


# Transformation

World Vision UK Trustees' report and accounts for the year ended 30 September 2017

FRIDAY

  
\*A760NSAP\*  
A18 25/05/2018 #147  
COMPANIES HOUSE

Our vision for every child,  
life in all its fullness;  
Our prayer for every heart,  
the will to make it so.

- 3 Message from the Chief Executive
- 4 Message from the Board Chair

## Strategic report

- 6 Who we are
- 7 Our new strategy
- 8 What we achieved in 2017
- 11 Anna's story
- 15 Our plans for the year ahead
- 16 Five-year finances
- 17 Finances at a glance
- 18 Financial review
- 21 Corporate structure, governance and management
- 25 Statement of Trustees' responsibilities

## Financial statements

- 27 Statement of financial activities
- 28 Balance sheet
- 29 Statement of cash flows
- 30 Notes to the accounts
- 46 Independent auditor's report
- 48 Trustees, principal officers and advisers
- 50 Thank you
- 51 Join us

# Message from our Chief Executive

This year has been a hugely exciting one for World Vision. Our global Partnership has come together behind an ambitious promise to transform the lives of the world's most vulnerable children by 2030.

Our new UK strategy, launched this year, reflects the promise and sets out with sharper focus than ever before how we will stand with the world's most vulnerable children, and inspire others to join us. It's a cause which is near to God's heart, near to my own and, I'm sure to yours too – whether you share our faith or not.

Of course, we have always been there for children in difficult situations: crucially to keep them safe, to improve their prospects, to offer the hope of life in all its fullness. This year, over three million children in 40 countries have seen their lives and futures improved through the work of World Vision UK and our partners.

But as the world changes and new challenges appear, too many children are yet to feel this hope, more exposed than ever to hunger and extreme poverty, to discrimination and exploitation, to conflict and disaster. God has not forgotten these children: whatever their beliefs or social standing, he calls us to walk with them, to work relentlessly for them, to bring signs of his love to them.

Increasingly, our programmes will focus on these most vulnerable children, and on the fragile countries where they most often live. And we will focus on rallying supporters new and old to join us in standing with them, through giving, campaigning and prayer.

I'm hugely grateful that the generosity of all our supporters and institutional donors has enabled us to raise £93.2 million this year. And new developments such as our £1 million grant for work in Syria will enable us to prioritise children in fragile contexts.

But we must also address the fact that our base of committed supporters is in decline, and we need to return it to growth. Our child sponsors and other committed supporters not only provide the dependable funding that long-term work like ours requires, but also the constituency that enables us to influence government and amplify the voices of the children we serve. In today's challenging fundraising environment growing our supporter base may take some years, and will require us to work differently, but we are committed to making the changes needed.

As I am writing this foreword, our sector is facing intense public and internal scrutiny over the conduct of its staff both at home and overseas. Both we as World Vision UK, and the wider international Partnership are reviewing where we can learn lessons from the past, and where we should strengthen our policies and processes. I am absolutely clear that there should be zero tolerance for abuse, and I will do all I can to ensure that those who work for us, and those whom we work to support, are respected, protected, and enabled to reach their full, God-given potential.

As we face into these challenges and pursue our cause, we must be stronger than ever as an organisation. This year, we welcomed three new directors to our leadership team, and I believe we have people in place throughout World Vision who can take our strategy forward. We pray for God's strength and blessing as we do so.

As ever, I am thankful to all of you who have supported us this year, joining us in standing with the world's most vulnerable children.



**Tim Pilkington**  
Chief Executive

# Message from our Board Chair

2017 was my last full year as the Chair of the Board of Trustees. I step down in 2018, after ten wonderful years on the Board.

Over these years I have walked with World Vision through one five-year strategy, during which we transformed the lives of over nine million children, and into the next. We have looked carefully at our areas of greatest strength, and have focused ourselves on a few core themes: protection of children, health and reaching people in emergencies.

Globally, the world has marked the end of the Millennium Development Goals. We give thanks that 700 million fewer people are living in extreme poverty, and preventable child deaths around the world have been halved.

Their successor, the Sustainable Development Goals, launched in 2015. These new goals focus more clearly on the root causes of poverty and are applicable to all countries - not just the poorest. They recognise that, while many children have been lifted out of extreme poverty, sadly the stability of our world has not improved and inequality has increased over the past decade. This has led us to define a shift in our own approach, with our new strategy focusing our energies on reaching the most vulnerable children, in the hardest parts of the world.

Many children remain in my memories from my time on the Board, but one stands out. Abed was 11 years old when I met him, as he sat – with other Syrian refugees – in an English class in Jordan. “What are you studying?” I asked. “I study to keep my future,” he replied. His insight and optimism knocked the next words out of me. World Vision set up these classes to help children like Abed, who may have been kept out of school for months or even years when it became too dangerous to leave their homes, before fleeing across the border. Abed wants to become a doctor. He may yet achieve that; these catch-up classes will allow him to join a school in this foreign land and continue to study. Abed is just one boy to whom World Vision is giving hope for a future, in a world darkened by conflict and fear. There are millions of others we are reaching, with your help.

As I look forward, a key challenge that we must address globally as a sector and a Partnership is in relation to safeguarding. Our utmost priority as World Vision UK and as a global Partnership is to keep children, their families and communities safe. We are committed to working with the sector, the government and the global World Vision Partnership to do everything we can to safeguard those we work with and for.

As I leave the Board, my prayers will continue: for World Vision as it strengthens and focuses; for you our supporters, donors and partners, as you entrust us with your gifts for the most vulnerable children, in the hardest places; and for those with whom and for whom we work, every day, across the world.



**Anna Laszlo**

Board Chair

# Impact

Our strategic report: A detailed look at our objectives and what we achieved for the financial year ended 30 September 2017, and our objectives for the coming year.

# Who we are

We are the world's largest international children's charity, working to bring real hope to millions of the world's most vulnerable children. And we do it all as a sign of God's unconditional love.

In the world's hardest places, children are vulnerable in many ways. To extreme poverty and a lack of basic essentials like food, water and sanitation. To violence, abuse and exploitation. To conflicts, natural disasters and the impacts of climate change. To discrimination and a denial of their basic rights.

In thousands of communities across the world, our local staff stand with these vulnerable children. Living and working alongside them and their families, whole communities become involved in protecting children and building a more secure future for them.

**We aim to transform these children's worlds, so that they:**

- are cared for, protected and able to participate fully in their community and society
- enjoy good health
- are educated for life
- experience the love of God and their neighbours.

In 2017, we focused particularly on child protection and child health, as well as responding to emergencies and building the resilience of those at risk of disaster.

World Vision UK is part of the World Vision Partnership, which works in close to 100 countries serving all people, regardless of religion, race, ethnicity or gender.

Within the UK, our role is to engage people at home to join us – through giving, praying, speaking out and influencing government – in standing with the most vulnerable children.

# Our new strategy

This year we began a new journey. The face of poverty is changing: we rejoice in the millions of children whose lives have been transformed over recent years. And we take hope in the global commitment displayed in the Sustainable Development Goals, which offer the real possibility of ending extreme poverty by 2030. But for that to happen, we must ensure that the most vulnerable children in the world's hardest places are not left behind.

With this in mind, World Vision International has outlined a new strategic direction – Our Promise 2030 – which will guide our global Partnership over the coming years, and calls upon us to deepen our commitment to the most vulnerable children. It stresses the need to focus our ministry, collaborate and advocate, and deliver the funding needed to achieve greater results. And it calls on us to boldly and humbly live out our Christian faith and calling.

In this context, World Vision UK believes that we are called by God to stand with the world's most vulnerable children – to bring them life in all its fullness, and to inspire others to join us.

We acknowledge that in a fast-changing world, we cannot achieve the transformation we want to see by working the same way. We need to do different things, and to do things differently.

## **Our immediate priorities are to:**

- Increase the impact and profile of our work with the world's most vulnerable children.
- Embrace our faith as a strength in all we do, positively engaging with people of all faiths and none, including churches and Christians.
- Return our supporter base to a growth pathway and ensure our grants model is sustainable.
- Change our culture and organisation to become more externally focused, innovative, flexible, agile, efficient and digitally enabled.

# What we achieved in 2017

We helped 3 million children in 40 countries

256 projects improving water, sanitation, health, food security and education

21 emergency responses

helping to transform the lives and circumstances of 4.6 million people



This year, thanks to your support, we touched the lives of more than 3 million children in 40 countries.

As our new strategy advances, we'll be focusing our efforts increasingly in countries where the largest concentrations of the most vulnerable children are found – something we've been mapping out this year. We've also carried out research to see how effectively our current programmes reach the most vulnerable children, recognising that their circumstances vary widely, from homelessness and female genital mutilation in Tanzania, to sexual abuse and trafficking in Cambodia.

We're not the only organisation working to address these issues, and we recognise the importance of working in partnership with other NGOs, faith leaders, donors and governments who share our cause. We have always worked with faith-based organisations in our long-term programmes, but this year we made a conscious decision to do more to increase our combined impacts in fragile states – including in South Sudan, where we built up a picture of the faith community, their contribution to building peace, and the potential for us to partner with them.

## Protecting children when they are most vulnerable

Protecting vulnerable children is central to our work. We've increased our understanding of how to achieve the greatest impacts in complex situations: our child protection efforts are often most successful when they're an integral part of other large-scale projects.

### Spotlight: Improving Girls' Access through Transforming Education (IGATE), Zimbabwe

This project, funded by the Department for International Development, exemplifies child protection at work through a larger project. We know that when children are in school they're safer from early marriage, abuse and exploitation. We also know that simply by sending them to school, their families value their children's potential for the future.

Over four years we worked with whole communities in rural areas, **reaching more than 100,000 of the most marginalised girls**. Alongside improvements within schools, we worked with parents and influencers to highlight girls' right to education and to understand the barriers that can stall their schooling. **92% of community groups and local leaders increased their knowledge**, awareness and skills on these issues and 3,000 male champions are actively promoting girls' education and their rights amongst their communities.

**25,000 children were given bicycles**, making the journey to school not just quicker and easier – but also safer. Average absences were lower than those without bicycles and, for these girls, being attacked on the long walk to school can become a thing of the past.

**Ultimately, 24,387 girls from marginalised families had improved learning outcomes** in literacy and numeracy (89% of the target), and more girls than ever feel able to make decisions about their own future.

In a different context, our response to El Nino also illustrates this broader approach to child protection. The crisis put some 49 million people at risk across southern Africa, exposing children to a range of different threats. The malnutrition, water shortage and disease set in train by El Nino are also responsible for an increase in child labour, school drop-out levels, forced migration and separation among families. By raising awareness of these issues through community influencers while working closely with groups of all ages and genders, including youth, we saw how child protection can still be prioritised even in a crisis situation.

