in Sudan, referred to above, we have not been able to obtain adequate returns for audit purposes from branches not visited by us, and we have not received all the information and explanations we require for our audit.

However, 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
- 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.

## **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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- (1) We obtained an understanding of the legal and regulatory framework that the charity operates in and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
- (2) We reviewed the charity's policies and procedures in relation to:
  - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
  - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
- (3) We inspected the minutes of trustee meetings.
- (4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.
- (5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.
- (6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://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.

Date: 20 September 2023

Alison Godfrey FCA  
(Senior Statutory Auditor)  
For and on behalf of Godfrey Wilson Limited  
5<sup>th</sup> Floor, Mariner House  
62 Prince Street  
Bristol  
BS1 4QD



# STATEMENT OF FINANCIAL ACTIVITIES

## YEAR TO 31 DECEMBER 2022.

### (Incorporating an income and expenditure statement)

		2022					2021
	Note	Unrestrict ed funds	Restricted funds	Total funds	Unrestrict ed funds	Restricted funds	Total funds
		£	£	£	£	£	£
<b>Income from:</b>							
Donations and legacies	1	614,953	-	614,953	627,461	-	627,461
Interest receivable	2	1,522	146	1,668	1,092	-	1,092
Charitable activities	3	-	2,159,042	2,159,042	-	2,002,610	2,002,610
Other income		6,339	-	6,339	3,188	-	3,188
Total income		<b>622,814</b>	<b>2,159,188</b>	<b>2,782,002</b>	631,741	2,002,610	2,634,351
<b>Expenditure on:</b>							
Raising funds	5	270,627	-	270,627	212,004	-	212,004
Charitable expenditure: Support of the International Disability Movement		385,784	2,232,674	2,618,458	489,709	2,145,894	2,635,603
Total expenditure	7	<b>656,411</b>	<b>2,232,674</b>	<b>2,889,085</b>	701,713	2,145,894	2,847,607
Net income/(expenditure) & net movement in funds	8	<b>(33,597)</b>	<b>(73,486)</b>	<b>(107,083)</b>	(69,972)	(143,284)	(213,256)
Fund balances at 1 January 2022		537,772	416,959	954,731	607,744	560,243	1,167,987
Fund balances 31 December 2022		<b>504,175</b>	<b>343,473</b>	<b>847,648</b>	537,772	416,959	954,731

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the accounts.

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

## BALANCE SHEET AS AT 31 DECEMBER 2022.

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible fixed assets	11		6,417		4,678
<b>Current assets</b>					
Debtors	12	402,983		319,600	
Cash at bank and in hand	13	759,158		873,990	
		<u>1,162,141</u>		<u>1,193,590</u>	
Creditors: Amounts falling due within 1 year	14	(184,019)		(110,668)	
<b>Net current assets</b>			<b>978,122</b>		<b>1,082,922</b>
<b>Total assets less current liabilities</b>			<b>984,539</b>		<b>1,087,600</b>
Provisions	15		(136,891)		(132,869)
<b>Total net assets</b>	17		<b>847,648</b>		<b>954,731</b>
<b>Represented by:</b>					
The funds of the charitable company:					
<i>Restricted funds</i>	16		343,473		416,959
<i>Unrestricted funds</i>					
- <i>General funds</i>			504,175		537,772
			<u>847,648</u>		<u>954,731</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees and agreed on their behalf

Deborah Botwood Smith & Matt Jackson - Co-Chairs of Trustees

Date: 20 September 2023

Action on Disability and Development (operating as ADD International)

Company registration number: 2033925 (England and Wales)

## STATEMENT OF CASH FLOWS YEAR TO 31 DECEMBER 2022.

	Notes	2022 £	2021 £
<b>Cash inflow from operating activities:</b>			
Net cash used in operating activities	A	<b>(142,716)</b>	(163,311)
<b>Cash inflow from investing activities:</b>			
Purchase of tangible fixed assets		<b>(9,557)</b>	(2,486)
Dividends, interest and rents from investments		<b>1,668</b>	1,092
<b>Net cash used in investing activities</b>		<b>(7,889)</b>	(1,394)
<b>Change in cash and cash equivalents in the year</b>		<b>(150,605)</b>	(164,705)
<b>Movement due to foreign exchange</b>		<b>35,773</b>	27,425
<b>Cash and cash equivalents at 1 January</b>	B	<b>873,990</b>	1,011,270
<b>Cash and cash equivalents at 31 December</b>	B	<b>759,158</b>	873,990

## NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR TO 31 DECEMBER 2022.

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

	2022	2021
	£	£
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(107,083)</b>	(213,256)
<b>Adjustments for:</b>		
Depreciation charge	7,818	2,966
Dividends, interest and rents from investments	(1,668)	(1,092)
Foreign exchange gains / (losses)	(35,773)	(27,425)
Decrease / (increase) in debtors	(83,383)	103,522
Increase in creditors	43,603	(14,346)
Increase in provisions	33,770	(13,680)
<b>Net cash used in operating activities</b>	<b>(142,716)</b>	(163,311)

### B Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	759,158	873,990
<b>Total cash and cash equivalents</b>	<b>759,158</b>	873,990

The charity has not provided an analysis of changes in net debt as it does not have any long-term financing arrangements.

## **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 2019'), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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.

### **BRANCH ACCOUNTING.**

These financial statements consolidate the results of the charity and its overseas branches in Uganda, Tanzania, Cambodia, Sudan and Bangladesh on a line-by-line basis. Neither a separate statement of financial activities nor an income and expenditure account for the UK office alone is presented as the charitable company has taken advantage of the exemptions afforded by the Companies Act 2006 and SORP 2019.

## **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 of the FCDO cuts and the cost of living crisis 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 accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having assessed the charity's current and future financial position. There are no material uncertainties about the charity's ability to continue as a going concern. Further details on going concern can be found in the Financial Review and Risk Management sections of the Trustees' Annual Report.

## **INCOME.**

All income becoming available to the charitable company during the year is recognised, gross, in the Statement of Financial Activities. Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received, and the amount can be measured reliably. 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, unless there are performance related, donor imposed or time-related conditions preventing their recognition in the current accounting period. In this 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.

Contract income received in advance of delivery of the service is deferred and is recognised in the period to which it relates.

### **INTEREST RECEIVABLE.**

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

### **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 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 provided 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 the partner submits a report to justify the expenditure.

Expenditure on raising funds relates 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
- 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 1<sup>st</sup> of the month 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. 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.

## **OPERATING LEASES.**

Rentals paid under operating leases are charged to the statement of financial activities as they fall due.

## NOTES TO THE FINANCIAL STATEMENTS.

### 1) INCOME FROM DONATIONS.

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2022 total funds £</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2021 total funds £</b>
Regular donations and collections	<b>526,536</b>	-	<b>526,536</b>	561,839	-	561,839
Non-regular donations and legacies	<b>88,417</b>	-	<b>88,417</b>	65,622	-	65,622
	<b>614,953</b>	-	<b>614,953</b>	627,461	-	627,461

### 2) INTEREST RECEIVABLE.

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2022 total funds £</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2021 total funds £</b>
Bank interest	<b>1,522</b>	<b>146</b>	<b>1,668</b>	1,092	-	1,092
	<b>1,522</b>	<b>146</b>	<b>1,668</b>	1,092	-	1,092

### 3) GRANTS (ALL INSTITUTIONAL).

	2022			2021		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
ACCESS, Department of Foreign Affairs & Trade (Australia)	-	80,313	80,313	-	200,928	200,928
Bournemouth University	-	398	398	-	-	-
CAFOD	-	51,562	51,562	-	28,127	28,127
Children in Crisis (Tanzania)	-	-	-	-	3,508	3,508
Comic Relief	-	155,655	155,655	-	174,376	174,376
Commonwealth Secretariat	-	-	-	-	35,000	35,000
Commonwealth Scholarship Commission	-	2,800	2,800	-	-	-
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	-	12,792	12,792	-	-	-
Disability Rights Advocacy Fund	-	42,221	42,221	-	84,380	84,380
DT Global	-	16,366	16,366	-	-	-
European Commission	-	-	-	-	85,933	85,933
Foreign, Commonwealth and Development Office (FCDO)	-	921,556	921,556	-	927,665	927,665
Forum for Women & Development (FOKUS)	-	7,799	7,799	-	-	-
People's Postcode Lottery Limited	-	300,000	300,000	-	-	-
See You Foundation (funded by Foreign Affairs of Netherlands)	-	266,791	266,791	-	221,909	221,909
Social Protection Platform Uganda	-	40,921	40,921	-	-	-
United Nations Trust Fund to End Violence against Women	-	46,112	46,112	-	59,847	59,847
Wellspring Philanthropic Fund	-	165,415	165,415	-	180,937	180,937
World Bank Group	-	48,341	48,341	-	-	-
	-	2,159,042	2,159,042	-	2,002,610	2,002,610

### 4) GOVERNMENT GRANTS.

The charitable company receives government grants, defined as funding from the Foreign Commonwealth & Development Office (previously, Department for International Development), the United Nations Trust Fund, the Department for Foreign Affairs & Trade, the European Commission, the Commonwealth Secretariat and the Commonwealth Scholarship Commission to fund charitable activities. The total value of such grants in the period ending 31 December 2022 was £1,050,782 (2021: £1,309,373). There are no unfulfilled conditions or contingencies attaching to these grants in 2022.

