

**CISV INTERNATIONAL LIMITED**  
(a charitable company limited by guarantee)

**Report and Consolidated Financial Statements**

**For the year ended 31 December 2016**

**Company Registration: 03672838**  
**Charity number: 1073308**

**CISV INTERNATIONAL LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

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# CISV INTERNATIONAL LIMITED

## TRUSTEES REPORT

### YEAR ENDED 31 DECEMBER 2016

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The trustees present their report together with the financial statements of the group for the year ending 31 December 2016. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### 1. Reference and Administrative information

Charity number: 1073308

Company number: 3672838

#### Trustees

The term of office for Trustees begins on 1 September.

The Trustees who served during the year and were in office until 31 August 2016 were as follows:

Massimo Crudeli, Chair	Term ended 31 August 2016
Soliman El Ashkar, Vice Chair	Term ended 31 August 2016
Luis Akle	Term ends 31 August 2017
Einav Dinur	Term ends 31 August 2018
Leah Donelan	Term ended 31 August 2016
Daniel Edelshaim	Term ends 31 August 2017
Anne-Caroline Paquet	Term ends 31 August 2018
Madhuri Parikh	Term ends 31 August 2018
David Kruse-Pickler	Term ends 31 August 2017

The terms of Massimo Crudeli, Soliman El Ashkar and Leah Donelan ended on 31 August 2016. Gustavo Cuellar, Calixto Mateos Hanel and Vinh Prag were elected in July 2016 and took office on 1 September. The Board then reorganized its offices.

From September through the end of 2016, the Trustees have been as follows:

Daniel Edelshaim, Chair	Term ends 31 August 2017
Luis Akle, Vice Chair	Term ends 31 August 2017
Gustavo Cuellar	Term ends 31 August 2019
Einav Dinur	Term ends 31 August 2018
David Kruse-Pickler	Term ends 31 August 2017
Calixto Mateos Hanel	Term ends 31 August 2019
Anne-Caroline Paquet	Term ends 31 August 2018
Madhuri Parikh	Term ends 31 August 2018
Vinh Prag	Term ends 31 August 2019

The Trustees were not members of the Limited Company during the year ended 31 December 2016.

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#### **Secretary & Secretary General**

Gabrielle S Mandell

#### **Fiscal Officer**

David Scholfield

#### **Auditors**

Robson Laidler Accountants Limited  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
NE2 1TJ

#### **Bankers**

Lloyds Bank plc  
102 Grey Street  
Newcastle upon Tyne

#### **Solicitors**

Ward Hadaway  
Sandgate House  
102 Quayside  
Newcastle upon Tyne  
NE1 3DX

#### **Registered Office**

MEA House  
Ellison Place  
Newcastle upon Tyne  
NE1 8XS

## **2. Structure, Governance and Management**

### **Governing document**

CISV International Limited ("CISV International") is a company limited by guarantee governed by its Memorandum and Articles of Association originally dated 17 December 1998. Amendments were decided by the Members at the 2001 and then the 2007 Annual General Meetings. In 2013, reflecting a governance restructure, the Memorandum and Articles of Association were fully reviewed and significant amendments were approved. Changes to the section relating to the election of Trustees were also approved by the Members at the General Meeting in 2015. CISV International is also registered as a charity with the Charity Commission.

### **Appointment of Trustees**

There are nine Trustees of the Governing Board and they appoint from among them, a Chair, Vice-Chair or other positions. The Secretary General of CISV International is entitled to attend and participate in meetings of Trustees but shall not be entitled to vote.

The Trustees are elected by the Members for a term of three years. One Trustee shall be elected solely by the Junior Branch, but does not represent the Junior Branch. The process leading up to the election each year is managed by an Election Committee established annually for that specific purpose.

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Any Trustee who has held office for a complete period of three years since his or her appointment shall retire from office, but may be re-elected for only one further term. Terms are staggered so that three Trustees retire and three are elected each year.