### Spotlight: Mozambique El Nino response

Through child parliaments and local child protection committees, we helped young people and the wider community to work together. Increased awareness of children's rights and needs **led to 115 children returning to school and 3,545 families getting the certification that means they can access health and legal services** – ever more vital in times of crisis.

## Ensuring children are healthy

Healthy, well-nourished children can develop to their full potential – so this is another area for particular focus in our work with the most vulnerable. We've found that the greatest impacts can be achieved by working in partnership with communities, whether to build up access to healthcare, improve antenatal and childcare practices, or spread knowledge about reducing malnutrition.

Water, sanitation and hygiene (WASH) are also a vital aspect of our operations on the ground. The results in 2017 are encouraging: when a two-year WASH collaboration with UNICEF in Ethiopia closed this year, **90 per cent of residents were able to construct and maintain their own latrines** – the project reached more than 193,000 people, as well as pupils at 81 schools.

Our WASH projects also placed an emphasis on menstrual hygiene management, an area which is often neglected. **Our campaigns reached more than 27,000 girls in Ethiopia**, reducing their average school absence from five days to a single day each month.

The work in Ethiopia has been a great example of increasing the sustainability of our WASH projects, which we'll be applying around the world. The core of our success has been close collaboration between World Vision, healthcare professionals and the

communities themselves. By giving communities direct input to, and ownership of, these initiatives, we lay the ground for a long-term future – and ensure the most vulnerable will continue to receive the support they so desperately need.

## Helping children in times of crisis

This year, we ran **21 emergency responses in 30 countries** spanning four continents. In total, **we supported 2.9 million people – including 1.8 million children** – severely affected by disasters including drought, flooding, earthquakes and conflict. Some of the responses included the food crisis in East Africa, the refugee crisis in South Sudan, the ongoing conflict in Syria, and the emerging humanitarian emergency in Myanmar.

Among other activities we've distributed food and non-food items, provided shelter and set up child-friendly-spaces where vulnerable children can play, learn and talk in safety.

We also assessed our work with cash transfers in 12 emergencies. With the growth of mobile technology, transferring cash has become an important part of emergency responses. Our evidence shows that it can help affected people access opportunities – including loans – which may increase their resilience to future shocks.

The scale of our emergency work is reflected in the large number of people covered by our nutrition and food security programmes. Many of these programmes also have a long-term focus, including supporting livelihoods, to ensure the youngest children don't suffer irreversible harm from poor nutrition.

For an in-depth review of how we transformed children's lives in 2017 you can download our Impact Report at: [www.worldvision.org.uk/our-work/impact](http://www.worldvision.org.uk/our-work/impact)

# “War made us come here”

The brutal conflict in South Sudan has forced millions to flee their homes since fighting erupted four years ago, and devastatingly, children have become the face of this forgotten crisis.

Half of all children in the country – the world's youngest nation – are affected, and tell stories of desperation and fear. Of men armed with machetes, piercing gunshots, and parents lying dead in the road. Of running through the bush, not knowing where to go or who was trustworthy. Of rape and abuse. Of having no one to turn to. Of silence as they hid at night, praying they'd make it until the morning.

Anna, 17, and her three little sisters, are among more than 600,000 children who've made this exhausting and heart-breaking journey. Anna's youngest sister, Sarah is just six years old – she's known almost nothing but war in her short life. So, when the girls' parents were shot dead, Anna knew they couldn't stay any longer: her sisters needed to be safe.

Anna led her sisters on the terrifying journey for days, in constant fear. Arriving in Uganda, they hoped the danger was over. Then, Anna found out she was pregnant. Fortunately she was able to get care and support throughout her pregnancy and in November, she gave birth to a tiny, but healthy, baby boy.

“I named him David,” Anna told us with a smile.

Daily life is hard for Anna and her family. They've suffered terrible loss and have memories of unimaginable violence:

“The war made us come here,” Anna says. “We don't think about going back.”

They're desperate to find peace; and thankfully the future is already starting to look a little brighter.

“Things are better now we have World Vision's help. We feel safe,” Anna explains.

We've found the children a foster mother and our child protection experts visit every week, offer medical help and make sure Anna has everything she needs to care for little David.

In December, we delivered 700 teddy bears to children in the refugee settlements - the bears had been part of an advocacy event used to highlight the 700 children fleeing the conflict in South Sudan every week – alone, sick or separated from their parents (see page 14 for more details).

It may seem like a tiny gesture, compared with our ongoing work in the camps (providing hot meals, renovating water sources and latrines, running Child Friendly Spaces and peace-building projects) - but it did bring some much-needed warmth into the toughest of childhoods.

\* Anna and her sisters' names have been changed for child protection purposes.

# Inspiring giving

Our committed supporters are the lifeblood of World Vision: their generosity enables us to bring God's love and the hope of life in all its fullness to children in the world's hardest places. And we're determined to rally more people to our cause of standing with the world's most vulnerable children.

This year, we've expanded beyond our traditional emphasis on child sponsorship. Launched in Westfield Stratford in July, our new retail stand Garden of Hope – complete with digital displays and interactive touchscreens – offers an innovative way to engage with prospective donors. It allows people to support the most vulnerable children through our Must Have Gifts or Raw Hope initiative, in addition to child sponsorship and one-off donations.

We've also been touring the country with our Journey of Hope installation, an immersive experience of life in rural Sierra Leone housed in two replica huts. So far, Journey of Hope has attracted around 1,150 new supporters and we're looking to develop this further in 2018.

Supporters are joining us online in greater numbers too. Four new digital campaigns this year brought another 1,200 sponsors to us (a 17 per cent increase on 2016), and these campaigns are becoming more effective all the time.

Our priorities for grant income have shifted in line with our renewed focus on working with the most vulnerable children. In 2017, this was reflected by a significant grant for work in Syria: we received £1 million to fund an education programme in the south of the country. The project is already making a life-changing difference, bringing hope and opportunity to children trapped in their country's brutal civil war.

The generosity of both our supporters and institutional donors enabled us to raise £93.2 million this year. For more on how we raised and spent our income, see our Financial Review on page 18.

# Fundraising responsibly

We're hugely thankful for the donations that our supporters kindly give to us, without which we simply cannot do our work. And we're determined to use the gifts they donate effectively, and to fundraise in a responsible and sensitive way.

## Our overall approach to fundraising

We want our supporters to join us in standing with the world's most vulnerable children, and we aim to enhance their experience and deepen their engagement by offering a number of ways for them to get involved. This mainly focuses around child sponsorship, but we may also ask them to support urgent humanitarian crises when the need arises, as well as offering our Must Have Gifts programme and other regular giving options.

We acquire new supporters both through our website (and other online work), and by inviting support from the public in person in various locations, such as carefully selected shopping centres. This year, a professional fundraising agency helped us in a limited capacity for a short period.

## Our fundraising standards

We are delighted to have become members of the new Fundraising Regulator and we abide by their Fundraising Code of Practice, which covers various aspects of fundraising.

We have worked especially hard around protecting our supporters' data, as well as evolving our systems to ensure that our supporters can pick and choose how they would like to be contacted by us and with what types of communications. We have detailed plans to ensure that we become fully compliant with the new General Data Protection Regulations, which become live in May 2018. This is a significant piece of legislation and one which we are embracing whole-heartedly.

All our staff receive both initial general compliance training and updates every six months.

## Monitoring our fundraising

We monitor our fundraising carefully, as well as the overall service we give to our supporters. All supporter phone calls, emails and letters are logged – positive and negative – with summaries and key issues communicated back to the management team on a regular basis to improve future communications.

Our rigorous policies and standards around complaints mean we are particularly vigilant in monitoring and responding to them, no matter how large or small. This year, we received and responded to 163 complaints from our base of over 130,000 supporters.

## Getting the balance right

We're very aware of the potential for fundraising to become persistent or intrusive. We have established internal standards to guide how often we contact supporters. And when we do contact them, we provide clear and simple ways for them to opt out in future.

We conduct six-monthly 'Pulse Check' surveys to a large representative sample of supporters and ask for their feedback around this issue, as well as various other aspects of supporter satisfaction. We're encouraged by the responses we have received so far, but will continue to monitor the whole issue closely.

Finally, we have established a policy to help us identify potentially vulnerable people, both when speaking to potential supporters face-to-face, and through our direct communications once they have become a supporter, with the aim of ensuring we only make fundraising asks to appropriate people.

# Speaking out for children

In standing with the world's most vulnerable children, we are compelled to speak out with them and for them. By giving children a voice – amplified by our supporters – and bringing the issues they face to public attention, we can influence those whose decisions will shape their future.

This year, we've put the world's most vulnerable children front and centre through a range of high-profile work, and we've been asked to provide expert input on several important issues. Building our influence – from public awareness to government policy – leads to greater impact for the children we serve.

We put the spotlight on vulnerable children caught up in the South Sudan/Northern Uganda refugee crisis at political party conferences. At the Conservative Party Conference, we partnered with the Conservative Friends of International Development and Conservative Christian Fellowship to draw ministerial representation from the Department for International Development and Foreign Office and an audience of 90. We also presented on faith in development with Islamic Relief – a great example of partnering and building relationships based on that which unites us to stand together with the world's most vulnerable children.

Our knowledge and experience in the field are recognised and valued by the UK government. For instance, we were asked to develop the new child-focussed guidance in the UK government's updated international protocol on preventing sexual violence in conflict.

Similarly, we were asked to give detailed evidence to the International Development Select Committee on the Myanmar refugee crisis. The reach of our work also meant we were well placed to scale up international advocacy on the crisis in Kassai in the Democratic Republic of Congo: we brought together NGOs, liaised with government, and produced a policy briefing for them ahead of a UN meeting.

We've also had success in inspiring others to stand with the world's most vulnerable children. One of the most visible events was when 700 teddy bears appeared on the steps of St Paul's Cathedral: our #bearsonstairs campaign shared the plight of South Sudanese child refugees across the media, with photos in national newspapers, more than 6 million impressions on Twitter and our biggest ever reaction on Instagram.

Our #shareameal campaign, highlighting child malnutrition, also made a splash. Its launch video featuring Great British Bake Off star Selasi Gbormittah was viewed 129,000 times, while other celebrities and bloggers helped spread our reach on Twitter.

Churches remain a very important focus for us. We continued to turn Halloween into a night of hope with Pumpkin Heroes, a fun Bible-based resource pack to help UK children spread a message of hope and warmth. The pack proved popular and was downloaded 1,378 times – an increase of 404 on last year's Carve a Heart pumpkin campaign.