## 5) EXPENDITURE ON RAISING FUNDS.

	Unrestricted funds	
	2022	2021
	total	total
	funds	funds
	£	£
Regular donor acquisition and support	<b>242,674</b>	189,886
Trust development	<b>18,711</b>	6,720
Non regular donations	<b>3,192</b>	9,132
Communication and promotional activities	<b>6,050</b>	6,266
	<b>270,627</b>	212,004

## 6) GRANTS AND PAYMENTS TO/ON BEHALF OF PARTNERS FROM PROGRAMMES.

	Restricted funds	
	2022	2021
	£	£
<b>Paid from ADD's country programmes to Institutions:</b>		
Bangladesh	<b>83,241</b>	<b>64,812</b>
<i>Young Power in Social Action (YPSA)</i>	18,609	24,685
<i>Nasirullah Psychotherapy Unit (NPU)</i>	24,764	13,728
<i>Innovation for Wellbeing Foundation (IWF)</i>	22,398	12,403
<i>Disabled Child Foundation (DCF)</i>	17,470	9,033
<i>Grants &lt; £3,000</i>	-	4,963
Cambodia	<b>15,568</b>	<b>13,359</b>
<i>Disable People and Development</i>	3,370	-
<i>Grants &lt; £3,000</i>	12,198	13,359
Sudan	<b>37,343</b>	<b>9,306</b>
<i>Women with Disability Association (WWDA)</i>	29,542	9,306
<i>Kassala CDF</i>	7,801	-
Tanzania	<b>12,944</b>	<b>15,658</b>
<i>Strengthening Activist Women and Girls with Disabilities</i>	6,302	-
<i>Grants &lt; £3,000</i>	6,642	15,658
Uganda	<b>33,222</b>	-
<i>MADIPHA</i>	11,974	-
<i>TIISA</i>	6,696	-
<i>Show Abilities Uganda</i>	14,211	-
<i>Grants &lt; £3,000</i>	341	-
	<b>182,318</b>	<b>103,315</b>

## 6) GRANTS AND PAYMENTS TO/ON BEHALF OF PARTNERS FROM PROGRAMMES. (continued)

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. We have listed those organisations who received grants larger than £3,000 in the year.

## 7) TOTAL EXPENDITURE.

	International programmes	Expenditure on raising funds	Support costs	2022 total funds
	£	£	£	£
Staff costs (note 9)	857,100	158,704	543,945	1,559,749
Office running costs	163,371	17,479	70,684	251,534
Transport & travel	35,951	3,743	17,965	57,659
Payments payable to partners (note 6)	182,318	-	-	182,318
Field operations	589,012	-	54,092	643,104
Exchange loss/(gain)	(1,628)	-	(34,145)	(35,773)
Fundraising activities	164	21,000	-	21,164
Consultancy & external advice	91,483	31,213	49,652	172,348
Governance - Trustees' costs	-	-	-	-
Governance – Audit	20,729	-	16,253	36,982
Subtotal	1,938,500	232,139	718,446	2,889,085
Support costs	679,958	38,488	(718,446)	-
	2,618,458	270,627	-	2,889,085

## Prior period comparative

	International programmes	Expenditure on raising funds	Support costs	2021 total funds
	£	£	£	£
Staff costs (note 9)	970,254	59,606	478,106	1,507,966
Office running costs	169,041	18,151	62,526	249,718
Transport & travel	25,679	445	1,974	28,098
Payments payable to partners (note 6)	103,315	-	-	103,315
Field operations	696,511	-	2,027	698,538
Exchange loss/(gain)	86	-	(27,511)	(27,425)
Fundraising activities	160	21,839	-	21,999
Consultancy & external advice	67,276	92,206	75,515	234,997
Governance - Trustees' costs	-	-	306	306
Governance – Audit	20,457	-	9,638	30,095
Subtotal	2,052,779	192,247	602,581	2,847,607
Support costs	582,824	19,757	(602,581)	-
	2,635,603	212,004	-	2,847,607

## 7) TOTAL EXPENDITURE. (continued)

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.