#### **Trustee Induction and Training**

When new Trustees are appointed, a meeting takes place to familiarise new Trustees with some of the main responsibilities, particularly regarding charity and company law. Internal orientation and briefing notes have been prepared for new Trustees on the corporate structure of CISV International and related organizations. In addition, they receive trustee information from Companies House. The Governance Team advises the Chair regarding Trustee training needs. In 2016, we piloted a new Trustee Orientation process, which was well received. The Trustees will determine the specific areas of responsibility for each Trustee and will inform the Members of such.

#### **Organization Structure**

CISV provides a range of unique, educational group activities, which develop cross-cultural understanding in children and youth from around the world. These activities are hosted by a grass-roots volunteer federation of full member National Associations (of which there are currently 51) and developing Promotional Associations (of which 19 are currently active). Generally, one CISV Association (either National or Promotional) exists in each country affiliated with CISV and is comprised of local CISV Chapters and youth-run Junior Branches. CISV has approximately 55,000 members world-wide, among whom are the volunteer leaders running CISV International programmes. CISV National/Promotional Associations cooperate internationally through their membership in the umbrella organization of CISV International.

CISV International assists and guides its member Associations by coordinating the international aspects of the programmes, providing policy direction, expertise and infrastructure support.

#### **a) Members of CISV International**

The voting members of the Company are the CISV National Associations (NA) and the Junior Branch. Each National Association selects a representative to participate in Member meetings and discussions and cast votes on its behalf. The two International Junior Representatives (IJR) are elected in alternate years for a two-year term by the National Junior Representatives appointed by each National Association's Junior Branch.

The Members retain the authority to appoint (or remove) Trustees and to bring matters to the Trustees. There are a number of areas, set out in the Articles of Association, where Member approval is required for any Board action. Most annual business (such as appointing Trustees) is done electronically. An in-person general meeting takes place at each CISV Global Conference (starting in 2015 and then to be held every three years). In addition, general meetings can be called by the Trustees or the Members and can be conducted virtually or in person.

#### **b) CISV International's Committee and Team structure**

There are five standing Committees of the Board:

- Chapter Development Committee
- Educational Programmes Committee
- Training and Quality Assurance Committee
- Conferences and Events Committee
- Resources and Infrastructure Committee

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There is also an International Junior Branch Team, which has a direct relationship with the Governing Board. Each of the Committees is chaired by a Trustee and includes volunteers and, in most cases, senior staff. Every Committee also includes a member of the International Junior Branch Team. The Committees' focus is on the policy and strategic development of their areas. They report directly to the Governing Board.

Most Committees are supported by a Senior Manager who is a member of the Committee. Once the recommendations of the Committee are accepted by the Board, the work of implementing those recommendations is delegated to the Senior Manager, who is responsible for managing and supporting the Regional Coordinators and International Office staff assigned to this area to achieve the work to be done.

CISV International has three administrative Regions – Americas, Asia-Pacific and Europe, Middle East and Africa (EMEA). These Regions are served by Regional Delivery Teams, led by specialist Regional Coordinators. The Regional Delivery Teams are for Chapter Development, Educational Programmes, and Training and Risk Management and there is also a Regional Coordinator for Conference and Events.

#### **c) CISV International Junior Branch**

Junior Branch is an integral, but self-governing part of the structure of CISV. Its goals include developing community among its members (typically aged 11–25), motivating and developing the skills necessary to take an active role in CISV activities and administration, and developing skills in areas such as leadership and intercultural cooperation.

As noted above, there is an International Junior Branch Team. Although the Team ultimately reports to the Governing Board, they are not a Committee of the Board as the Junior Branch is self-governing. A Trustee and, where possible, a senior staff member have an advisory or mentoring relationship with the Team, but the Team manages itself. The International Junior Branch organizes activities including an annual conference, fosters active participation in its democratic procedures and oversees and encourages the advancement of the Junior Branch goals at all levels of the organization.

