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**World Vision UK**

**Annual Report and Accounts**

**For the year ended  
30 September 2000**



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## Directors' report

The Directors have pleasure in presenting their report together with the financial statements for the year ended 30 September 2000.

### **Principal activity**

The principal objective of WVUK, as set out in the Memorandum of Association, is to *relieve poverty among the sick, the aged, the homeless and the needy in any part of the world, and as ancillary thereto to educate people all over the world, and in particular in the United Kingdom, about the underlying causes of poverty.*

The principal activity of WVUK is that of a Christian international humanitarian aid and development agency. A member of the World Vision partnership, the vast majority of its programmes are concerned with community development. Its activities include promoting understanding of issues that affect poor people and advocating effective solutions by working alongside communities.

### **Review of activities and achievements**

WVUK is committed to working towards a day when the world no longer tolerates poverty. This entails not only raising funds to assist development work amongst poor people but also advocating changes to public policies, systems and structures to best serve the interests of people living in poverty.

### **Overseas programme highlights**

Much of World Vision's work entails a long-term commitment to poor communities through development programmes which have a life of 3-15 years. These are funded primarily through voluntary donations from child sponsors in the UK, and also other sources of private funding such as appeals and donations from trusts. Government grants provide a secondary source of funding. To illustrate the work we do we have set out some examples below.

In Bonthe district in south-west Sierra Leone, World Vision's primary health care programme is now in its third year and continues to have an impact on levels of health and sanitation in the local community. The programme reaches 98,000 people in a country whose infant mortality rate is 284 per 1,000 live births and where diseases such as malaria, respiratory infections and diarrhoea are rampant. Within Bonthe district 13 health centres have now been built or repaired, 222 traditional birth attendants trained and immunisation coverage raised from 7% to 45%. In addition 89 wells have been built or repaired and pump attendants trained to carry out future maintenance.

In November 1999 an ambitious food security project was started in Mozambique and is already beginning to benefit the inhabitants of Nampula province, one of the most remote areas of the country. The project is partly funded by the European Commission

and will run for four years, focusing on sustained increases in agricultural productivity, improved access to food markets and the development of rural enterprise.

The expansion of a project for children in especially difficult circumstances has led to improvements in the lives of many children and their families in Myanmar (Burma) over the last year. Focusing on street and working children in Yangon (formerly Rangoon) and Mandalay, the project provides drop-in centres, education to help children return to school, counselling and practical care. Over the year new centres have been opened, additional staff employed and some fresh initiatives adopted. More members of the local community are helping out as volunteers and have been involved in the decision-making process; there is now an increased awareness of the difficult circumstances in which many children live. Drama performed in the community has also promoted the UN Convention on the Rights of the Child.

In remote highlands of Bolivia World Vision has been working with over 4,000 inhabitants of 20 rural communities to improve agriculture, educational facilities, healthcare and nutrition. The programme has been praised for the degree of initiative taken by community members in designing and building different aspects of the project. In one village a drainage and irrigation system, partly funded by the government, was constructed by the community over seven months and is now maintained by villagers elected to the task. As the work continues it is hoped more children will be able to attend school, whereas presently many are either occupied in the fields or at home as schools are too far away from their villages.

Another particularly encouraging aspect of World Vision's work over the last year has been an income generation scheme entailing the construction of 107 mobile greenhouses in Montenegro. These allow local families to grow produce throughout the year and to sell it more cheaply than imported alternatives. Most importantly, the scheme has involved Roma, Serb and Albanian families who have worked together to market their produce and become self-sufficient.

In Albania too, families around the Narta Lagoon have been drawn together in a new initiative to rehabilitate fishing livelihoods. World Vision's project there has involved 103 families from four rural communities working together to clear a blocked channel to the lagoon, protect the local environment and promote fishing in a sustainable manner.

Over 400 children and their families in Armenia have benefited from our joint programme with UNICEF to rehabilitate disabled

children into the community and allow them access to the general education system. Traditionally disabled children have been separated from their parents, institutionalised and unable to enjoy a productive life in the community once they reach adulthood. However, this joint programme has provided parents with counselling and training, built inclusive classrooms for disabled and non-disabled children at community pre-schools and developed a training curriculum on integrated education for teachers.

In addition to our long-term development work we have also carried out emergency relief work in response to various humanitarian crises over the last year.

In the aftermath of the devastating cyclone in October 1999 World Vision provided 19,364 families in Orissa, India, with food, emergency clothing and utensils. In total 7,292 families also received materials to build and repair shelters. This work was funded through the Disasters Emergency Committee (DEC) and DFID and was followed up by longer term rehabilitation projects enabling affected families to regain their livelihoods, through the provision of livestock, agricultural equipment, tools and seeds.

In Mozambique World Vision worked with government agencies, the UN and other non-governmental organisations (NGOs) to assist families affected by widespread flooding and the impact of cyclone Eline in the early months of 2000. Access to basic shelter and food was provided in the Sofala and Gaza provinces and, as flood waters receded, healthcare and education facilities became the priority, together with the repair of roads necessary for people to resume their livelihoods. We were also involved in a campaign to raise awareness of the dangers posed by landmines that had been displaced by the flooding.

World Vision's relief work has benefited from a variety of government grants and the States of Jersey, in particular, have funded agricultural recovery in East Timor and programmes responding to the floods in Hue, Vietnam, and the Mayon volcano eruption and civil unrest in the Philippines. These humanitarian aid requests received a total of £101,891 and the funds were provided within a week of being requested on each occasion. The States' policy to respond as quickly as possible to such requests has enabled World Vision to deliver support at the most critical points in the aftermath of these crises.