# Our plans for the year ahead

## **Increase the impact and profile of our work with the world's most vulnerable children.**

We have a plan to prioritise the most vulnerable children in our programmes, identifying the places where we need to focus, concentrating our efforts in a smaller number of countries and on a more limited range of programme types and sectors to ensure we have maximum impact. We've also carried out research into how our work is currently perceived and are actively committed to plans to raise the profile of our cause.

We are committed to working with the sector, the government and the global World Vision Partnership to strengthen and make the changes necessary in our approach to safeguarding those we work with and for.

## **Embrace our faith as a strength in all we do, positively engaging with people of all faiths and none, including churches and Christians.**

We'll continue to actively engage with people of all faiths and none in the field and in the UK, while building our engagement with churches and Christians, through events, resources, relationships and partnerships.

## **Return our supporter base to a growth pathway and ensure our grants model is sustainable.**

To deliver our promise to the world's most vulnerable children, we need to grow our voluntary income from an increasing base of deeply committed supporters. One of our top priorities for the coming year is to find a pathway to grow our supporter base.

By the end of next year, we will have identified new channels, audiences and products that offer credible opportunities for sustainable growth. As well as focusing on our committed supporter base, we'll grow our unrestricted income by appealing to new donors. To succeed we need to build our financial sustainability and our organisational capacity, continuing to improve the way we manage grants, and recover our costs from doing so.

## **Change our culture and organisation to become more externally-focused, innovative, flexible, agile, efficient and digitally enabled.**

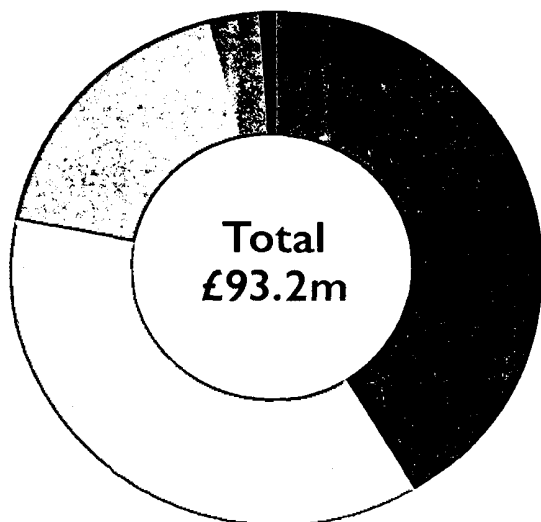
We'll be tackling business critical digital development priorities, simplifying our internal processes, and continuing to invest in fundraising and communications innovations during the course of the year. We'll commission external research to ensure that we remain relevant to our external context and prioritise flexible and agile responses to the insights we gain.

# Five-year finances

		2013 £'000	2014 £'000	2015 £'000	2016 £'000	2017 £'000
Committed giving and other donations		38,897	37,725	37,877	36,239	34,438
Donations for emergencies		1,651	6,092	4,272	2,753	2,824
Institutional grants		21,917	24,205	43,980	46,548	38,784
Donated goods and services		4,196	3,242	4,342	9,204	16,603
Charitable activities - government service contracts		-	467	359	456	274
Investment and other income		81	94	108	172	270
<b>Total income</b>		<b>66,742</b>	<b>71,825</b>	<b>90,938</b>	<b>95,372</b>	<b>93,193</b>
Cost of raising funds		10,591	10,893	13,329	11,512	9,507
Charitable activities		59,831	59,829	77,243	81,698	80,545
<b>Total expenditure</b>		<b>70,422</b>	<b>70,722</b>	<b>90,572</b>	<b>93,210</b>	<b>90,052</b>
Investment gains / (losses)		103	77	43	153	121
<b>Net movement in funds</b>		<b>(3,577)</b>	<b>1,180</b>	<b>409</b>	<b>2,315</b>	<b>3,262</b>
<b>The funds of the charity</b>						
Restricted and designated funds		8,615	8,556	8,760	12,025	16,027
General fund		5,929	7,168	7,373	6,423	5,683
<b>Total funds</b>		<b>14,544</b>	<b>15,724</b>	<b>16,133</b>	<b>18,448</b>	<b>21,710</b>
<b>Ratios</b>	<b>5 Year Average</b>					
<b>Percentage of total expenditure:</b>						
Costs of generating funds	13.6%	15.0%	15.4%	14.7%	12.4%	10.6%
Charitable activities	86.4%	85.0%	84.6%	85.3%	87.6%	89.4%
<b>Free reserves</b>						
Number of days' expenditure		33	38	31	28	28



# Finances at a glance

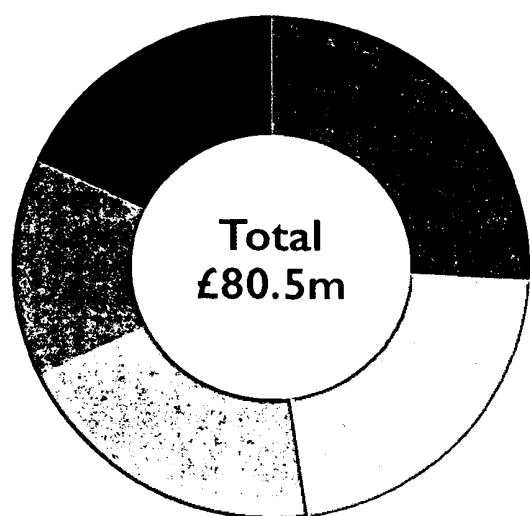


## Our income

- Institutional grants, £38.8m, 41%
- Committed giving and other donations, £34.4m, 37%
- Donated goods and services, £16.6m, 18%
- Donations for emergencies, £2.8m, 3%
- Other £0.6m, 1%

## Our expenditure

- Charitable activities, £80.5m, 89%
- Raising funds, £9.5m, 11%



## Our charitable activities

- Nutrition, £20.9m, 26%
- Health, £17.7m, 22%
- Livelihoods, £16.1m, 20%
- Community empowerment, £11.3m, 14%
- Education, £8.1m, 10%
- Emergency response, £4.8m, 6%
- Protection, £1.6m, 2%

# Financial review

We work hard to be good stewards of the resources that God has given us through our donors. We strive to be accountable to our supporters, the people we're working with and the children and communities we serve.

Despite the downward pressure on committed giving, we raised in total £93.2 million in 2017, second only to our highest income on record of £95.4 million in 2016. This achievement testified to the generosity, compassion and partnership of our supporters and institutional donors, and enabled us to bring positive change to the lives of millions of children.

Due to intentional choices we invested less than planned at £9.5 million in fundraising (2016: £11.5 million), because there were fewer opportunities to invest it well; we therefore held back spend to invest more strategically in the next financial year. In contrast, our expenditure on charitable activities was the second highest ever at £80.5 million (2016: £81.7 million).

It was a pivotal year for World Vision UK during which the Board set a new long-term strategy. To help deliver the strategy, we set aside significant funds for specific projects that started in the middle of 2017 and will run throughout 2018.

## Income

The decrease from last year in total funds raised was mainly related to lower income from institutional grants which fell to £38.8 million (2016: £46.5 million). This was mainly due to the completion of the Programme Partnership Arrangement with DFID and the ending of the West Africa Ebola response grant (DFID).

This reduction was offset by significant growth in funds raised from donated goods and services from institutional donors that rose to our highest ever total of £16.6 million (2016: £9.2 million). The majority of the increase related to £8.7 million of funding from a DFID cash transfer grant to support vulnerable families affected by a severe drought in Zimbabwe, and also our responses to other emergencies, such as the hunger crises in Eastern and Southern Africa. Overall, grant income represented 59% of our total funds raised for the year and remained a strong source of funds especially for our work in more fragile contexts.

Child sponsorship continued to be a cornerstone of how we effect positive change for children. However, committed giving related to child sponsorship fell to £21.8 million (2016: £23.2 million) with the net number of child sponsorships reducing from 92,000 to 84,000. This was in part due to the successful completion of long-term programmes but also the impact of a deliberate reduction in our activity to acquire new sponsors while we tested smarter ways of investing to acquire supporters. The funds we would have spent have been set aside for future strategic investment in projects designed to build our capacity and capability in fundraising activities and channels that will deliver growth and long-term value.

## Expenditure

Total expenditure amounted to £90.1 million (2016: £93.2 million). As part of our stewardship of the resources entrusted to us, we consciously spent less on raising funds while we test smarter ways of investing to acquire supporters. Consequently, the proportion of total expenditure spent on charitable activities was also the highest ever at 89% (2016: 88%). Our expenditure on charitable activities was also the second highest ever in absolute terms at £80.5 million (2016: £81.7 million), partly due to the increased donated goods and services distributed. As a result, we reached more than 4 million beneficiaries of which 3 million were children, with health, education, child protection and other programming.

Assuming we are successful in our current tests of smarter ways of investing to grow our supporter base, we expect to spend more on fundraising in 2018 than in 2017.

## Reserves policy

Our Trustees ensure reserves are set aside to help our long-term financial viability by protecting our work against adverse financial events but also to allow us to take advantage of beneficial opportunities as and when they arise. Our reserves policy is reviewed annually and takes into account perceived operating risks, assessed sensitivities to variations in income and our expected need for unrestricted funds.

The policy requires free reserves to be maintained at 25-45 days of applicable expenditure; that is, total expenditure less donated goods and services that do not involve a cash outflow. In 2017, this was equivalent to a range of £5.0 million to £9.1 million at current expenditure levels. The Trustees considered this an appropriate level for reserves to maintain funding for programmes and to protect against unforeseen adverse events. Our reserves policy will be reviewed against our new strategy in March 2018.

## Funds

At the end of 2017 total funds stood at £21.7 million (2016: £18.4 million). Restricted funds that are subject to conditions imposed by donors or implied by the nature of an appeal, amounted to £10.5 million (2016: £9.8 million) at the end of the year. Unrestricted funds of £11.2 million (2016: £8.6 million) comprised the following:

- Designated funds of £5.5 million (2016: £2.2 million) were: (a) the Fixed Assets Fund of £2.6 million representing the value of fixed assets less related financing. This fund will adjust as the values of these assets are amortised over their useful economic lives and as new assets are acquired; and (b) the Strategic Realisation Fund of £2.9 million that has been set aside to finance strategic activities during the next 18 months.
- Free reserves not designated were £5.7 million (2016: £6.4m) at the balance sheet date, which represented 28 days of applicable expenditure (2016: 28 days).