#### **d) CISV's International Office**

Located in Newcastle upon Tyne, England, the International Office contributes to CISV's purpose of educating and inspiring action for a more just and peaceful world by providing high-level input, management, administration and support to all aspects of CISV International operations and strategic development.

A Senior Management Team oversees the day-to-day work of the organization. The management roles generally correspond to the Committee areas and are:

- Chapter Development Manager
- Communications and Fundraising Manager
- Educational Programmes and Administration Manager
- International Risk Manager
- Training and Quality Assurance Manager

The office staff also includes the Fiscal Officer, the Operations Officer and Administrators.

### 3. Governance and Internal Control

The Board established a Governance Team in 2015, which includes Trustees and the Secretary General. This Team supports the Board's governance mandate and operations, particularly with regard to:

- Implementing and monitoring the governance framework
- Board performance evaluation
- Trustee development and training.

The International Office and the Resources and Infrastructure Committee, work closely together. The Secretary General is the senior staff person on the Committee and both the Fiscal and Operations Officers attend all meetings and work with Committee members. They communicate regularly regarding debtors and budget. A plan, annual budget and quarterly management accounts are prepared and discussed on a timely basis.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- Workplans and an annual budget approved by the Trustees.
- Regular consideration by the Resources and Infrastructure Committee and Trustees of financial results, variances from budgets, non-financial performance indicators and bench marking reviews.

The Training and Quality Assurance Committee (including the International Risk Manager) has responsibility for oversight of risk management, primarily as it relates to our programmes.

### 4. Objectives and Activities

Our main activities are described below and are undertaken to further our charitable purposes for the public benefit. They have positive public impact in the United Kingdom and in countries around the world. All our charitable activities focus on educating people and inspiring them to become active citizens contributing to a more just and peaceful world.

#### Objects of the charity

- To further education in international understanding of children throughout the world, without the distinction of race, religion or politics, so that they may grow to maturity conscious of their responsibilities as human beings.
- To develop the individual child's potential for co-operation with others.
- To carry out further research, contributing to this work.

#### Activities

**CISV's educational philosophy:** CISV educates through action, stressing cooperation rather than competition in its activities. Its programmes are interactive, sensitive to cultural variation, multi-lingual and fun. By letting participants learn from direct experience rather than from books and teachers, CISV provides unrivalled opportunities for experiential education. Examples of experiential activities include role-play exercises, games, simulations, and music and drama. These are then followed up by discussions based on the learning experience, and formative evaluation.

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**The CISV Village** is a four-week international camp for 11 year olds that brings together delegations of five people (two boys, two girls and one volunteer leader) from 12 countries to participate in a multi-language camp featuring a mix of educational, cultural and sporting activities that emphasize cooperative and intercultural living.

**Interchange** is a bilateral group exchange programme for 12 to 15 year olds between two international chapters. Each chapter sends delegations (usually five girls and five boys plus a volunteer leader) to spend two to four weeks with carefully selected host families. The Interchange programme enables participants to develop a deeper understanding and appreciation of another culture by giving young people an opportunity to live as family members.

**Step Up** is a three-week camp for teens aged 14 and 15 that builds self-confidence and leadership skills by encouraging participants to take responsibility for programme planning and activities. The camp brings together delegations of four young people and an adult leader from nine countries. Camp activities and discussions focus upon a specific educational theme with the goal of helping participants confront and overcome prejudices and stereotypes, develop critical thinking and explore new avenues of communication.

**Youth Meeting** is an eight or fifteen-day regional theme camp for 20 – 35 participants and staff from different countries. It provides an opportunity for young people to explore important intercultural issues and develop leadership and organizational skills. Youth Meetings build on the foundations created by participation in the Village programme and promote continued CISV participation.

**Seminar Camp** is an intensive three-week camp for approximately 28 young adults aged 17 to 18 and five volunteer staff. Participants actively conduct all camp activities and are encouraged to discover and form opinions about individual, international and intercultural matters and gain experience in positive conflict resolution. Seminar camp fosters interest in global issues and increases participants' self-awareness.