#### **Advocacy and research**

As part of our ongoing commitment to defend the rights of children we co-authored a WV partnership publication on children and armed conflict entitled *The Right to Peace* and have worked on

a UN NGO consultation on children in armed conflict which culminated in the President of the World Vision partnership addressing the UN Security Council on the issue. Our long-term campaign to encourage the UK government to play a positive role in the finalisation of the Optional Protocol to the Convention on the Rights of the Child has continued; this has now been agreed by the UN.

The vulnerability of children to HIV/AIDS has been another child-rights related theme of our advocacy work over the last year. The content of a keynote speech on *The Vulnerability of the Girl Child to HIV/AIDS* given at a conference of the UK NGO AIDS Consortium was later used by DFID, the UN Working Group on Girls and the European Forum on HIV/AIDS. A Parliamentary briefing paper on *Children and HIV/AIDS* was also produced and received a very positive response from Peter Hain MP, Minister of State, Foreign and Commonwealth Office.

A number of other briefing papers for MPs were also issued during the year. Over 20 Parliamentary questions were tabled by MPs on various issues and the International Development Committee successfully lobbied to examine international money flows. Arrangements were made for Tony Clarke MP to visit World Vision's work in Jerusalem, West Bank and Gaza; and staff from World Vision offices in Myanmar (Burma), Uganda and Jerusalem visited Westminster to speak with MPs about development issues.

Throughout the year an advocacy campaign on Angola has been underway and a special report entitled *Angola: A Tangled Web – Many Players in a Complex War* was distributed to the World Bank, IMF, governments, NGOs and churches. Various media interviews regarding Angola were conducted and World Vision joined other NGOs in meetings with the Angolan civil society delegation.

#### **Education**

This year's 24 Hour Famine fundraising event adopted the creative theme of 'Shut It!' and was more orientated to its youth audience than in previous years. More than 108,000 individuals registered together with over 4,000 schools and 3,000 youth groups. A variety of educational materials was produced with a particular focus on relief and development work in Bosnia and Sudan.

A number of university students travelled to World Vision projects during the summer as part of our Student Challenge programme, with two groups visiting Ghana and two visiting Jerusalem, West Bank and Gaza. In July a young people's group from a church in Towcester also visited Romania for the second year running. Such visits provide young people with an opportunity to learn about the reality of life in the developing world, and to assist World Vision staff in a variety of small-scale projects.

In May a Christian Forum held at Church House, Westminster was attended by 130 people and addressed the issue of *Rights and Responsibilities*, especially with regard to children living in poverty. A variety of speakers took part with David Cook providing a very able chair for the day and the Archbishop of Canterbury delivering the closing address.

#### **Financial resources**

Total income at £26.5 million was £4.3 million or 19% more than last year. Voluntary income increased by £3.4 million or 20% to £19.7 million. Income from government grants (including Gifts in Kind) increased by £851,000 or 15%.

During this year we were able to respond to many emergency situations by raising additional money. This, together with changes in income tax regulations, which made it easier for us to reclaim the tax on donations, led to a significant increase in voluntary income. However the most encouraging aspect of voluntary income, as always, was the growth in regular committed giving which went up by 7%.

Our increased income made it possible to commit almost £20 million to our core objectives of alleviating poverty and suffering in some of the poorest parts of the world, a rise of 17%. The overall costs of raising these funds and managing the UK operation rose by 12%.

During the year we transferred almost £2 million to reserves. The Directors regularly review the level of reserves. Whilst the prime objective is to release funds to our main activities as quickly as possible, we also need to plan carefully to ensure that our work is adequately funded and that we can continue to commit to long-term development in the communities we are supporting. There were two main reasons for holding larger reserves at this year end. Firstly, foreign currency fluctuations meant that some of the overseas expenditure planned for the new financial year would cost more in sterling terms. It was felt prudent to hold back an additional £900,000 in order to ensure that these amounts were

A breakdown of how each £1 of income has been spent is as follows:

	Restricted income	Unrestricted income	Total 2000	Total 1999
Charitable activities	80.4	48.1	74.8	76.2
Fundraising	17.0	11.6	16.1	16.6
Management and administration	1.9	1.3	1.8	2.3
Transferred to reserves	0.7	39.0	7.3	4.9
	100p	100p	100p	100p

covered. Secondly, a number of new initiatives are planned in the year just starting which need to be given adequate resources if they are to be successful. Accordingly an additional £1 million has been allocated to the Development fund.

These reserves have been built up out of Unrestricted funds. After allowing for Restricted funds and the Capital fund the reserves amount to 85 days of ordinary expenditure (1999: 65 days). The movements on these funds are shown in Note 16.

#### Human resources

The average number of full-time staff members continued at 82 against a budget of 90. The use of temporary staff increased to 9 full-time equivalents during the year.

We continue our commitment to developing our staff and have, following reassessment, retained the Investors in People Award.

Our volunteers continue to play an important role. This year they gave a total of 7,195 hours which is the equivalent of 3.79 full-time people over the year. Several volunteers have also been helped by the environment and encouragement received at WVUK. This has enabled many to return to full-time work. We have also facilitated 14 work placements developing our link with local schools and colleges.

We have developed a child protection policy which ensures that children in World Vision's programmes are protected from abuse and exploitation. All our staff and Board provide a copy of their police record and are interviewed by our child protection officers before travelling or working overseas, as do sponsors wishing to visit the child they sponsor.

#### Future developments

WVUK is committed to supporting relief and development work overseas, alongside our advocacy and education initiatives on key global development issues, including child rights, HIV/AIDS and people with disabilities. These will continue to be funded by contributions from private individuals, government donors and trusts.

Throughout the last year all senior management and members of staff have been engaged in a major project to formulate key strategies and objectives for the next few years. A number of ambitious 10 year goals have been set and a new organisational structure to support these was put in place by the year end.