## Going concern

Trustees have assessed the adequacy of the charity's financial resources and have concluded the structures are in place to manage the business risks we face. In addition, our budgeting and forecasting processes have taken into consideration the current economic climate and its potential impact on both our various sources of income and expenditures. Trustees therefore have a reasonable expectation that resources are adequate and control mechanisms are in place for the charity to continue in operational existence for the foreseeable future. Further, Trustees believe there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## Internal controls

The charity has documented systems of internal financial controls and procedures that are reviewed regularly by management. These systems provide reasonable, but not absolute, assurance against errors or loss. The procedures aim to ensure the completeness and accuracy of accounting records and document the ways in which the Trustees have delegated financial authority within defined limits. The internal controls provide reasonable assurance that:

- financial controls are in place to safeguard assets;
- transactions are properly authorised and recorded and;
- material errors or irregularities are either prevented or would be detected within a timely period.

The World Vision Partnership has an internal audit function that undertakes audits of its overseas operations including those to which World Vision UK makes its remittances. The primary accountability of the internal auditors is to the Audit Committee of World Vision International, the legal entity providing international coordination and leadership of the World Vision Partnership. However, reports on the results of internal audits are made available to relevant investing entities who will be involved in action taken in the event there is an adverse audit report. World Vision UK has a Programmes and Projects Risk Committee that reviews internal audit reports and other risks in relation to our overseas activities and is accountable to the Board. Specific audits are also carried out for some of our government donors.

## Risk management

The Trustees are ultimately responsible for risk management and the effectiveness of World Vision UK's internal control processes. The major risks to which World Vision UK is exposed, as identified by the Trustees, are reviewed regularly, and we are continuously improving our systems and procedures to manage them.

The Board of Trustees has considered and approved the risk appetite and risk management policy of World Vision UK. It has delegated the regular scrutiny to the Finance, Audit and Risk Committee, which is made up of the Chair of the committee and three other Trustees, one of whom has overall responsibility for safeguarding.

World Vision UK's systems and procedures are designed to inform and manage risk and to provide reasonable assurance against material misstatement or loss. Senior management ensure that the culture and process of risk management are embedded across the organisation through the effective implementation of policies and processes. Risk registers have been developed at corporate, directorate, country and major project levels. Risks are assessed and rated on their likelihood and potential impact along with the mitigation strategies in place to manage them in line with the Board's risk appetite. Operational management review and update the corporate risk register three times a year and it is shared with the Finance, Audit and Risk Committee. The Board formally reviews and approves it annually.

There are a number of working groups that manage risks in high-risk areas and risk events are logged and tracked to inform the ongoing development of risk management strategies and lessons learnt. Serious incidents and compliance across the organisation are assessed internally by all departments through a quarterly process, which is reported on and reviewed by the extended leadership team and the Finance, Audit and Risk Committee.

Working with the world's most vulnerable children requires us to operate in places that are inherently challenging because of conflict, corruption, natural disasters, weak infrastructure and poor governance. We work with the support of our global Partnership, governments and independent supporters, taking on board their advice to implement mitigation actions for our strategic, operational, financial and compliance risks.

A summary of the key risks we've faced this year and how we've managed them is outlined opposite.

Strategic Priority	Key Risk	Mitigating Actions
Change our culture and organisation to become more externally focused, innovative, flexible, agile, efficient and digitally enabled	Substantial change of the Senior Leadership Team, recruitment and retention of key personnel affects staff morale. Failure of strategy despite financial investment due to lack of skills and engagement by staff.	Implementation of enabling digital technology to enhance brand presence and supporter journey. Improved processes including recruitment, business planning. Clearer and speedier decision-making protocols, more engaging internal two-way communications.  Intentional progress towards embedding strategic changes in future "business as usual", including staff roles and development. Regular "pulse checks" to understand culture, impact of changes, and guide leadership and management actions.
Embrace our faith as a strength in all we do, positively engaging people of all faiths and none, including churches and Christians.	We fail to communicate and engage with other Christian organisations to increase our supporter base and raise awareness of our mission. Our communications fail to convey our Christian focus.	We will explore partnerships with more faith based groups and develop ways of reaching out to inform them of our mission. Ensure that our Christian identity is consistently communicated across all media.
Return our supporter base to a growth pathway and ensure our grants model is sustainable.	Continued drop in new sponsorship acquisitions could impact our ability to deliver programmes and grants to the field. New channels of income generation fail to grow unrestricted giving. Failure of internal systems to adequately track and report funds could increase the risk of them being diverted from their charitable objectives.  Future income streams threatened by changes in external donor requirements. Continued scrutiny of charities from regulators and media interest around the world.  Growing regulatory scrutiny with the introduction of the Fundraising Regulator. The Information Commission Office has clear interest in charities' activities around fundraising operations leading to increased need to demonstrate compliance.  Recent high-profile safeguarding issues within the NGO sector could undermine public trust and result in a loss of income. Major institutional donors could reduce the amount of new grants made available to the NGO Sector.	Agile methods used to test out new channels of fundraising. Decisions taken to stop some projects that would have been outside of agreed risk appetite. Ensuring anti-fraud and corruption and blocked party screening systems and processes are working effectively where UK funds are involved.  Organisational strategy developed and launched to address changes in external donor contexts. Clear media and communications processes to create positive messaging and to refresh our website. New initiatives and partnerships undertaken to reach out to more supporters.  Improved mandatory staff training and awareness of compliance. Registered with the Institute of Fundraising. Reviewed our Data Protection Policy and Privacy statement. Launched an EU General Data Protection Regulation oversight group.  Safeguarding will remain a key organisational focus with improvements made to training and the vetting of staff and supporters before making visits to overseas programmes. World Vision UK will continue to report in a timely and transparent manner when serious incidents do occur to the Charity Commission and government donors. We will work with the sector, the government and the global World Vision Partnership to consider and agree changes needed to the sector as a whole.

# Corporate structure, governance and management

The unique structure of the World Vision Partnership means that we can work alongside children, families and communities in almost 100 countries to overcome poverty and injustice.

The World Vision Partnership is a network of national organisations constituted in a federal partnership. Many are governed by local Boards of Trustees; other country offices are branches of World Vision International and may have local Advisory Councils. This means that overall control of World Vision is not held by a central body, but shared with our global partners. World Vision UK is a committed member of the World Vision Partnership. Through the Covenant of Partnership, we agree to follow common policies, standards and core documents such as statements of mission, vision and values that bind the Partnership together. The Covenant holds us together, under God, by voluntary commitment rather than legal contract.

The Board of Directors of World Vision International oversees the World Vision Partnership's global strategy and coordination, including approving global budgets and determining international policy. The World Vision International Board appoints and evaluates the International President, who is the Chief Executive Officer and a World Vision International Board member. The World Vision International Board has 24 Board members from 19 countries, drawn from all the continents in which the Partnership operates. This system empowers World Vision offices in developing countries and ensures regional opinion is expressed.

## Corporate governance

The Board of Directors of World Vision UK (the Trustees) and World Vision International recognise good governance is vital to the effectiveness of our mission and an important safeguard for accountability to the public and other stakeholders. We invest significant effort in seeking to continually improve governance both in the UK and internationally. World Vision International has a Governance Department that assists local Boards and Advisory Councils with governance by publishing guidance and providing training. It also enables mutual accountability by facilitating peer reviews that evaluate alignment with the World Vision Partnership's core documents and compliance with good governance practice.

## World Vision UK

World Vision UK is a charitable company limited by guarantee and was incorporated in England on 3 November 1982 (No. 1675552) and is a registered charity (No. 285908). As a charitable company, World Vision UK's Trustees (who are also its Directors for the purposes of company law) are the only 'Members' of the charity. The Trustees' liability is limited to £1 each. The charity's governing document, its Articles of Association (revised 3 October 2017), set out its objects, powers and matters relating to the running of its internal affairs.

## Charitable objects and public benefit

Trustees have a duty to develop strategic plans which further their organisation's charitable objects and provide public benefit. This report sets out World Vision UK's charitable activities for the year ending 30 September 2017 which have been carried out in order to promote World Vision UK's charitable objects for the public benefit. The Board has an ongoing regard to the public benefit guidance published by the Charity Commission when reviewing the charity's aims and objectives, planning future activities and, in particular, when considering how planned activities will achieve its aims and objectives, which are:

1 To relieve or prevent poverty anywhere in the world, particularly (but not exclusively) among children, by means including (but not limited to):

- emergency relief that assists people affected by conflict or disaster
- sustainable development that improves the conditions of life in socially and economically disadvantaged communities
- advocacy by educating, engaging with and mobilising people in the UK and other countries concerning the nature, causes and effects of such emergencies and poverty.

2 To promote and uphold the principles of the Christian religion, including (but not limited to) working with and strengthening the work of Christian churches in any part of the world in providing services to communities, including, but not limited to, those affected by conflict, disasters and poverty, regardless of race, nationality, religion, gender or political affiliation.

## Board and management roles

The World Vision UK's Board of Trustees is responsible for overseeing the governance and management of the charity. The Trustees are committed to World Vision UK's mission and values and work to deliver its charitable purposes for the public benefit.

The Trustees understand their role and legal responsibilities, and are required to review the Charity Commission's guidance: The Essential Trustee (C33) and the charity's governing document on joining the Board and then on an annual basis. The Trustees are committed to good governance and the seven principles of good governance identified by the Charity Governance Code which the Board uses in evaluating its performance. Please see actions taken in relation to the new edition of the Code on Page 23.

#### **The Board's principal roles are:**

- approving the mission, strategies, high level policies and annual business plan
- appointing and overseeing the Chief Executive
- monitoring performance and risk management
- reporting performance with integrity and transparency
- ensuring compliance with UK law and Charity Commission regulations
- managing its own governance processes, including annual evaluation of Board, Committee, Chair and individual Trustee performance
- adding value by advising management
- representing the interests of World Vision UK's stakeholders.

The Board delegates responsibility for operational management to the Chief Executive, who leads a Senior Leadership team, together comprising the Principal Officers. The Principal Officers develop most of the organisation's plans, policies and processes, and are responsible for their implementation, following Board review, advice and approval.

### **Board composition**

The Board is comprised of independent, unremunerated, non-executive Trustees who have a broad range of skills, background and experience. To reflect the federal model of the World Vision Partnership, the President of World Vision International is represented on the World Vision UK Board through a delegate.

The Trustees are committed to good governance and delegate responsibility for oversight of World Vision UK's governance to the Board Development Committee. This Committee is responsible for promoting an effective Board, good governance and best practice.

The Board recognises that an effective Board must work as a team and bring together a balance of skills, experience and knowledge to make informed decisions. Accordingly, Trustee recruitment, induction, training and development are key Board priorities and are governed by various Board operating policies which are reviewed by the Board Development Committee on a regular basis.

The Board Development Committee is responsible for overseeing Board composition and Trustee recruitment. The Committee reviews Board composition annually, considering the Board's mix of skills, experience and diversity before making recommendations to the Board for the skills and experience to form the basis of a rolling recruitment programme.