**International People's Projects** provide young adults, aged 19 and over, with a means of acquiring first-hand knowledge about important national and global issues while actively contributing to the community. In partnership with local institutions delegates participate in about three weeks of hands-on work involving a specific theme or project, such as nature conservation or immigration. Prior to the work period, delegates carry out extensive research and prepare educational activities related to their chosen theme. 25 local and international young people participate in each Project.

**Mosaic** is a programme that consists of projects – each with educational content, developed by local chapters worldwide – that empowers individuals to be agents of change, reaches out, and involves as many people as possible. It encourages participants to take initiatives in their community and cooperate with other local organizations.

**Junior Branch Activities:** A Junior Branch is a group of local CISVers (typically aged 11–25) who organize their own educational and social activities consistent with CISV goals, allowing them to exercise their leadership skills in their home communities.

### 5. Annual Objectives

Each Committee/Team, the International Junior Branch and the staff of the International Office have Terms of Reference or role profiles, which set out their main purpose, responsibilities and structure. The plans and budget for 2016 were approved by the Trustees. The Trustees also reviewed progress and gave direction and feedback as needed throughout the year.

### Strategic Objectives

One of the strategic priorities of the previous years was to develop a new vision for growth with a strategic plan to launch in 2016. As reported last year, an ambitious and engaging 15-year vision was approved by our Members in 2015:

**By 2030 we will be well-known for creating educational experiences that reach at least twice as many people as we do today (2015). We will stand together to lead, act and inspire change in our communities to help build a more just and peaceful world. This vision will set the direction of our strategic thinking and action as we work to increase our impact.**

To guide us toward realizing our vision over the next 15 years, there will be a series of Strategic Plans; the first in this series will cover the three-year period from January 2016 through December 2018. We envisage all of the Strategic Plans that take us toward 2030 to be built around four key areas that we have identified as essential for achieving healthy and sustainable growth – Impact, Profile, Resources and Foundation. For each area, there is a long-term objective indicating where we want to be in 2030 and specific 3-year objectives for this strategic plan (see immediately below). Specific deliverables were detailed for 2016.

#### **IMPACT - How well we achieve our mission**

2030 Objective – participation has doubled and programme models optimize educational impact as well as organizational development

##### 2016-18 Objectives

1. Clearly state and be ready to act on the educational and organizational benefits of our seven international programmes
2. Be ready to develop and promote successful models for local and national educational experiences
3. Continue to grow participation in CISV educational experiences to reach 2030 target

#### **PROFILE - the visibility and recognition that comes with and feeds growth**

2030 Objective – We have measurably increased the visibility of our Chapters and our International organization.

##### 2016-18 Objectives

4. Be ready to launch a global profile raising campaign by building excitement internally about our brand and developing the knowledge and tools to share it
5. Raise our organizational profile through our Global Conference, which will be an opportunity for interaction with other organizations

#### **RESOURCES - the financial and human capital we need to grow**

2030 Objective – We have increased our global membership and developed more diversified and reliable funding streams to enable operational sustainability and aspiration

##### 2016-18 Objectives

6. Grow CISV International revenue streams and make them more diverse
7. Develop a defined set of support mechanisms and expectations for Chapter Development
8. Assess the impact of location (city/country) on the role of the International Office and set a clear course of action

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#### **FOUNDATION - the skills, knowledge and processes we need to succeed**

2030 Objective CISVers in positions of responsibility are better prepared, supported and able to fulfil their roles thanks to improved governance and training

#### 2016-18 Objectives

9. Consistently deliver high quality international training
10. Develop a healthy culture of accountability and performance evaluation
11. Decide the way to more fully integrate youth throughout CISV

The current and subsequent strategic plans for CISV International create a framework to help us gradually involve each of our National Associations and Chapters in planning, developing and growing together toward our 2030 vision.