#### **Corporate governance**

Corporate governance is as relevant to the voluntary sector as it is to the commercial world. All public bodies should have high standards of accountability and ethical behaviour. WVUK is committed to continuously reviewing and upholding its standards in this area in line with best practice.

#### **Organisation**

WVUK is a company limited by guarantee and a registered charity. Its governing instrument is the Memorandum and Articles of Association as revised by special resolutions on 30 January 1998.

The current Board of Directors is as shown on page 1. The Board, which meets quarterly, is responsible for ultimate strategic decisions, having regard to advice from the Chief Executive and senior management. All Directors normally serve for a maximum of nine years, subject to re-election every three years. The Board is assisted by committees, the membership of which is set out on pages 34-35:

- **the Finance Committee approves the annual budget, monitors financial performance and sets financial policies. Rolling financial forecasts and detailed annual budgets are prepared by the Principal Officers and discussed by the committee. Any significant changes to those plans are subject to specific approval. Actual results are compared to approved budgets on a monthly basis and reported to the Board. Revised annual forecasts are also prepared and reported monthly. The auditors are invited to attend a meeting once a year to report formally on the audit results.**
- **the Remuneration Committee approves the remuneration packages of all Principal Officers. Salaries and benefits are determined with reference to the market-place and annual charity salary reviews. As charity trustees, the Directors receive no remuneration for their services, neither have they any interest in the company's contracts nor any interest in the company's funds.**
- **the Nominations Committee considers all possible candidates for the Board, and brings recommendations to the Board for consideration. Candidates are selected on the basis of their different experiences and skills. Prior to accepting the invitation to join the Board, all Directors are provided with a**



**detailed description of their responsibilities and the expectations of the organisation. Subsequently, all new Directors undergo orientation training, including a visit to an overseas programme, to familiarise them with World Vision's work.**

#### **Internal controls**

The Directors have overall responsibility for WVUK's system of internal financial control. Such a system can provide only reasonable and not absolute assurance against errors or fraud. The controls include documented accounting procedures and a delegation of the authority of the Directors through the Chief Executive to the rest of the organisation.

#### **Directors' responsibilities in respect of the financial statements**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group, and of the income and expenditure of the group for that period. In preparing those financial statements, the Directors have:

- ◆ selected suitable accounting policies and then applied them consistently;
- ◆ made judgements and estimates that are reasonable and prudent;
- ◆ stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ◆ prepared the financial statements on the going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditors**


A resolution to re-appoint Binder Hamlyn as company auditors will be put to the members at the Annual General Meeting.

By order of the Board

C W Pearson

Company Secretary

15 December 2000



Sharifo Cali, is a traditional birth attendant and has spent her life delivering babies. After attending a World Vision course she says, "I was working without knowing much... birth is a miracle every time, but we must know how to help it happen."

## Accounting policies

These financial statements are prepared in accordance with Statement of Recommended Practice (SORP) Accounting by Charities issued in October 1995, and applicable Accounting Standards. The principal accounting policies adopted are as follows:

### **a Accounting convention**

The financial statements are prepared under the historical cost convention, modified to include the revaluation of investments.

In order to give a true and fair view, the exemption in Section 230 of the Companies Act 1985, has been applied to the Consolidated statement of financial activities, which also comprises an income and expenditure account.

### **b Incoming resources**

Income is accounted for on a receivable basis when it becomes an entitlement, is capable of measurement and there is reasonable certainty of receipt.

#### *Trading subsidiary*

WVUK has a wholly owned trading subsidiary, World Vision Trading Limited, which is incorporated in Great Britain and registered in England and Wales. The net operating results have been incorporated as a single line in the Consolidated statement of financial activities, and so a separate Statement of financial activities for the Charity is not presented.

#### *Donated goods and services*


Gifts-in-kind, and the donated element of transportation services provided to the Charity at a reduced fee, have been included in income at the insured market value.

### **c Resources expended**

Remittances to overseas programmes are accounted for on the basis of cash paid in the period to cover specific project commitments.

Other expenditure is accounted for on an accruals basis. However, the investment in fundraising is charged to the Consolidated statement of financial activities in the year in which it is incurred, without reference to the years over which income may be derived from it, other than expenditure relating to specific events which commence after the Balance sheet date.

The above expenditure is allocated between support costs for programmes, advocacy, education and research, fundraising and management and administration of the Charity. Where it relates to more than one category, it is apportioned over relevant headings. The bases of apportionment reflect time and resources expended directly on various activities or in support of those activities.



#### *Support costs for programmes*

Expenditure covers assisting programmes overseas, including their technical development, staffing, training, management and financial control.

#### *Advocacy, education and research*

Costs incurred in educating and informing governments, institutions and members of the public on the issues being addressed by the Charity including:

- ◆ support for agencies involved in research;
- ◆ public policy and research work;
- ◆ church relations activities;
- ◆ educational and news publications, videos and materials.

#### *Fundraising*

Investment in fundraising relates to activities which are intended to generate income for development and child sponsorship programmes or relief and rehabilitation projects and includes:

- ◆ promotion of long-term committed giving schemes, including primarily Child Sponsorship promotional activity;
- ◆ promoting the annual 24 Hour Famine event;
- ◆ direct mail appeals;
- ◆ advertising;
- ◆ the costs of servicing supporters.

#### *Management and administration of the Charity*

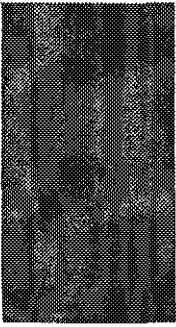
Costs incurred in connection with the management of the Charity's assets, organisational (as opposed to project) administration and compliance with constitutional and statutory requirements.

#### **d Pensions**

The company operates a defined contribution pension scheme. Contributions are charged to the Consolidated statement of financial activities as they become payable in accordance with the rules of the scheme.