## 8) NET INCOME/EXPENDITURE FOR THE YEAR.

This is stated after charging:

	2022	2021
	£	£
Depreciation	7,818	2,966
Trustees' reimbursed expenses:	-	306
Auditors' remuneration:		
.. Statutory audit services		
.. Current year	17,700	15,600
.. Overseas auditors	19,282	18,315

## 9) STAFF COSTS AND NUMBERS.

The total staff costs of centrally contracted employees were as follows:

	2022	2021
	£	£
Wages and salaries	624,556	639,211
Social security costs	47,759	58,133
Pension contributions	29,318	31,971
Total emoluments paid to staff based in the UK	701,633	729,315
Other staff costs (health insurance, training & recruitment)	32,882	36,449
Total staff costs for centrally contracted employees	734,515	765,764
Total staff & salary costs for field staff based overseas	825,234	742,202
	1,559,749	1,507,966

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

	2022	2021
	Number	Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£100,001 - £110,000	-	-
£120,001 - £130,000	-	1

## 9) STAFF COSTS AND NUMBERS. (continued)

Pension contributions totalling £7,361 (2021: £8,714) were paid in respect of these higher paid employees all of whom were accruing benefits under a defined contribution pension scheme.

Total employee benefits paid to key management personnel, being members of the charitable company's senior management team, in the year totalled £271,811 (2021: £380,515). During the year ended 31 December 2022 no trustees were reimbursed for trustee meeting costs (2021: £306 1 trustee).

Total redundancy and termination payments, including amounts paid under contractual termination provisions to field staff based overseas, made in the year were £72,619 (2021: £112,516).

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:

	<b>2022</b>	2021
	<b>FTE</b>	FTE
Field staff -overseas based	<b>50</b>	57
Programme support – centrally contracted	<b>3</b>	2
Fundraising – centrally contracted	<b>3</b>	2
Support – centrally contracted	<b>9</b>	9
	<b>65</b>	70

## 10) 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.

## 11) TANGIBLE FIXED ASSETS.

	Office and computer equipment £	Overseas assets £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	50,567	159,817	210,384
Additions in year	9,557	-	9,557
Disposals in year	-	-	-
<b>At 31 December 2022</b>	<b>60,124</b>	<b>159,817</b>	<b>219,941</b>
<b>Depreciation</b>			
At 1 January 2022	45,889	159,817	205,706
On disposals	-	-	-
Charge for year	7,818	-	7,818
<b>At 31 December 2022</b>	<b>53,707</b>	<b>159,817</b>	<b>213,524</b>
<b>Net book values</b>			
At 31 December 2021	4,678	-	4,678
<b>At 31 December 2022</b>	<b>6,417</b>	<b>-</b>	<b>6,417</b>

## 12) DEBTORS.

	2022 £	2021 £
Other debtors	3,978	514
Prepayments	44,433	45,823
Accrued income	328,188	240,026
Overseas advances	26,384	33,237
	<b>402,983</b>	<b>319,600</b>

## 13) CASH AT BANK AND IN HAND.

	2022 £	2021 £
UK current accounts and cash in hand	277,148	362,107
Overseas accounts	316,802	161,461
UK deposit accounts	164,841	349,886
Overseas cash	367	536
	<b>759,158</b>	<b>873,990</b>



## 14) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR.

	2022	2021
	£	£
Payroll taxes	15,523	15,585
Trade creditors	25,237	21,475
Accruals	99,991	66,480
Other creditors	43,268	7,128
	<b>184,019</b>	<b>110,668</b>

## 15) PROVISIONS.

	At 1 January 2022 £	Incoming (charge for the year) £	Outgoing (utilised) £	At 31 December 2022 £
Overseas staff terminations	132,869	46,894	(42,872)	136,891
	<b>132,869</b>	<b>46,894</b>	<b>(42,872)</b>	<b>136,891</b>

### Prior period comparative

	At 1 January 2021 £	Incoming (charge for the year) £	Outgoing (utilised) £	At 31 December 2021 £
Overseas staff terminations	146,549	13,783	(27,463)	132,869
	<b>146,549</b>	<b>13,783</b>	<b>(27,463)</b>	<b>132,869</b>

Overseas staff terminations only become due when a staff member leaves the organisation and are usually part of a legal requirement in each of the countries we work. It is unlikely that these would all be due for payment at any one time unless we closed a Country Office and made all the staff redundant.