#### **Key Achievements, Performance and Areas of Development**

In 2016, some key elements of the strategic plan were initiated and some were completed. At the same time, operational work continued as a solid foundation to underpin future growth. The sections below are organized in line with our four strategic areas and will outline some 2016 strategic and operational achievements in each area.

#### A. IMPACT

##### **Our Educational Programmes**

CISV was founded in the USA in 1950. Our first programme – a Village – took place the following year. Today, we offer six different international programmes involving approximately 10,000 participants per year. In addition, our Mosaic projects offer local educational opportunities for many more. 2016 was another record year for programmes. We exceeded the overall programme and participation targets set in the Global Programme Hosting Plan. Total host numbers were on or above target for all international programmes.

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2016 Programmes (Target)	Americas	Asia-Pacific	Europe, Middle-East and Africa	Total Programmes	Total Participation
Interchange delegations	41 (42)	6 (10)	108 (96)	79 (74)*	1294
IPP	3 (3)	1 (2)	6 (5)	10 (10)	199
Seminar Camp	6 (6)	0 (1)	13 (12)	19 (19)	569
Step Up	14 (14)	5 (5)	26 (26)	45 (45)	2221
Village	21 (18)	6 (6)	31 (31)	58 (55)	3922
Youth Meeting	9 (8)	4 (5)	39 (30)	52 (43)	1790
Sub-Total				263 (246)	9995
Mosaic				60	5700
Total				323	15,695

\* Interchange Matches (as opposed to Interchange delegations)

The peace education content area for 2016 was Sustainable Development. It was promoted widely across CISV. The team produced 12 blog posts with new training and educational materials which were accessed through 2,295 unique page views. In 2015 the Board had approved recommendations from the Educational Programmes Committee on Seminar Camp staff. Preparations and training were done to bring the structure in line with the other camp-based programmes in 2017.

### Strategic Development

We conducted an initial assessment of the educational benefits of our seven international programmes, and their goals and indicators. We identified the key features of each programme and began to review the way programmes align to and deliver our mission and how they can contribute to developing our organization and growing our Chapters.

## B. PROFILE

### Communications and Outreach

We launched an animated video and associated My Story campaign in March 2016, which were both very well received and saw significant increase of traffic to the international website during the campaign. Our dedicated Communications Team has continued to develop our social media presence and advise our Members on branding issues. The 2015 Annual Review was also well received.

Work began on the development of a template for NA and Chapter websites (and a corresponding redesign of the CISV International site); it will be launched in 2017.

### **Strategic Development**

We conducted a review or 'check-in' of our brand to make sure it will take us through the next 15 years, taking into consideration feedback from our Members and emerging media. A comprehensive survey of CISV Member Associations and Chapters was undertaken, which endorsed our current tagline and values. Work began on revising our brand guidelines and some options will come to the Members for consideration in 2017.

### **Global Conference**

Following the success of our first Global Conference in Norway 2015, work began in earnest to plan the next one for 2018. The first priority was to find a site for the next Conference as well as firm dates. Following a tender and selection process that explored options in several countries, we announced that the 2018 Global Conference will take place 14 - 19 August 2018 at a lovely venue in the Netherlands, Hotel NH Eindhoven Conference Centre Koningshof.

### **Strategic Development**

We also developed a Global Conference theme to build on the first one and align with our strategic plan and vision. New Horizons will be just that – looking at new ideas in new ways to help us engage with our vision and new audiences to help make it a reality over the coming years.

### **Cooperating with Other Organizations**

#### **UNESCO**

We are a UNESCO partner Non-Governmental Organization (NGO). CISV International representatives, Béatrice Naegeli and Marie-Christine Ravier, attend around four meetings a year of partner NGOs in Paris. This year, through following up on our representatives' contacts we have an opportunity to collaborate with UNESCO on a knowledge database for global citizenship education. In addition, we thank Pedro Manzur from CISV Mexico for representing CISV International at the 6th Forum of UNESCO Partner NGOs in Queretaro, Mexico in November.