#### **e Foreign exchange**

Transactions denominated in foreign currency are translated into sterling and recorded at the rates ruling at the date of the transactions. Balances denominated in a foreign currency are translated into sterling at the exchange rates at the Balance sheet date. Any translation differences are dealt with in the Consolidated statement of financial activities.



#### **f Depreciation**

Depreciation is provided on all Tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its estimated useful life as follows:

Leasehold improvements	over 10 years
Furniture, fixtures and fittings	over 10 years
Equipment, including computers	over 3 or 5 years
Motor vehicles	
– owned outright	over 4 years
– subject to finance contract	over life of contract

#### **g Leasing commitments**

Assets held under finance leases are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the Consolidated statement of financial activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income as incurred.

#### **h Investments**

Investments are valued at mid-market value at the Balance sheet date.

#### **i Fund accounting**

**Restricted funds** are subject to conditions imposed by donors or implied by the nature of the appeal.

**Designated funds** are amounts which have been put aside at the discretion of the Directors.

**The General fund** comprises accumulated surpluses and deficits after transfers to Designated funds. It allows WVUK to budget for anticipated commitments in the short and medium term, to meet short-term emergency needs and to provide adequate working capital.

## Consolidated statement of financial activities

for the year ended 30 September 2000

Income and expenditure	Notes	Restricted funds £000	Unrestricted funds £000	2000 £000	1999 £000
<b>Incoming resources</b>					
Voluntary income	1	15,383	4,298	19,681	16,318
Government grants	2	5,408	—	5,408	5,411
Donated goods and services	3	1,147	—	1,147	293
Net income of trading subsidiary	4	—	(1)	(1)	6
Interest receivable and investment income	5	—	268	268	191
Deferred income released	15	—	—	—	4
<b>Total incoming resources</b>		<b>21,938</b>	<b>4,565</b>	<b>26,503</b>	<b>22,223</b>
<b>Resources expended</b>					
<i>Direct charitable expenditure:</i>					
Remittances to overseas programmes	6	16,373	2,014	18,387	15,614
Support costs for programmes	7	550	79	629	573
Advocacy, education and research	7	711	101	812	736
		17,634	2,194	19,828	16,923
<i>Other expenditure:</i>					
Fundraising	7	3,724	531	4,255	3,689
Management and administration of the charity	7	424	61	485	519
		4,148	592	4,740	4,208
<b>Total resources expended</b>		<b>21,782</b>	<b>2,786</b>	<b>24,568</b>	<b>21,131</b>
<b>Net incoming resources<sup>2</sup></b>	8	156	1,779	1,935	1,092
Unrealised gain on investments	12	—	52	52	46
<b>Net movement in funds</b>		<b>156</b>	<b>1,831</b>	<b>1,987</b>	<b>1,138</b>
Funds at 1 October		86	4,309	4,395	3,257
<b>Funds at 30 September</b>	16	<b>242</b>	<b>6,140</b>	<b>6,382</b>	<b>4,395</b>

<sup>2</sup>Net incoming resources represents the historical cost surplus for the year. There are no recognised gains or losses other than those shown above.  
All operations are continuing.

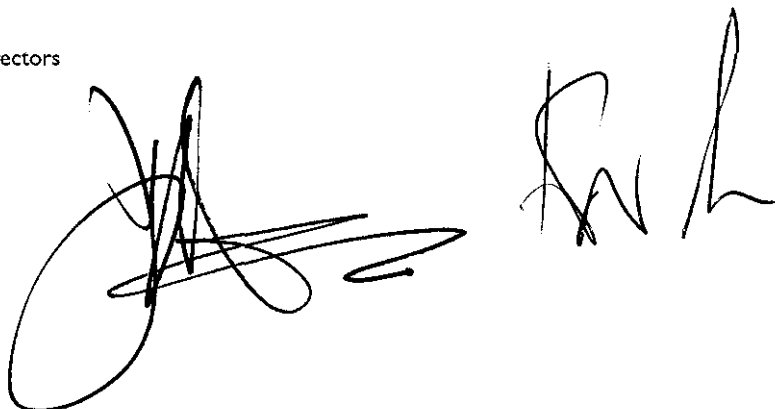
## Balance sheets

at 30 September 2000

	Notes	Group		Charity	
		2000 £000	1999 £000	2000 £000	1999 £000
<b>Fixed assets</b>					
Tangible assets	11	607	608	607	608
Investments	12	1,176	1,124	1,176	1,124
		<u>1,783</u>	<u>1,732</u>	<u>1,783</u>	<u>1,732</u>
<b>Current assets</b>					
Investments	12	2,503	1,011	2,503	1,011
Debtors	13	1,580	482	1,580	480
Cash at bank		982	1,895	971	1,885
		<u>5,065</u>	<u>3,388</u>	<u>5,054</u>	<u>3,376</u>
<b>Creditors</b>					
Amounts falling due within one year	14	466	725	465	723
<b>Net current assets</b>		<u>4,599</u>	<u>2,663</u>	<u>4,589</u>	<u>2,653</u>
<b>Total assets less current liabilities</b>		<u>6,382</u>	<u>4,395</u>	<u>6,372</u>	<u>4,385</u>
<b>Reserves</b>					
Restricted funds	16	242	86	242	86
Unrestricted funds:					
Tangible fixed assets fund	16	607	608	607	608
Emergency relief fund	16	500	500	500	500
Development fund	16	2,000	1,000	2,000	1,000
General fund	16	3,033	2,201	3,023	2,191
		<u>6,382</u>	<u>4,395</u>	<u>6,372</u>	<u>4,385</u>