## 16) RESTRICTED FUNDS.

	At 1 January 2022 £	Income £	Expenditure £	At 31 December 2022 £
UK	183,888	500,136	(481,242)	202,782
Bangladesh	132,442	465,154	(489,043)	108,553
Cambodia	78,067	240,507	(304,779)	13,795
Sudan	22,562	315,993	(320,212)	18,343
Tanzania	-	345,476	(345,476)	-
Uganda	-	291,922	(291,922)	-
	<b>416,959</b>	<b>2,159,188</b>	<b>(2,232,674)</b>	<b>343,473</b>

### Prior period comparative

	At 1 January 2021 £	Income £	Expenditure £	At 31 December 2021 £
UK	101,098	503,149	(420,359)	183,888
Bangladesh	98,695	543,637	(509,890)	132,442
Cambodia	166,194	260,775	(348,902)	78,067
Sudan	(18,398)	389,310	(348,350)	22,562
Tanzania	193,569	102,115	(295,684)	-
Uganda	19,085	203,624	(222,709)	-
	<b>560,243</b>	<b>2,002,610</b>	<b>(2,145,894)</b>	<b>416,959</b>

Income includes institutional grant income (note 3) and any donations and legacies given for a specific purpose by the donor.

## 16) RESTRICTED FUNDS. (continued)

### ADD BANGLADESH RECEIVED FUNDING FROM:

- **CAFOD:** to support a project to increase marginalised household participation in climate resilient livelihood and to support a COVID response for people living with disabilities, which finished in 2022.
- **Comic Relief:** for a project enhancing Community-Based Mental Services for Children and Young People in Marginalised Communities.

### ADD CAMBODIA RECEIVED FUNDING FROM:

- **ACCESS, Department of Foreign Affairs and Trade (Australia):** for the Gender Equality and Disability Inclusion training provision to Disability and Gender Based Violence stakeholders (GEDI) project.
- **ACCESS, Department of Foreign Affairs and Trade (Australia):** for the Inclusivity Disability Enhancement in Access (IDEA II) Project, to bring inclusion into Gender Based Violence services.
- **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) via Care International:** as part of the "Strengthening the Economic Resilience of Female Garment Workers during Covid 19 & beyond". This project finished in 2022.
- **United Nations Trust Fund to End Violence against Women:** for a project (JUST) that aims to empower women, girls and those with minority status and socially excluded in the target areas to live free from all forms of violence.

### ADD SUDAN RECEIVED FUNDING FROM:

- **See You Foundation (funded by Foreign Affairs of the Netherlands):** for the We Are Able Project – working as part of a consortium to work towards inclusive food security in Sudan.
- **DT Global:** for involvement in the Improving Participation and Livelihoods of People with Disabilities in Kassala State, Sudan.

### ADD UGANDA RECEIVED FUNDING FROM:

- **Social Protection Platform Uganda:** to pilot a productive Inclusion Initiative in Uganda. This project finished in 2022.
- **Disability Rights Advocacy Fund:** to support a livelihood initiative for 5 young women with disabilities. This project finished in 2022.
- **Forum for Women & Development (FOKUS):** to strengthen and increase access to Government Empowerment Programmes. This project finished in 2022.
- **World Bank Group:** For a skills development programme. This project finished in 2022.