The Board uses an external search agency to seek a diverse group of candidates through an advertisement and headhunting process. Trustees are appointed by the Board for an initial term of three years. Trustees may be appointed for a second term of three years and a third term of one, two or three years depending on the needs of the Board and satisfactory performance.

The Board Development Committee oversees an individual induction and mentor programme for each new Trustee, covering all aspects of the role and the organisation, and is responsible for arranging Board education and training events.

There is provision for extension to the maximum nine years of service, normally three additional years, to fulfil obligations to governance positions within World Vision International and for the Board Chair. The Board Chair and Vice Chair are elected by the Board on an annual basis and usually serve three years in role.

### **Code of conduct**

The Board expects every Trustee, staff member and the organisation as a whole, to conduct themselves in accordance with the highest ethical standards. Trustees evaluate themselves against these standards annually by reviewing the Board's Conflict of Interest policy and Code of Conduct. Trustees are required to disclose any actual or potential conflicts of interest or conflicts of loyalty to the Board and withdraw from any related Board discussion and decision-making and to conduct themselves in a manner which upholds and maintains World Vision's Core Values, Vision and Mission, as well as the effectiveness and reputation of the organisation.

### **Board expenses**

No fees or remuneration are paid for serving as a Trustee of World Vision UK. World Vision UK reimburses reasonable expenses incurred while acting as a Trustee. This includes travel and accommodation and childcare expenses required to attend meetings, training and orientation costs (which include a visit to World Vision UK operations in the field). Every effort is made to ensure costs are modest.

### **Board meetings and Board committees**

The Board meets four times a year, with additional meetings as required. In 2017, the Board held three full day meetings and, recognising the importance of Trustees interacting with staff, set aside its October half-day meeting to meet with staff from across the organisation. One of the Board meetings is a two-day event which includes a day of spiritual retreat and team building with the Senior Leadership team.

Important governance work is carried out by Board Committees, which hold two to three half-day meetings a year to discharge their responsibilities under formal terms of reference, which are reviewed annually. Each Committee includes Trustees with relevant skills and experience.

The Board does not delegate major decisions to Board Committees; the Committees are responsible for considering significant issues in detail and making recommendations to the Board. The Committees are required to report substantive points of their discussion to the following Board meeting.

#### **The roles of Board Committees are:**

- The Board Development Committee is responsible for promoting good governance, recruiting Trustees and ensuring the Board works as effectively as possible. It oversees Board education and training, Trustee recruitment, induction and development and Board performance evaluation.
- The Finance, Audit and Risk Committee reviews the annual business plan and budget, monitors risk and financial performance, and ensures compliance with financial and risk policies and charity legislation. In addition, it reviews strategies for the development of information technology, liaises with the external auditors and reviews internal audit reports.
- The Organisational Effectiveness and Remuneration Committee approves the remuneration policies for all staff. Additionally, it reviews organisational strategies including those for development of innovations.
- The Public Engagement Committee reviews and advises on marketing, communication and campaign strategies, monitors performance against the annual business plan and ensures compliance with fundraising regulations.
- The Policy and Programmes Committee reviews and advises on World Vision UK's development and relief programmes and advocacy strategies, and their implementation.
- Ad-hoc Board Committees and Board Working Groups are set up as and when required.

#### **Significant governance actions and events during the financial year included:**

- Following a scheduled retirement in 2017, the Board appointed a new Trustee to ensure continuity of business and finance expertise on the Board. It initiated a recruitment programme for 2017/2018 to ensure the Board continues to be comprised of Trustees with diverse and high-level skills and experience, resulting in the appointment in November 2017 of a new Trustee with digital skills, and the planned appointment in March 2018 of a Trustee with international development experience.
- Anna Laszlo was appointed Board Chair for a third one-year term following the Board's annual chair performance review process; Linda Emery was re-appointed Vice Chair. The Board, looking ahead to Anna's retirement at the end of ten years' service in March 2018, conducted a chair succession process over the course of the year, resulting in the decision in July 2017 to appoint Richard Izard, a current Trustee, as Chair from March 2018.
- The Board reviewed and approved revisions to the Board Policy on Child Safeguarding, Risk Management and Investment.
- The Board commissioned the Compass Partnership to conduct an external Board effectiveness evaluation and took part in a facilitated workshop at its annual day of retreat to consider the results of the evaluation and recommended actions.
- The Board approved the new World Vision UK strategy, which was launched in May 2017, and worked with the Senior Leadership Team to develop and monitor progress with a strategy realisation plan.
- The Board Development Committee reviewed the new edition of the Charity Governance Code and agreed to adopt the revised Code as part of its governance assurance processes - Trustees will be asked to review the Code's principles when completing the Board's annual evaluation questionnaire and carrying out their self-appraisal. In addition, the Committee agreed to conduct a review of Board governance against the Code in 2018 to ensure the Board continues to have high quality governance and identifies any actions required to implement further improvement.
- Three Trustees visited World Vision UK field operations in Myanmar, Honduras and Uganda and reported back to the Board on their experiences of World Vision's impact.
- Two Trustees attended the World Vision International Council meeting in Colombia and reported back to the Board on their experience of World Vision's global influence and impact. The Council meets once every three years and is an opportunity for World Vision's leaders to meet together and to review, evaluate and reflect on the Partnership's progress, direction, governance and vision.

## **Key policies and processes**

### **Safeguarding**

World Vision has extensive policies and protocols in place to safeguard children and communities against exploitation and abuse of any kind (including sexual), as well as mechanisms that allow communities, beneficiaries and staff to report potential cases of abuse to our organisation. We vet all potential job candidates and seek personal and professional references to provide information about the quality of their humanitarian work. As a faith-based organisation, we often seek pastoral references from an applicant's spiritual leader as part of the recruitment process. A suite of safeguarding, employee and whistleblowing policies is

reinforced by a Code of Conduct and we require all employees to sign and commit to behavioural protocols relating to child protection and treating all individuals with dignity and respect. We provide ongoing training for staff, messaging within communities and active monitoring and surveying in project areas. We have feedback and complaints systems for men, women, boys and girls in the communities we work in and World Vision staff and volunteers are encouraged to report any concerns they have about misconduct. They can also report serious concerns confidentially to a special hotline. All concerns are treated seriously, investigated as necessary and addressed by the appropriate management. Any potentially credible allegations of exploitation or abuse would lead to an immediate investigation and the staff member could be suspended, have their employment terminated or be prosecuted depending on the outcome of the investigation.

### **Diversity and inclusion**

World Vision UK is committed to a diverse and inclusive workplace through recruitment, training, promotion and career development. This includes applicants and employees who are disabled, as well as employees who become disabled during their employment.

### **Remuneration**

The Organisational Effectiveness and Remuneration Committee approves and confirms the arrangements of World Vision UK's remuneration, reward and people management policies. Utilising a structured job evaluation and reward structure, salaries are benchmarked to national salary data. World Vision UK is measured against comparable sector organisations, taking into account charity size, income and sector market rate, and this information, together with any budget restrictions, is used to set rewards.

### **Staff engagement**

We consider staff communication to be critical in ensuring a positive working environment is embedded within the organisation. There's a weekly internal news bulletin, regular updates from the Senior Leadership team, all staff meetings and frequent staff briefings on specific events. The Board Chair also writes to all staff following each Board meeting, briefly outlining the subject matter discussed and any key decisions taken.

Part of communicating with staff is the active partnership between senior management and the Staff Consultative Committee to consult and communicate with a representative body of staff on all matters that impact our employees. Matters that are regularly consulted upon include economic, financial and strategic developments, any employment issues regarding employees' working environment and; any decisions that may lead to substantial changes in organisational structure or terms and conditions.



# Statement of Trustees' responsibilities

The Trustees (who are also Directors of World Vision UK for the purposes of company law) are responsible for preparing the Financial Statements and Annual Report, including the Strategic Report, in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company. The records should also enable the Board to ensure that the financial statements comply with the Companies Act 2006. Trustees 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.

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware. The Trustees have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

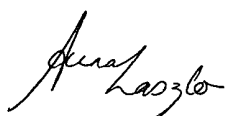
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

The Strategic Report is approved by the Trustees as Directors of World Vision UK.

The Annual Report is approved by the Board on 23 February 2018 and signed on behalf of the Board by:



**Anna Laszlo**

Board Chair – World Vision UK

# Finances

A detailed look at our finances for the financial year ended 30 September 2017

# Statement of financial activities

(including income and expenditure account) for the year ended 30 September 2017

	Notes	Restricted funds £'000	Unrestricted funds £'000	2017 £'000	Restricted funds £'000	Unrestricted funds £'000	2016 £'000
<b>Income from:</b>							
Donations and legacies	2a	82,545	10,104	92,649	84,408	10,336	94,744
Charitable activities	3	-	274	274	---	456	456
Investment	4	-	14	14	-	30	30
Other	5	199	57	256	76	66	142
<b>Total income</b>		<b>82,744</b>	<b>10,449</b>	<b>93,193</b>	<b>84,484</b>	<b>10,888</b>	<b>95,372</b>
<b>Expenditure on:</b>							
Raising funds	6	5,456	4,051	9,507	6,488	5,024	11,512
Charitable activities	7	76,623	3,922	80,545	75,030	6,668	81,698
<b>Total expenditure</b>		<b>82,079</b>	<b>7,973</b>	<b>90,052</b>	<b>81,518</b>	<b>11,692</b>	<b>93,210</b>
Gains on investments	14	-	121	121	-	153	153
<b>Net income/(expenditure)</b>		<b>665</b>	<b>2,597</b>	<b>3,262</b>	<b>2,966</b>	<b>(651)</b>	<b>2,315</b>
<b>Net movement in funds</b>		<b>665</b>	<b>2,597</b>	<b>3,262</b>	<b>2,966</b>	<b>(651)</b>	<b>2,315</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward	19	9,847	8,601	18,448	6,881	9,252	16,133
<b>Total funds carried forward</b>	<b>19</b>	<b>10,512</b>	<b>11,198</b>	<b>21,710</b>	<b>9,847</b>	<b>8,601</b>	<b>18,448</b>

# Balance sheet

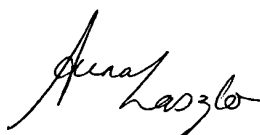
as at 30 September 2017

	Notes	2017 £'000	2016 £'000
<b>Fixed assets</b>			
Intangible assets	12	600	287
Tangible fixed assets	13	5,611	5,755
Investments	14	1,189	1,068
<b>Total fixed assets</b>		<b>7,400</b>	<b>7,110</b>
<b>Current assets</b>			
Debtors	15	13,683	8,615
Cash at bank		9,124	11,248
<b>Total current assets</b>		<b>22,807</b>	<b>19,863</b>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	16	(5,216)	(4,946)
<b>Net current assets</b>		<b>17,591</b>	<b>14,917</b>
<b>Total assets less current liabilities</b>		<b>24,991</b>	<b>22,027</b>
Creditors: Amounts falling due after more than one year	17	(3,281)	(3,579)
<b>Total net assets</b>		<b>21,710</b>	<b>18,448</b>
<b>The funds of the charity</b>			
Total restricted funds	19	10,512	9,847
Tangible fixed assets fund	19	2,632	2,178
Strategic realisation fund	19	2,883	-
General fund	19	5,683	6,423
<b>Total unrestricted funds</b>	<b>19</b>	<b>11,198</b>	<b>8,601</b>
<b>Total funds</b>	<b>19</b>	<b>21,710</b>	<b>18,448</b>

The financial statements of World Vision UK, registered number 1675552, were approved by the Board on 23 February 2018.