Approved by the Board on 15 December 2000

Humphrey Norrington } Directors  
Tim Amies }



## Consolidated statement of cash flows

for the year ended 30 September 2000

	Notes	2000 £000	1999 £000
<b>Operating activities</b>			
Cash received from donors		24,253	21,930
Cash payments to suppliers		(5,854)	(3,646)
Cash paid to and on behalf of employees		(1,877)	(1,847)
Cash remitted to overseas projects		(17,491)	(14,956)
<b>Cash (outflow)/inflow from operating activities</b>	17	<b>(969)</b>	<b>1,481</b>
<b>Returns on investments</b>			
Interest received	5	268	191
<b>Cash inflow from returns on investments</b>		<b>268</b>	<b>191</b>
<b>Capital expenditure</b>			
Payments to acquire Tangible fixed assets	11	(221)	(388)
Receipts from sales of Tangible fixed assets		9	3
<b>Cash (outflow) from investing activities</b>		<b>(212)</b>	<b>(385)</b>
<b>(Decrease)/increase in cash in the year</b>		<b>(913)</b>	<b>1,287</b>
<b>Reconciliation of net cashflow to movement in net funds</b>			
(Decrease)/increase in cash in the year		(913)	1,287
Cash at bank at 1 October		1,895	608
<b>Cash at bank at 30 September</b>		<b>982</b>	<b>1,895</b>

## Notes to the accounts

at 30 September 2000

	Restricted £000	Unrestricted £000	2000 £000	1999 £000
<b>1. Voluntary income</b>				
Committed giving schemes, including Child Sponsorship	10,773	334	11,107	10,377
Tax recovered	376	2,628	3,004	1,590
24 Hour Famine	—	833	833	729
Direct mail	8	14	22	44
Legacies	28	92	120	22
Other donations	1,101	397	1,498	1,119
	<u>12,286</u>	<u>4,298</u>	<u>16,584</u>	<u>13,881</u>
Emergency appeals	1,201	—	1,201	738
Disasters Emergency Committee receipts	1,896	—	1,896	1,699
	<u>15,383</u>	<u>4,298</u>	<u>19,681</u>	<u>16,318</u>

At 30 September 2000 the number of children in the Child Sponsorship scheme was approximately 64,000 (1999: 59,000).

## 2. Government grants

Development grants	2,742	2,437
Reconstruction grants	912	2,031
Relief grants	1,754	943
<b>Total Government grants</b>	<b>5,408</b>	<b>5,411</b>

Included in Government grants is £56,000 (1999: £106,000) received as a contribution towards UK programme administration.

### Grants receivable from:

UK Government	3,184	3,273
European Union	1,985	1,992
States of Jersey	183	56
States of Guernsey	47	67
Isle of Man	5	10
UNICEF	4	13
<b>Total Government grants</b>	<b>5,408</b>	<b>5,411</b>



## Notes to the accounts

at 30 September 2000

### 2. Government grants (continued)

Grants received from Government sources in the financial year include:

#### UK Government

Angola	Emergency Seeds and Tools	£83,547
Armenia	Child Integrated Education	£10,001
Bangladesh	Bakulia Health Development	£36,706
Bosnia	Enterprise Fund	£24,900
Cambodia	Kompong Tralach Rural Health	£2,659
	Rattanak Mondol Rural Health	£656
India	Orissa Cyclone Relief	£200,000
Jerusalem	Hussen School	£8,068
Laos	Savannakhet IRDP	£72,120
Montenegro	Winterisation BAR	£85,000
Mozambique	Zambezia Agricultural Development Programme II	£603,004
	Flood Relief	£167,128
Myanmar	Mandalay Community Health/Rehabilitation	£6,327
	Street and Working Children, CEDC	£75,931
	Community Based Rehabilitation	£17,329
	CEDC Border Project	£22,000
	Child Rights Project	£13,253
North Korea	Agricultural Recovery	£200,000
Rwanda	Accelerated Agricultural Recovery	£38,830
Senegal	Kaolack Potable Water Development	£37,907
Sierra Leone	Bonthe Health Programme Phase III	£349,903
Somalia	Primary Health Care, Bualle & Salagle, Middle Juba	£188,286
	Primary Health Care II, Bay region	£45,446
	Agricultural Recovery Programme	£56,313
Vietnam	Hue Economic Development II	£9,782
	Phu Loc/Huong Thuy Development	£9,179

#### European Union

Angola	Food Aid and Agricultural Assistance	€20,011
Bosnia	Banja Luka Returnee Programme I	€475,180
	Banja Luka Returnee Programme 3	€494,130
	Doboj Returnee Programme	€380,074
	Spontaneous Return, Pelagicevo	€100,000
	Spontaneous Return, Gradiska	€33,958
Ethiopia	Employment Generation	€71,200
India	Orissa Flood Relief	€720,000
Kosovo	TAFKO Project	€49,989
Montenegro	Winterisation Project	€451,989
	Bereane Social Centre	€25,000
Mozambique	Nampula Food Security	€415,843
Myanmar	Shan State HIV/AIDS	€87,106

## Notes to the accounts

at 30 September 2000

### 2. Government grants (continued)

Grants received from Government sources in the financial year include:

#### States of Jersey

East Timor	Agricultural Recovery	£24,131
Ghana	Salam Dodowa School Extension	£31,375
Philippines	Mayon Volcano	£25,478
	Mindinau Relief Assistance	£24,912
Uganda	Gulu Vocational Training Centre	£10,000
	Karorwe Gravity Water	£39,135
Vietnam	Tha Thien Hue Relief	£27,369

#### States of Guernsey

India	Schools Affected by Orissa Cyclone	£25,000
Uganda	Rukiga Water and Sanitation	£22,275

#### Isle of Man

Uganda	Zero Grazing Heifers	£4,688
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#### UNICEF

Somalia	Primary Health Care	US \$6,665
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2000	1999
£000	£000

### 3. Donated goods & services

Received from:

#### European Union

Ethiopia	215	—
Kosovo	891	—

#### UNICEF

Somalia	41	293
	<b>1,147</b>	<b>293</b>

## Notes to the accounts

at 30 September 2000

2000	1999
£000	£000

### 4. Net income of trading subsidiary

This represents the net profit earned by World Vision Trading Limited, a wholly owned subsidiary, whose profits may be remitted under a deed of covenant to WVUK. The principal activities are a shop (which ceased to trade with effect from 31 July 2000) and the sale of educational materials. The full operational results of the company are:

Turnover	12	16
Cost of sales	—	—
Gross profit	12	16
Expenses	(13)	(10)
Operating (loss)/profit	(1)	6
Taxation	—	—
Retained (loss)/profit after tax	(1)	6
Remittance under deed of covenant	—	(5)
Retained (loss)/profit	(1)	1

### 5. Interest receivable and investment income

Bank interest	214	131
Other interest	—	2
Investment income	54	58
	268	191

## Notes to the accounts

at 30 September 2000

	Restricted £000	Unrestricted £000	2000 £000	1999 £000
<b>6. Remittances to overseas programmes</b>				
Albania	—	—	—	143
Angola	159	24	183	32
Armenia	10	14	24	—
Bangladesh	603	22	625	715
Belarus	—	—	—	2
Bolivia	118	—	118	98
Bosnia	742	385	1,127	2,338
Brazil	184	18	202	243
Cambodia	419	—	419	396
Chechnya	2	—	2	—
Chile	55	—	55	51
Colombia	—	21	21	—
Congo (DRC)	—	—	—	32
East Timor	24	1	25	—
El Salvador	99	—	99	121
Ethiopia	1,341	16	1,357	826
Georgia	—	13	13	—
Ghana	302	1	303	259
Guatemala	42	—	42	76
Haiti	25	1	26	—
Honduras	211	83	294	582
India	1,585	67	1,652	326
Jerusalem West Bank	29	20	49	22
Kenya	454	4	458	379
Kosovo	1,332	283	1,615	1,140
Laos	128	17	145	152
Malawi	341	—	341	281
Montenegro	766	32	798	571
Mozambique	3,156	363	3,519	1,703
Myanmar	419	140	559	384
North Korea	192	30	222	233
Nicaragua	—	—	—	109
Niger	236	—	236	71
Philippines	50	2	52	—
Romania	3	7	10	5
Rwanda	128	57	185	495

## Notes to the accounts

at 30 September 2000

	Restricted £000	Unrestricted £000	2000 £000	1999 £000
<b>6. Remittances to overseas programmes (continued)</b>				
Senegal	289	86	375	411
Sierra Leone	336	25	361	455
Somalia	322	30	352	532
South Africa	102	4	106	61
Sri Lanka	150	—	150	115
Sudan	—	48	48	156
Taiwan	11	22	33	—
Thailand	204	—	204	199
Turkey	7	—	7	—
Uganda	687	44	731	696
Vietnam	185	32	217	242
Zambia	263	1	264	296
Zimbabwe	662	—	662	573
	16,373	1,913	18,286	15,521
Partnership costs <sup>1</sup>	—	101	101	93
	16,373	2,014	18,387	15,614
Number of countries supported			45	40

All of the above grants were made to World Vision partner entities for programme work in the countries listed.

<sup>1</sup>Partnership costs are WVUK's portion of costs incurred by the World Vision partnership for planning and co-ordination of the worldwide programmes.

## Notes to the accounts

at 30 September 2000

	2000 £000	1999 £000
<b>7. Costs incurred in the United Kingdom</b>		
Salaries	1,877	1,847
Employment benefits	48	69
Temporary staff	111	26
Training	33	32
Recruitment	74	94
Travel and subsistence	151	175
Advertising	1,654	1,139
Fundraising materials	708	893
Conferences and exhibitions	5	7
Communications, postage and telephone response handling	572	483
Equipment maintenance and rental	112	104
Depreciation	213	194
Office costs	415	352
Legal and professional	22	26
Finance and bank charges	24	55
Loss on disposal of assets	—	8
Research fees	235	94
Reimbursements from the World Vision partnership for services rendered	(73)	(81)
	<b>6,181</b>	<b>5,517</b>

These costs have been apportioned as follows, on the basis described in Accounting Policies paragraph (c):

	Salaries £000	Other costs £000	2000 £000 Total	1999 £000 Total
Support costs for programmes	408	221	629	573
Advocacy, education and research	308	504	812	736
Fundraising: voluntary income	889	3,286	4,175	3,621
Government grants	17	63	80	68
Management and administration of the charity	255	230	485	519
	<b>1,877</b>	<b>4,304</b>	<b>6,181</b>	<b>5,517</b>

## 8. Net incoming resources for the year

*This is stated after charging:*

Depreciation of owned assets	199	185
Depreciation of assets held under finance leases	14	9
Auditors' remuneration – audit fees	16	16

## Notes to the accounts

at 30 September 2000

	2000 £000	1999 £000
<b>9. Staff costs</b>		
<i>Aggregate payroll costs were as follows:</i>		
Wages and salaries	1,607	1,577
Social security costs	153	149
Other pension costs	117	121
	<b>1,877</b>	<b>1,847</b>

The number of permanent employees and full-time trainees whose annualised emoluments (including taxable benefits-in-kind but excluding pension contributions) fell in the following bands is:

	Number	Number
£40,001 – £50,000	4	1
£50,001 – £60,000	1	5
£60,001 – £70,000	1	1

The divisional breakdown of average monthly permanent staff and full-time trainee numbers is:

International Programmes	16	17
Marketing	32	32
Chief Executive	3	3
Finance and Information Technology	21	20
Human Resources	10	10
	<b>82</b>	<b>82</b>

In addition, to handle peak workloads and to cover for the shortage of permanent staff, temporary staff equivalent to nine permanent staff (1999: 7) were used. The use of volunteers reduced this year and totalled 7,195 working hours (1999: 9,043 hours).