## 16) RESTRICTED FUNDS. (continued)

### ADD INTERNATIONAL RECEIVED FUNDING FROM:

- **Commonwealth Scholarship Commission (CSC):** to support the Commonwealth Disabled Peoples' Forum for the promotion and selection of CSC Masters and PhD scholarship.
- **Disability Rights Advocacy Fund:** to support the Commonwealth Disabled Peoples' Forum to further leverage the 2018 Global Disability Summit commitments to advance the CRPD and Sustainable Development Goals by supporting the re-launch of the Commonwealth Disabled Peoples' Forum.
- **Disability Rights Advocacy Fund:** to continue supporting the Commonwealth Disabled Peoples' Forum for their core work.
- **FCDO:** as part of their funding for the Inclusion Works consortium led by Sightsavers and of which ADD is a member. The programme focuses on the development of formal employment opportunities for people with disabilities and our funding supports programming in Bangladesh and Uganda.
- **FCDO:** as part of their funding for the Disability Inclusive Development Task Order 12. This programme focuses on Disability Inclusive Vocational Training & Youth Employment in Bangladesh.
- **FCDO:** as part of their funding for the Disability Inclusive Development Task Order 13. This programme focuses on strengthening systems for the enrolment, retention and support of children with disabilities at the primary level of mainstream education in Bangladesh.
- **FCDO:** for being an implementing partner, responsible for disability inclusion, to the Shule Bora education project. This project is working to improve the quality of primary level education in Tanzania.
- **FCDO:** as part of their funding for the Disability Inclusive Development Task Order 51. This programme will support 1,880 girls and boys with disabilities across 11 wards in 3 districts of Tanzania to access & participate in primary and pre-primary education on an equal basis to their peers.
- **FCDO:** as part of their funding for the Disability Inclusive Development Task Order 45. This programme strengthens systems for the enrolment, retention and support of children with disabilities at primary level of mainstream education in Bangladesh.
- **Wellspring Philanthropic Fund:** for the project "Disability Rights, Inclusion and Gender Equality", finished in 2021, and for general operating support.
- **People's Postcode Lottery Limited:** For work addressing gender-based violence, mapping organisations of people with disabilities, and Young Leaders' internships

## 17) ANALYSIS OF NET ASSETS BETWEEN FUNDS.

	Restricted funds £	General fund £	2022 total funds £
<b>Fund balances at 31 December 2022 are represented by:</b>			
Tangible fixed assets	-	6,417	6,417
Current assets	343,473	818,668	1,162,141
Current liabilities	-	(184,019)	(184,019)
Provisions	-	(136,891)	(136,891)
	<b>343,473</b>	<b>504,175</b>	<b>847,648</b>

## 17) ANALYSIS OF NET ASSETS BETWEEN FUNDS. (continued)

### Prior period comparative

	Restricted funds £	General Fund £	2021 total funds £
Fund balances at 31 December 2021 are represented by:			
Tangible fixed assets	-	4,678	4,678
Current assets	416,959	776,631	1,193,590
Current liabilities	-	(110,668)	(110,668)
Provisions	-	(132,869)	(132,869)
	<u>416,959</u>	<u>537,772</u>	<u>954,731</u>

## 18) LEASING COMMITMENTS.

The charitable company is committed to making lease payments of £15,758 (2021: £38,346) over the life of the leases with respect to land and buildings.

The obligation to make these payments is as follows:

	2022 £	2021 £
Due within one year	15,758	38,346
Due within 2-5 years	-	-
	<u>15,758</u>	<u>38,346</u>

## 19) RELATED PARTY TRANSACTIONS.

There were no related party transactions in the current or prior period.

## 20) POST BALANCE SHEET EVENT.

The fighting between the Sudanese Armed Forces and the Rapid Support Forces that started on 15 April has significantly affected ADD Sudan's operations. Our office in Khartoum was taken over by armed combatants and our vehicles there were stolen. Our bank in Sudan, the Bank of Khartoum, was also affected and they were unable to provide normal banking services or receive international transfers for several months. Internet connectivity has been very poor, which has meant the Sudan team mostly have no access to email or to ADD's accounting system. We have therefore mainly been using WhatsApp as the means to communicate and to manage operations. ADD's Gedaref office remained in operation and is now being used as a base to restart ADD's programme, which is being adapted to the current context with extensive input of our partners and people with disabilities.

During the period when normal banking services were disrupted, the Bank of Khartoum were, however, able to provide mobile banking services inside Sudan via their app Bankak. We therefore kept payments to a minimum, which were mainly salaries and a few essential operating expenses. As the only way to transfer money from UK to Sudan during this period was via money service bureaus, we set up a system whereby UK-based ADD staff members were advanced funds to then transfer via Western Union for cash collection by three nominated Sudan-based ADD staff members. On receipt, these three Sudan-based staff members used the money service bureaus to immediately convert the cash to funds added to their personal mobile Bankak accounts. This minimised the staff security risks of needing to use cash or carry cash in such an insecure context. The three staff were then able to distribute the salary payments and pay essential expenses via Bankak to maintain an audit trail. The transactions were documented in

an Excel-based cash-book we have maintained via WhatsApp and are ultimately being entered into ADD's accounting system by finance staff outside Sudan.

Therefore, despite the difficult operating environment, there has been no financial losses or implications that materially affect the 2022 financial statements. As of September 2022, there is good reason to believe we can continue to operate in Sudan for the foreseeable future.

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

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**IN SOLIDARITY WITH THE  
GLOBAL DISABILITY JUSTICE MOVEMENT.**