#### **Council of Europe**

We hold participatory status with the Council of Europe. Our representative is Anne Kraus – a role she has held for three years. She attends meetings in Strasbourg twice a year. Anne is a representative of the Conference of International NGOs (INGOs) to the Council of Europe (CoE) Advisory Council on Youth. She hopes this will help bring us influence and closer engagement with other like-minded organizations, and possible partner projects.

#### **European Youth Forum**

We are a candidate member of the European Youth Forum. Our representative Fanny Rådström attends two meetings per year. The Youth Forum should help us access training, partner organizations and funding.

### **C. RESOURCES**

We seek to continuously improve the IT infrastructure that underpins so much of our work. A full systems assessment led to upgrades and greater consistency. We also reviewed our long term website needs and began work to increase the effectiveness of our official CISV email system to provide CISV officials with an efficient and professional way to communicate.

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##### **Fundraising**

We were also very pleased and grateful to be awarded € 150,000 over 3 years (2015-17) following a successful bid to Erasmus+, a strand of European funding. 2016 was the second year of this grant. In addition, two very exciting developments have and will continue to make an enormous difference to our work.

We entered into a partnership with travel search engine company, momondo. As a result of the new relationship, they decided to sponsor a Village in Brazil in 2017 and are promoting CISV as their chosen charity on their website.

We are immensely grateful for a generous legacy from the estate of a person who found us through our website and was impressed with our work. The Board is considering how best to use this gift to further the mission of CISV.

##### **Strategic Development**

We piloted the plan for regional fundraising teams and consultancy in our Americas region. A fundraising consultant began working for us in August and has been busy working with our NAs, developing and sending out proposals specifically in support of Village. It is very early days and significant results are not expected until 2017, although there have been some early 'wins' and we have had excellent feedback from Chapters and NAs on the help they have been receiving.

We made significant progress in setting up an International Alumni Association. The by-laws for the new alumni association and role profile for Board members were drafted and we expect to file for incorporation in the USA in the first half of 2017. CISV International agreed seed funding for the new association.

##### **Chapter Development**

Membership status of National and Promotional Associations is reviewed annually. Three Promotional Associations (PA) were recommended for advancement to reflect the progress they have made and the high levels of activity they are maintaining. We are very pleased that CISV Chile, Bulgaria and Morocco have each moved up a category. In the case of CISV Morocco, it went from being a corresponding organization to an official PA. After significant analysis a difficult decision was made to close one Promotional Association, CISV Bosnia-Herzegovina, where development had stalled and seemed unlikely to progress.

##### **Strategic Development**

Assessments were conducted on the progress and activity levels of the CISV associations receiving our support. This has given us a much clearer picture of the status of our associations and will enable us to plan and prioritise our support more effectively.

We introduced a new set of criteria for evaluating opportunities for establishing new CISV associations. This was an important step to ensure that we commit resources to opportunities that have real prospects for meeting the minimum standards we have identified for healthy Chapters. We are delighted to say that by using this new process, we have been able to welcome CISV Singapore as a new PA.

##### **Location of the International Office**

The location of our International Office is a consideration for the long term operational and strategic interests of the organization.

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#### **Strategic Development**

As part of our Strategic Plan, we commissioned consultants PwC to conduct a detailed study on the location of the International Office. We thank our staff for their professionalism throughout this process. PwC's key finding was that, at this time, there is no compelling case for changing location. No alternative location emerged from this process that PwC felt would offer benefits great enough to warrant the costs and disruption of a move from Newcastle upon Tyne. They concluded that management time would better be invested in developing our strategic efforts for growth. Having received and discussed the report from PwC, we have accepted their recommendation. We further believe and recommend that, unless there are extenuating circumstances, the location of the International Office should not be further reviewed in the foreseeable future. This will enable all of us to focus our energies and resources on our ambitious strategic plan.