### 10. Directors' remuneration

As charity trustees, the Directors received no remuneration for their services. Directly incurred expenses are reimbursed, if claimed, and in 2000 totalled £2,349 (1999: £2,295) which was claimed by 6 Directors (1999: 7 Directors). In addition, business trips overseas were paid for directly by the Charity costing £2,087 (1999: £4,625) on behalf of 2 Directors (1999: 4).

Indemnity insurance is provided for Directors and Principal Officers of the Charity. Premiums paid in 2000 totalled £3,765 (1999: £3,744).

## Notes to the accounts

at 30 September 2000

	Leasehold improvements	Furniture and fittings	Computer and office equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
<b>11. Tangible fixed assets</b>					
<b>Group and Charity</b>					
<i>Cost:</i>					
At 1 October 1999	194	147	1,021	43	1,405
Additions	—	40	168	13	221
Disposals	—	(2)	—	(14)	(16)
At 30 September 2000	194	185	1,189	42	1,610
<i>Depreciation:</i>					
At 1 October 1999	91	20	681	5	797
Charge for the year	19	15	165	14	213
Disposals	—	(2)	—	(5)	(7)
At 30 September 2000	110	33	846	14	1,003
<i>Net book value:</i>					
<b>At 30 September 2000</b>	<b>84</b>	<b>152</b>	<b>343</b>	<b>28</b>	<b>607</b>
At 30 September 1999	103	127	340	38	608

The net book value of Charity assets held under contract purchase arrangements at 30 September was:

	2000	1999
	£000	£000
Motor vehicles	28	29

## 12. Investments

### Fixed assets

Common investment funds held by the Charity:

Market value at 1 October	1,124	1,078
Net unrealised investment gains	52	46
<b>Market value at 30 September</b>	<b>1,176</b>	<b>1,124</b>
Historical cost at 30 September	1,000	1,000

### Current assets

Deposit accounts	2,503	1,011
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Deposit accounts comprise money that is deemed not available for day-to-day use but to meet emergency needs as and when they arise, and to meet long-term programme commitments.



## Notes to the accounts

at 30 September 2000

	Group		Charity	
	2000	1999	2000	1999
	£000	£000	£000	£000
<b>13. Debtors</b>				
Government grants receivable	1,000	132	1,000	132
Amounts owed by other World Vision offices	158	169	158	169
Income tax recoverable	263	76	263	76
Accrued income	73	27	73	27
Sundry debtors	6	19	6	19
Prepayments	80	59	80	57
	<b>1,580</b>	<b>482</b>	<b>1,580</b>	<b>480</b>

<b>14. Creditors:</b> amounts falling due within one year				
Tax and social security	–	53	–	52
Amounts owed to other World Vision offices	25	269	25	269
Income in advance	2	3	2	3
Accruals	438	385	438	384
Other creditors	1	15	–	15
	<b>466</b>	<b>725</b>	<b>465</b>	<b>723</b>

### 15. Deferred income

On 24 November 1993 contracts were exchanged for a leasehold head office property in Milton Keynes. A capital premium was paid by the landlords which was amortised over the five year period to the first rent review in November 1998. Amortization was completed in the year ending 30 September 1999.

## Notes to the accounts

at 30 September 2000

	Restricted funds		Unrestricted funds			Total
		Tangible fixed asset fund	Emergency relief fund	Development fund	General fund	
	£000	£000	£000	£000	£000	£000
<b>16. Funds</b>						
<b>Group</b>						
Balance at 1 October 1999	86	608	500	1,000	2,201	4,395
Net incoming resources	156	—	—	—	1,779	1,935
Transfers between funds	—	(1)	—	1,000	(999)	—
Unrealised gains	—	—	—	—	52	52
Balance at 30 September 2000	242	607	500	2,000	3,033	6,382

*Represented by:*

Tangible assets	—	607	—	—	—	607
Investments	3	—	500	2,000	1,176	3,679
Debtors	—	—	—	—	1,580	1,580
Cash at bank	239	—	—	—	743	982
Current liabilities	—	—	—	—	(466)	(466)
Balance at 30 September 2000	242	607	500	2,000	3,033	6,382

The General fund at 30 September 2000 includes unrealised gains on investments of £176,000 (1999: £124,000) – see Note 12

	2000 £000	1999 £000
<b>Restricted funds</b>		
Angola	—	13
Bosnia	167	—
Cambodia	—	1
Chile	2	—
Kenya	19	—
Kosovo	—	17
Myanmar	54	47
Somalia	—	1
Turkey	—	7
	<b>242</b>	<b>86</b>

The **Tangible fixed assets fund** is a designated fund representing the value of fixed assets, and is not therefore available for distribution.

The **Emergency relief fund** is a designated fund set aside for humanitarian emergencies.

The **Development fund** is a designated fund set aside for the promotion of research and the implementation of new initiatives, both within the UK and overseas, with the objective of improving the quality and effectiveness of our ministry.

## Notes to the accounts

at 30 September 2000

	2000 £000	1999 £000
<b>17. Reconciliation of net incoming resources to cash inflow from operating activities</b>		
Net incoming resources for the year	1,935	1,092
Depreciation of Tangible fixed assets	213	194
Loss on disposal of Tangible fixed assets	—	8
Capital premium receivable (Note 15)	—	(4)
Increase in current asset investments	(1,492)	(258)
Increase/(decrease) in operating debtors and prepayments	(1,098)	255
Decrease/(increase) in operating creditors and accruals	(259)	385
Interest receivable and investment income	(268)	(191)
Cash (outflow)/inflow from operating activities	(969)	1,481

	Group		Charity	
	2000 £000	1999 £000	2000 £000	1999 £000

## 18. Commitments

### a Operating leases

There were the following land and buildings annual commitments under non-cancellable operating leases:

Lease expiring in under 5 years	—	6	—	—
Lease expiring in over 5 years	175	175	175	175

### b Overseas commitments

The budget for the year ending 30 September 2001 includes a commitment at 30 September 2000 to remit monies to overseas programmes totalling £18.6m (1999: £16.4m).