Douglas Millican



Anna Laszlo (Board Chair)

# Statement of cash flows

for the year ended 30 September 2017

			2017 £'000	2017 £'000	2016 £'000	2016 £'000
	<b>Cash flows from operating activities:</b>					
	<b>Net cash provided by operating activities</b>	a		(1,433)		3,582
	<b>Cash flows from investing activities:</b>					
	Deposit interest received		14		30	
	Purchase of property, plant and equipment		(84)		(260)	
	Purchase of intangible fixed assets		(335)		(195)	
	<b>Net cash used in investing activities</b>			(405)		(425)
	<b>Cash flows from financing activities:</b>					
	(Repayment) of borrowings		(286)		(294)	
	New borrowing		-		179	
	<b>Cash flows from financing activities</b>			(286)		(115)
	Change in cash and cash equivalents in the year			(2,124)		3,042
	Cash and cash equivalents at the beginning of the year			11,248		8,206
	Cash and cash equivalents at the end of the year	b		9,124		11,248
<b>Notes</b>	<b>Reconciliation of net income to net cash flows from operating activities</b>			2017 £'000		2016 £'000
<b>a</b>	<b>Net income for the year (as per the statement of financial activities)</b>			3,262		2,315
	<b>Adjustments for:</b>					
	Depreciation charge			228		191
	Amortisation charge			22		12
	Gains on investments			(121)		(153)
	Bank interest received			(14)		(30)
	Loss on the disposal of fixed assets			-		6
	Increase in debtors			(5,067)		(1,774)
	Increase in creditors and provisions			257		3,015
	<b>Net cash provided by operating activities</b>			(1,433)		3,582
<b>b</b>	<b>Analysis of cash and cash equivalents</b>			2017 £'000		2016 £'000
	<b>Cash at bank</b>			9,124		11,248
	<b>Total cash at bank</b>			9,124		11,248

# Notes to the accounts

for the year ended 30 September 2017

## I Accounting policies

World Vision UK is a registered charity no. 285908, a company limited by guarantee and registered in England no. 1675552. The members of the charity are the Trustees named on page 48. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The charity's registered office is World Vision House, Opal Drive, Fox Milne, Milton Keynes MK15 0ZR.

### a. Basis of preparation

These financial statements have been prepared in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

### b. Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

### c. Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Financial Review.

### d. Income

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and that the amount can be measured reliably.

Income from government, and other grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Donated goods and services, including the donated element of transportation services provided to the charity at a reduced fee, are valued at market value and included in income when distributed or utilised.

### e. Expenditure

Expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Where expenditure cannot be directly attributed to particular headings, it is allocated on a basis consistent with the use of the relevant resources measured by reference to headcount.

**Expenditure on raising funds** relates to activities that are intended to generate income including servicing supporters who donate under committed giving schemes such as child sponsorship. The cost of fundraising campaigns is expensed in the year in which it is incurred although income derived from the initiatives may arise in future years.

**Charitable activities comprise of the following:**

**Funding for overseas programmes** are monies expensed to overseas programmes or donated goods and services distributed to partner entities.

**Programmes support costs** represent the costs incurred by UK-based staff in assisting programmes overseas, including their technical development, staffing, training, management and financial control.

**Advocacy, education and research** are the costs incurred in the UK in educating or influencing governments, institutions and members of the public on poverty issues and includes campaigning and lobbying, public policy and research work, Christian engagement activities and educational and news publications.

**Governance costs** relate to the general running of the charity as opposed to the direct management functions inherent in the activities of the charity. They provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability and include the strategic planning processes that contribute to the future development of the charity.

## f. Foreign exchange

Transactions denominated in foreign currency are translated into Sterling and recorded at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Sterling at the exchange rates at the balance sheet date. Translation differences are dealt with in the Statement of Financial Activities.

## g. Tangible fixed assets and depreciation

Except for laptops and computer peripherals, which are expensed on acquisition, tangible fixed assets costing more than £1,000 are capitalised.

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:

Freehold land	nil
Building	50 years
Equipment, including computers	3 or 5 years
Other fixed assets, including software	3 to 10 years

## h. Intangible fixed assets and amortisation

Intangible fixed assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over its expected useful life of 5 years.

Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

## i. Investments

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

## j. Funds

**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 Trustees. The Tangible fixed assets fund represents the net book value of fixed assets less related borrowings, and therefore is not available for distribution. The Strategic realisation fund represents funds set aside to finance planned activities to implement the Charity's strategy.

**The General fund** comprises of accumulated surpluses less deficits after transfers to designated funds. It allows the charity to budget for anticipated commitments in the short and medium-term and to provide adequate working capital.

## k. Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

## l. Leasing commitments

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

## m. Irrecoverable Value Added Taxation (VAT)

The company is unable to recover the majority of Value Added Taxation charged on its purchases which is included in the related expense or asset in the accounts.

## n. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

## o. Cash at bank

Cash at bank is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments. A cash equivalent will normally have a short maturity of three months or less from the date of acquisition

## p. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## q. Financial instruments

World Vision UK only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### **r. Volunteers**

World Vision UK had nine volunteers working in its offices across all areas in 2017. In accordance with the SORP, no monetary value has been attributed to their work. The tasks undertaken would, if not performed by volunteers, require the employment of paid personnel. World Vision UK is grateful for the support of volunteers which help enable monetary donations to go further.

#### **s. Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom exactly equal the related actual results. It is in the opinion of the Trustees that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



## 2a Donations and legacies

At 30 September 2017, the number of children in the child sponsorship committed giving scheme was approximately 84,000 (2016: 92,000).

	Restricted £'000	Unrestricted £'000	2017 £'000	2016 £'000
<b>Committed giving and other donations</b>				
Child Sponsorship committed giving scheme	21,755	-	21,755	23,243
Legacies	71	385	456	479
Other donations	2,508	3,963	6,471	6,359
Tax recovered under Gift Aid	-	5,756	5,756	6,158
	24,334	10,104	34,438	36,239
<b>Donations for emergencies</b>				
Emergency appeals	1,097	-	1,097	370
Disasters Emergency Committee appeals	1,727	-	1,727	2,383
	2,824	-	2,824	2,753
Institutional grants (see Note 2b)	38,784	-	38,784	46,548
Donated goods and services (see Note 2c)	16,603	-	16,603	9,204
<b>Total donations and legacies</b>	<b>82,545</b>	<b>10,104</b>	<b>92,649</b>	<b>94,744</b>

## 2b Institutional grants

	2017 £'000	2016 £'000
Development grants	31,100	31,542
Relief grants	7,684	15,006
	<b>38,784</b>	<b>46,548</b>

Grants receivable from:		
Department for International Development (DFID):		
Programme Partnership Arrangement (PPA)	984	3,938
Girls' Education Challenge	2,703	4,099
DRC Primary Healthcare Access	1,232	2,736
BRACED - Myanmar	164	469
Turkana Arid Lands Support Programme	-	322
Nutrition Programme Turkana	340	71
African Climate Change Resilience Alliance	20	111
SHARP	628	1,532
Response to Drought-Affected Communities in Zimbabwe	1,504	709
CDAC Grant	1,210	1,032
Ebola Crisis West Africa	2,430	12,092
El Nino Response	4,256	1,744
Syria Emergency Response	(199)	-
Stronger Cities Initiative	52	9
Sambizga Mwana Education Project	-	85
El Nino recovery lending VFI	81	119
Unlocking Productive Sorghum Earning for Livelihoods and Livestock	41	65
Protracted Relief Programme	-	(36)
Typhoon Haiyan Response	-	(28)
Forest Management and Livelihoods in Malawi	172	-
Effectiveness of Cash Programming on Nutrition Outcomes	104	-
Girls Education Challenge - Transition	169	-
The Global Fund to Fight AIDS, Tuberculosis and Malaria	7,821	7,418
United Nations	3,739	3,327
European Community Humanitarian Office (ECHO)	608	2,557
Other European Union	9,423	1,793
Start Fund	798	1,857
Other	504	527
	<b>38,784</b>	<b>46,548</b>

## 2c Donated goods and services

	2017 £'000	2016 £'000
Donated goods and services received from:		
World Food Programme (WFP) and other UN agencies	7,948	6,405
Department for International Development	8,655	2,799
	16,603	9,204

Donated goods and services received from the Department for International Development (DFID) in 2017 included £2,380,000 of income pertaining to distributions in 2016. This was not recorded in 2016 as confirmation of 2016 distributions was not received until May 2017, after the annual report was signed. An equivalent amount of charitable expenditure was also not recorded in 2016 and has been recorded in 2017 (see Note 7). This error has not been corrected as a prior period adjustment on the grounds that it has no impact to reserves, cash flow or the net surplus in either year, and is not material to the readers of the accounts.

## 3 Income from charitable activities

During the year, the charity earned income from contracts for the supply of services provided for the benefit of the charity's beneficiaries from the following parties:

	2017 £'000	2016 £'000
Department for International Development	-	318
Start Fund - Start Fund Meal Contract	274	138
	274	456

## 4 Investment income

	2017 £'000	2016 £'000
Bank interest	14	30
	14	30

## 5 Other income

	2017 £'000	2016 £'000
Use of premises	57	66
Brand marketing	199	76
	256	142

Use of premises income relates to administration fees and income relating to the use of the charity's premises by other parties. Brand marketing income relates to a grant from World Vision International which contributed towards a brand marketing campaign during the year.