### c Capital commitments

As at 30 September 2000 there were no contracted capital commitments (1999: £7,000)

### d Pension commitments

The company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the company in a Group Personal Pension Scheme, for which the company has no responsibility other than regular contributions on behalf of employees. There were no contributions outstanding at either year-end.

### e Contingent liabilities

The company has given bank guarantees to certain Government donors totalling £886,000 (1999: £87,500).

## **Report of the auditors**

to members of World Vision UK

We have audited the financial statements on pages 18 to 32, which have been prepared under the historical cost convention, as modified by the revaluation of investments, and on the basis of the accounting policies set out on pages 14 to 16.

### **Respective responsibilities of Directors and auditors**

As described on page 12, the company's directors are responsible for the preparation of the financial statements in accordance with United Kingdom law and accounting standards. Our responsibilities as independent auditors are governed by statute, the Auditing Practices Board and our profession's ethical guidance.

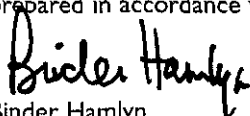
### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the group and the company as at 30 September 2000 and of the incoming resources and application of resources, including the income and expenditure and cashflow statements, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Binder Hamlyn

Chartered Accountants and Registered Auditors

15 December 2000

## Biographies of Directors

### **Humphrey Norrington**

(Chairman), 64 (F) (R) (N)

Joined Barclays Bank in 1969, rising to become the Executive Director responsible for Overseas Operations in 1987, and retiring in 1993 as a Vice Chairman. On the councils of the Royal Society for the Protection of Birds, Opportunity International UK and the Royal College of Music, and is Vice Chairman of Mildmay Mission Hospital. Joined the WVUK Board in 1991 and was appointed Chairman in 1996.

### **Tim Amies, 62 (F) (R)**

A Chartered Accountant, worked for five years for Morgan Grenfell & Co, 18 years as a Partner with Laurie Milbank & Co. Director of Chase Investment Bank Ltd for five years and currently is Director of Amies International Ltd. Non-Executive Director of Mercury Grosvenor Trust plc. Joined the WVUK Board in 1996, and was appointed Chairman of the Finance Committee in 1998.

### **Leonard Beighton, 66 (F)**

Worked for 37 years in the Inland Revenue, ending as Deputy Chairman, work consisting mainly of tax policy formulation and running the tax system. Now retired, other activities include Trustee of the Shaftesbury Society and Moderator of Shared Interest Society. Joined the WVUK Board in 1997.

### **Malcolm Carruthers, 69**

Worked for 10 years in the Kenya Government, ending as Deputy Provincial Commissioner of the Rift Valley Province after Kenya's independence, followed by three years as Oxfam's Field Director covering nine countries in Southern Africa. Joined HM Diplomatic Service in 1968 and served in Pakistan, Canada, Ethiopia and Zimbabwe, and was Head of the South Pacific Dept in the Foreign Office before taking retirement in 1983. From 1985-97 served as World Vision International's Government and International Advisor, joining the WVUK Board in 1997.

- (F) Member of the Finance Committee
- (R) Member of the Remuneration Committee
- (N) Member of the Nominations Committee

**Dean Hirsch, 53**

After working in various roles in the World Vision partnership for over 20 years, appointed President of World Vision International in 1996 and so was invited to join the Board of WVUK.

**Kit Lawry, 46**

Worked as an English teacher, writer, researcher and editor in Finland, Tanzania, Kuwait, Malaysia and Swaziland and has been involved in broadcasting with BBC Radio Scotland and the Malaysian Broadcasting Service. Most recently worked in Malawi as a freelance consultant involved with training, strategic planning and team building activities for NGOs and organisations in the public and private sectors. Joined the WVUK Board in 2000.

**Ian Wallace, 65**

Deputy Head of the Agricultural Extension and Rural Development Department of Reading University. Other employment includes five years with Tear Fund, three years with the Ministry of Agriculture and Fisheries in Fiji and 20 years in agricultural development in Kenya and Uganda. Worked as a consultant in rural development in about 20 other countries, and has numerous publications. Joined the WVUK Board in 1997.

**Bishop John Went, 56**

Appointed Bishop of Tewkesbury (Diocese of Gloucester) in 1996 and before worked as Archdeacon of Surrey; Vice-Principal Wycliffe Hall, Oxford; Vicar of Holy Trinity Margate and Curate of Emmanuel Northwood, Diocese of London. Joined the WVUK Board in 1997.

**Anne Williams**

(Deputy Chairman), 61 (N)

Appointed a Justice of the Peace in 1968 and served as Deputy Chairman of the Bench for nine years, Chairman of a combined Juvenile Panel for three years and Deputy Chairman of a combined Domestic Panel for three years. Was a member of the Diocesan Synod in Oxford for four years, Lay Chairman of Deanery Synod for four years. Joined the WVUK Board in 1996 and was appointed Deputy Chairman in 1997.

## **Glossary of terms**

**CEDC –**

Children in Especially Difficult  
Circumstances

**DEC –**

Disasters Emergency Committee

**DFID –**

Department for International  
Development

**EU –**

European Union

**UN –**

United Nations

**UNICEF –**

United Nations Children's Fund

**WVUK –**

World Vision UK

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