## 6 Expenditure

	Costs of generating funds £'000	Funding to overseas programmes £'000	Programme support costs £'000	Advocacy, education and research £'000	Governance £'000	Support costs £'000	2017 total £'000	2016 total £'000
Raising funds	7,143	-	-	-	498	1,866	9,507	11,512
Charitable activities (see Note 7)	-	76,798	192	1,703	197	1,655	80,545	81,698
<b>Total resources expended</b>	<b>7,143</b>	<b>76,798</b>	<b>192</b>	<b>1,703</b>	<b>695</b>	<b>3,521</b>	<b>90,052</b>	<b>93,210</b>

Costs incurred in the United Kingdom:	Programme support £'000	Advocacy, education and research £'000	Cost of generating funds £'000	Governance costs £'000	Support costs £'000	2017 £'000	2016 £'000	Basis of Allocation
Salaries	2,554	1,449	3,707	548	1,488	9,746	10,410	Direct
Employment benefits	7	4	5	16	307	339	368	Direct
Temporary staff	79	91	385	(2)	225	778	372	Direct
Training	30	13	50	7	36	136	174	Direct
Recruitment	10	5	35	10	168	228	175	Direct
Travel and subsistence	266	130	207	26	33	662	683	Direct
Advertising	12	64	460	-	-	536	645	Direct
Research and consultancy	608	117	267	4	(1)	995	808	Direct
Other marketing and communications	96	402	2,131	11	155	2,795	5,660	Direct
Equipment maintenance and rental	1	6	31	19	360	417	346	Direct
Depreciation and amortisation	-	-	-	-	251	251	203	Direct
Occupancy and supplies	86	71	109	22	368	656	634	Direct
Legal and professional	-	2	23	27	89	141	64	Direct
Bank charges and exchange differences	4	2	16	7	4	33	(38)	Direct
Mortgage interest	-	-	-	-	38	38	49	Direct
	<b>3,753</b>	<b>2,356</b>	<b>7,426</b>	<b>695</b>	<b>3,521</b>	<b>17,751</b>	<b>20,553</b>	
Allocation of support costs	949	706	1,866	-	(3,521)	-	-	
	<b>4,702</b>	<b>3,062</b>	<b>9,292</b>	<b>695</b>	<b>-</b>	<b>17,751</b>	<b>20,553</b>	
Governance costs are made up as follows:								
Board (includes Trustees' remuneration - see Note 11)						47	62	
Statutory audit (see Note 8)						40	40	
Management						608	663	
						<b>695</b>	<b>765</b>	

## 7 Charitable activities

	Restricted £'000	Unrestricted £'000	2017 £'000	2016 £'000
<b>Support was given to the following regions (including donated goods and services)</b>				
East Africa	25,374	1,353	26,727	23,041
Southern Africa	30,014	882	30,896	21,026
West Africa	7,765	106	7,871	19,358
Asia	5,831	383	6,214	7,323
Latin America	2,742	-	2,742	2,260
Middle East/Eastern Europe	2,161	187	2,348	3,877
<b>Total remittances to overseas programmes</b>	<b>73,887</b>	<b>2,911</b>	<b>76,798</b>	<b>76,885</b>
Programme support costs	844	297	1,141	837
Advocacy, education and research	1,696	714	2,410	3,439
Governance	197	-	197	537
	76,623	3,922	80,545	81,698
<b>Number of countries supported</b>			<b>38</b>	<b>43</b>

Included in charitable expenditure is £2,380,000 pertaining to distributions of donated goods and services in 2016. This was not recorded in 2016 as confirmation of 2016 distributions was not received until May 2017, after the Annual Report was signed. An equivalent amount of charitable income, received from the Department for International Development, was also not recorded in 2016 and has been recorded in 2017 (see Note 2c). This error has not been corrected as a prior period adjustment on the grounds that it has no impact to reserves, cash flow or the net surplus in either year, and is not material to the readers of the accounts.

### Funding to overseas programmes

Most of our expenditure to overseas programmes for development, relief and advocacy were made to the regions listed above through World Vision International to World Vision partner entities. We also made payments for overseas programmes through non-World Vision partners.

World Vision UK's share of the programme costs of World Vision International which are not country specific are included above in proportion to the charity's remittances to World Vision International for each region.

## 8 Net income/(expenditure)

		2017 £'000	2016 £'000
<b>This is stated after charging:</b>			
Depreciation of owned assets		215	191
Amortisation of assets held under finance leases		35	12
Operating lease rentals – plant and machinery		178	100
Operating lease rentals – buildings		120	119
Interest payable on mortgage loans		38	49
Auditors' remuneration – audit fees		40	40
– other		-	10

## 9 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the periods:

	Property		Equipment	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Less than one year	132	122	49	103
One to five years	297	394	166	152
More than five years	-	33	-	-
	429	549	215	255

## 10 Employee costs

	2017 £'000	2016 £'000
Aggregate payroll costs were as follows:		
Wages and salaries	8,106	8,723
Social security costs	832	858
Other pension costs	808	829
	9,746	10,410
	Number	Number
The number of employees whose actual emoluments (excluding pension costs and Employers National Insurance Contributions) fell in the following bands is:		
£60,001 - £70,000	-	-
£70,001 - £80,000	3	3
£80,001 - £90,000	1	2
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

The key management personnel of the charity comprise the Trustees, the Chief Executive, Director of Organisational Effectiveness, Director of Finance and Risk, Director of Policy and Programmes, Director of Fundraising, and Director of Marketing and Communications.

The highest paid employee is the Chief Executive whose remunerations and benefits, including pension contributions and Employers National Insurance contributions in the year were £126,000 (2016: £125,000). The total remuneration and benefits including pension contributions and Employers National Insurance Contributions of the key management personnel were £549,000, 6 roles (2016: £593,000, 6 roles).

The functional analysis of average monthly:

	Number	Number
Fundraising and supporter communication	121	133
Programme support	57	59
Advocacy, education and research	52	61
Support and governance	71	70
	301	323

While World Vision UK supports and controls its overseas programmes from the UK, implementation is performed through field-based partners, mostly members of the World Vision Partnership. This means that the Charity does not employ staff to implement programmes and a large proportion of the Charity's staff raise funds for those programmes and work with its supporters.

## 11 Trustees' remuneration

The Trustees' received no remuneration for their services. Directly incurred expenses are reimbursed, if claimed, and in 2017 totalled £2,235 (2016: £5,498), which was claimed by 4 Trustees (2016: 8 trustees).

Expenses principally relate to travel in the UK and to overseas programmes.

Indemnity insurance is provided for the Trustees and Principal Officers of the charity. Premiums paid totalled £13,200 (2016: £12,720).

## 12 Intangible fixed assets

	<b>Assets in course of development £'000</b>	<b>Software £'000</b>	<b>Total £'000</b>
<b>Cost:</b>			
At 1 October 2016	269	3,864	4,133
Transfer of Assets	(269)	269	-
Additions	-	335	335
Disposals	-	(13)	(13)
At 30 September 2017	-	4,455	4,455
<b>Amortisation:</b>			
At 1 October 2016	-	3,846	3,846
Charge for the year	-	22	22
Disposals	-	(13)	13
At 30 September 2017	-	3,855	3,855
<b>Net book value:</b>			
At 30 September 2017	-	600	600
At 1 October 2016	269	18	287

### 13 Tangible fixed assets

The cost of freehold land amounting to £670,000 (2016: £670,000) is not depreciated.

	Freehold land and building £'000	Computer and office equipment £'000	Fixtures and fittings £'000	Total £'000
Cost:				
At 1 October 2016	7,050	392	464	7,906
Additions	-	57	27	84
Disposals	-	(72)	-	(72)
At 30 September 2017	7,050	377	491	7,918
Depreciation:				
At 1 October 2016	1,651	202	298	2,151
Charge for the year	128	60	40	228
Disposals	-	(72)	-	(72)
At 30 September 2017	1,779	190	338	2,307
Net book value:				
At 30 September 2017	5,271	187	153	5,611
At 1 October 2016	5,399	190	166	5,755

### 14 Investments

All fixed asset investments are held within the UK.

	2017 £'000	2016 £'000
Fixed assets		
<b>Common investment funds held by the charity</b>		
Market value at 1 October	1,068	915
Net investment gains	121	153
<b>Market value at 30 September</b>	<b>1,189</b>	<b>1,068</b>
Historical cost at 30 September	452	452



## 15 Debtors

	2017 £'000	2016 £'000
Institutional grants receivable	8,578	4,814
Amounts owed by other World Vision entities	2,591	2,008
Tax recoverable	867	1,562
Prepayments and accrued income (including legacy income)	622	198
Other debtors	1,025	33
	13,683	8,615

## 16 Creditors

Amounts falling due within one year

	2017 £'000	2016 £'000
Mortgage loan (see also note 17)	238	225
Amounts owed to other World Vision entities	35	86
Hire purchase loan	60	60
Accruals	1,225	974
Taxation and social security	252	252
Other creditors	3,406	3,349
	5,216	4,946

Included within 'Other creditors' are outstanding pension contributions amounting to £73,000 (2016: £78,000).

## 17 Creditors

Amounts falling due after more than one year

The mortgage loan is secured on the charity's property and is repayable over 25 years from October 2003.

Interest is charged at LIBOR (London Inter-Bank Offer Rate) plus a MLA cost (Mandatory Liquid Assets cost) plus 0.7%.

	2017 £'000	2016 £'000
Mortgage loan repayable between 1-5 years	1,091	1,033
Mortgage loan repayable in more than 5 years	2,150	2,446
	3,241	3,479
Hire purchase loan repayable 1-5 years	40	100
Total liabilities due after more than 1 year	3,281	3,579

## 18 Financial instruments

	2017 £'000	2016 £'000
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	1,189	1,068
Financial assets measured at amortised cost	22,527	19,665
	23,716	20,733
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	8,139	8,487
Financial assets measured at fair value through income and expenditure comprises common investment funds. Financial assets measured at amortised cost comprise cash at bank, trade debtors and accrued income. Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors. The entity's income, expense, gains and losses in respect of financial instruments are summarised below:		
	2017 £'000	2016 £'000
<b>Income, expense, gains and losses</b>		
Total investment income for financial assets measured at fair value through income and expenditure	121	153
Net gains on financial assets measured at amortised cost through income and expenditure	14	30

# 19 Funds

The transfer between the General fund and the designated Tangible fixed assets fund represents net movements on fixed assets and the related loan.

The Strategic realisation fund represents funds set aside to finance planned activities to implement the Charity's strategy. It is expected that the fund shall be utilised over the next 18 months.

The General fund at 30 September 2017 includes cumulative net unrealised gains on investments of £727,000 (2016: unrealised gain of £616,000), see Note 14.

Restricted funds £'000		Unrestricted funds		Total £'000
		Designated Tangible fixed asset fund £'000	General fund £'000	
Balance at 1 October 2015	6,881	1,879	7,373	16,133
Incoming resources	84,484	-	10,888	95,372
Outgoing resources	(81,518)	-	(11,692)	(93,210)
Transfers between funds	-	299	(299)	-
Net unrealised investment gain	-	-	153	153
<b>Balance at 30 September 2016</b>	<b>9,847</b>	<b>2,178</b>	<b>6,423</b>	<b>18,448</b>
<b>Represented by:</b>				
Tangible fixed assets	-	6,042	-	6,042
Investments	-	-	1,068	1,068
Debtors	6,608	-	2,007	8,615
Cash at bank and in hand	3,239	-	8,009	11,248
Creditors: amounts falling due within one year	-	(286)	(4,660)	(4,946)
Creditors: amounts falling due after more than one year	-	(3,578)	(1)	(3,579)
<b>Balance at 30 September 2016</b>	<b>9,847</b>	<b>2,178</b>	<b>6,423</b>	<b>18,448</b>

Restricted funds £'000		Unrestricted funds			Total £'000
		Tangible fixed assets fund £'000	Strategic realisation fund £'000	General fund £'000	
Balance at 1 October 2016	9,847	2,178	-	6,423	18,448
Incoming resources	82,744	-	-	10,449	93,193
Outgoing resources	(82,079)	-	(750)	(7,223)	(90,052)
Transfers between funds	-	454	3,633	(4,087)	-
Net unrealised investment gain	-	-	-	121	121
<b>Balance at 30 September 2017</b>	<b>10,512</b>	<b>2,632</b>	<b>2,883</b>	<b>5,683</b>	<b>21,710</b>
<b>Represented by:</b>					

Tangible fixed assets	-	6,211	-	-	6,211
Investments	-	-	2,883	(1,694)	1,189
Debtors	9,622	-	-	4,061	13,683
Cash at bank and in hand	890	-	-	8,234	9,124
Creditors: amounts falling due within one year	-	(298)	-	(4,918)	(5,216)
Creditors: amounts falling due after more than one year	-	(3,281)	-	-	(3,281)
<b>Balance at 30 September 2017</b>	<b>10,512</b>	<b>2,632</b>	<b>2,883</b>	<b>5,683</b>	<b>21,710</b>

	<b>Balance 2015 £'000</b>	<b>Incoming resources £'000</b>	<b>Outgoing resources £'000</b>	<b>Transfers between funds £'000</b>	<b>Balance 2016 £'000</b>
<b>Restricted funds</b>					
East Africa	2,507	22,024	(21,872)	-	2,659
Southern Africa	790	21,600	(18,357)	-	4,033
West Africa	988	18,999	(19,273)	-	714
Asia	277	7,760	(7,850)	-	187
Latin America	180	2,932	(3,061)	-	51
Middle East/Eastern Europe	208	4,138	(4,281)	-	65
Cross regional initiatives	1,931	7,031	(6,824)	-	2,138
<b>Total</b>	<b>6,881</b>	<b>84,484</b>	<b>(81,518)</b>	<b>-</b>	<b>9,847</b>

	<b>Balance 2016 £'000</b>	<b>Incoming resources £'000</b>	<b>Outgoing resources £'000</b>	<b>Transfers between funds £'000</b>	<b>Balance 2017 £'000</b>
<b>Restricted funds</b>					
East Africa	2,659	28,772	(26,525)	-	4,906
Southern Africa	4,033	26,685	(28,243)	-	2,475
West Africa	714	8,319	(7,269)	-	1,764
Asia	187	5,548	(5,480)	-	255
Latin America	51	3,273	(2,585)	-	739
Middle East/Eastern Europe	65	2,257	(2,053)	-	269
Cross regional initiatives	2,138	7,890	(9,924)	-	104
<b>Total</b>	<b>9,847</b>	<b>82,744</b>	<b>(82,079)</b>	<b>-</b>	<b>10,512</b>

## 20 Commitments and contingent liabilities

### **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.

### **Contingent liabilities**

There were no contingent liabilities at year end (2016: none).

## 21 Taxation

As a registered charity the company is exempt from taxation on its income and gains to the extent that they are applied for its charitable purposes.

## 22 Related party transactions

Marie-Eve Coulomb is a member of the Board of World Vision UK. Marie-Eve Coulomb is World Vision International's President's representative. During the year, Stephen Phelps was a member of both the Board of World Vision UK and World Vision International. He resigned from both posts in November 2016.

The charity remitted £64,733,000 (2016: £62,035,000) to World Vision International to fund overseas programme costs (see also Note 7) and charged £62,000 (2016: £68,000) for office space, IT and payroll services.

At the end of the year, World Vision International and its partner entities owed the charity £2,591,000 (2016: £2,008,000). See Note 15.

# Independent auditor's report

to the Members of World Vision UK

## Opinion

We have audited the financial statements of World Vision UK for the year ended 30 September 2017 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

### In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

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

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the strategic report and the Directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

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 strategic report or the Directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of Trustees

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

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

N. Hashemi

**Naziar Hashemi**  
Senior Statutory Auditor  
For and on behalf of  
Crowe Clark Whitehill LLP  
London  
6 March 2018

# Trustees, principal officers and advisers

## Board of Trustees

Serena Brown  
Simon Burne  
Martin Campbell (appointed November 2017)  
Jennifer Collins  
Marie-Eve Coulomb  
Linda Emery  
Richard Izard  
Anna Laszlo, Board Chair  
Keith Malcouronne (retired March 2017)  
Douglas Millican (appointed March 2017)  
Mark Parsons  
Andrew Reed  
Rev Canon David Richards  
Julian Thomas

## Secretary

Paul Wratten

## Principal Officers

### Chief Executive

Tim Pilkington

### Policy and Programmes Director

David Westwood

### Fundraising Director

Graeme Newton

### Marketing and Communications Director

Steve Wood (until 30 September 2017)

Fiona Smith (appointed October 2017)

### Strategy Director

Christine Hillman (end of role 08 February 2017)

John Greaves (appointed May 2017)

### Finance and Risk Director

Paul Wratten

### People and Culture Director

Adrian Blair (until 30 April 2017)

Christine Bennett (until 28 September 2017)

Jacquie Heany (appointed February 2018)

## Auditors

### Crowe Clark Whitehill LLP

St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

## Bankers

### Lloyds Bank plc

249 Silbury Boulevard  
Secklow Gate West  
Milton Keynes MK9 1NA



**Allied Irish Bank**

Park View House  
58 The Ropewalk  
Nottingham NG1 5DW

**Registered Office**

World Vision House  
Opal Drive  
Fox Milne  
Milton Keynes MK15 0ZR

# Thank you

With special thanks to all the supporters listed: individuals; families; charitable trusts; companies; and institutions who have invested significantly in our work this year – plus those who wish to remain anonymous. We really value your partnership as we serve the world's most vulnerable children.

Mr and Mrs Shamus and Catherine Duffy  
Department for International Development  
Disasters Emergency Committee  
Elrha  
European Commission  
European Community Humanitarian Office  
European Union Food Security  
The Fielding Family Trust  
The Food and Agriculture Organization  
GAGE Foundation  
The Gisela Graham Foundation  
Global Fund to Fight AIDS, Tuberculosis and Malaria  
Guernsey Overseas Aid Commission  
Goodwood Racecourse Ltd  
Keith and Ruth Guthrie  
Mr David Henderson OBE  
Hotel Puente Romano  
Mr R P Jarvis  
Helen and Kevin Jenkins  
Mr and Mrs Jessop  
Jersey Overseas Aid Commission  
The Latin American Children's Trust  
Lightsource Renewable Energy Ltd  
The MacDaibhidh Charitable Trust  
Nelson New Forest Foundation  
Owl Live Limited  
Persula Foundation  
Premier Contract Supplies  
Mr Don Procter  
Mrs Sarah Sherwin  
Mr James Sim  
Mr John Simpson  
Alison Smith  
The Souter Charitable Trust  
Start Fund  
Tisbury Telegraph Trust  
Mrs Susan Tobbell  
United Nations  
UNICEF  
Mr and Mrs Steve and Carolyne Walker  
Wider Plan  
World Food Programme

We also thank our many supporters who make great sacrifices to give smaller amounts. Your contributions are greatly appreciated.

# Join us

There are many ways you can support our mission to transform the lives of the world's most vulnerable children, including giving, campaigning and prayer.

## Sponsor a child

Child sponsorship enables you to give your love and support to a vulnerable child living in one of the world's hardest places. You can form a real relationship with the child you sponsor, become one of the special people in their life and help to give them a future free from need and full of promise.

**To sponsor a child today:**

**Tel: 0800 50 10 10**

**[www.worldvision.org.uk/child-sponsorship](http://www.worldvision.org.uk/child-sponsorship)**

## Help the most vulnerable

Raw Hope is an initiative with the sole aim of saving and protecting children in the world's most dangerous places; children who are beyond the reach of child sponsorship. A pledge of £10 a month will give these children an increased chance of survival, and offer hope for their protection.

**Sign up to Raw Hope at: [www.worldvision.org.uk/raw-hope](http://www.worldvision.org.uk/raw-hope)**

## End violence against children

Violence, in all its forms, is the biggest issue affecting children today. With your help, World Vision is helping to break this cycle of violence. Follow us on Facebook and Twitter for the latest news on how we're making a difference; or email us to be among the first to hear when we launch our new campaign to end violence against children.

**Email: [info@worldvision.org.uk](mailto:info@worldvision.org.uk)**

## Leave a lasting gift

By remembering World Vision in your will, you can help fund essential projects giving children the opportunity to experience life in all its fullness. Any gift, large or small, will help to ensure that children are cared for and protected.

**To find out more and request a free legacy brochure:**

**Tel: 01908 84 10 60**

**Email: [legacies@worldvision.org.uk](mailto:legacies@worldvision.org.uk)**

## Pray with us

We really value your prayers for our work across the world. We believe God will use your prayers to bring life in all its fullness to everyone we work with.

**View the prayer requests we have received from the communities you support at:**

**[www.worldvision.org.uk/get-involved/prayers](http://www.worldvision.org.uk/get-involved/prayers)**

## Follow us

Stay in touch and find out what you can do to help.

**Follow us: [@WorldVisionUK](https://twitter.com/WorldVisionUK)**

**“I have come that  
they may have life  
and have it to the full”**

John 10:10

**World Vision UK**

World Vision House, Opal Drive,  
Fox Milne, Milton Keynes MK15 0ZR

tel: +44 (0) 1908 84 10 00

fax: +44 (0) 1908 84 10 01

email: [info@worldvision.org.uk](mailto:info@worldvision.org.uk)

[www.worldvision.org.uk](http://www.worldvision.org.uk)

World Vision UK is a registered charity no. 285908, a company limited by guarantee and registered in England no. 1675552.  
Registered office as above.