#### **D. FOUNDATION**

##### **Training, Research and Quality Assurance**

The 2016 Regional Training Forums held in Lima (Peru), London (Canada), Tokyo (Japan), Provence (France), Berlin (Germany), and Copenhagen (Denmark) were a success and were attended by a total of 393 trainees. There were 27 trainings delivered at these Forums by our volunteer trainers. The top attended trainings were Train-the-Trainer, followed by Risk Management. The improved evaluation process engaged more people and provided timely data indicating that these Forums remain very highly rated among participants.

Research projects are progressing well and will feed into our strategic development. Two new research studies (one PhD and one Masters Dissertation) into global citizenship education were initiated as part of our collaboration with Northumbria University, Newcastle. This will deepen our understanding of foundational concepts in CISV peace education. The Masters has now been completed and the PhD field work has begun.

##### **Strategic Development**

We have a complete set of revised training curricula for all international trainings. We updated and improved packages for all international programme trainings, effectively balancing common and programme-specific elements. They will be piloted in 2017-

We embarked on an E-learning partnership project with the Scouts and have developed three online modules. Using CISV's experiential learning approach, they will prepare youth in order to improve the impact of their participation in in-person educational experiences.

In collaboration with EEE-YFU, EFIL (AFS) and Experiment in International Living we secured a grant from the Council of Europe for a 2017 study session looking into the impact of the internet and social media on youth mobility educational programmes.

We ran development workshops for our Regional Coordinators in each region and developed enhanced induction and support materials for Regional Coordinators. We implemented a peer and group evaluation system for the Board, committees and The International Junior Branch Team.

##### **Junior Branch (JB)**

16 International Junior Branch events were hosted across the three regions in 2016: The International Junior Branch Conference, hosted in Colombia, was a great success with 87 participants. The three Regional Junior Branch Meetings taking place in Peru, Germany and Japan offered the possibility for JBers to meet with other JBers as well as other CISVers from their regions.

They had a combined attendance of more than 218 participants. Other events took place within the different regions gathering more than 580 participants overall.

### **Strategic Development**

As reported in previous years, the JB as a whole has been the subject of a broad review, aimed at creating more effective integration of the JB within CISV generally. The second phase of the review was conducted in 2016 and the team developed a proposal for greater youth integration, based on the results and evaluation of their consultation.

### **6. Risk Management and Insurance**

The safety of each child in our care is paramount. CISV has been organizing camp-based programmes and family-hosted exchanges for decades and child safety and protection remain our highest priorities. Many of our volunteers are parents themselves who are sending their children to CISV programmes in other countries - or may have done so in the past.

The main risk of the organization is the health and safety of children. In addition, political and economic circumstances in the countries in which local affiliates are based and world-wide disaster events can affect our work. The nature of CISV International's work (involving so much international travel) is particularly at risk in the current global situation.

The organization seeks to continually review its internal policies in this area. The official manuals used for planning and hosting CISV programmes contain extensive guidance on risk management issues.

The Training and Quality Assurance Committee, including the International Risk Manager, has responsibility for oversight of risk management, consulting with and advising the Board and Secretary General as needed. Regional Risk Managers advise our Member Associations.

Managing risks is the responsibility of everyone in CISV but there are some roles that bear a specific responsibility for Risk Management at all levels of the organization. Building and supporting a skilled network of Risk Managers in our NAs and Chapters is essential. Newly developed risk management training and materials were rolled out in 2016 and were well received.

Part of Risk Management is responding appropriately and learning when an incident occurs. We have a system for logging and managing incident reports, which enables us to learn from them and follow up as needed.

Another integral part of Risk Management is putting in place effective insurance. Please see below regarding public liability insurance. In 2016, we implemented universal travel insurance for all participants, leaders and staff in international programmes. Everyone now has the same high quality travel-medical coverage no matter where they are from or where they are going.

Recognizing the need for access to liability insurance to be stable and cost-effective, CISV set up the CISV International Insurance Company ("Insurance Company"), in the US state of Kentucky in late 2009. CISV International is the sole shareholder.

The Insurance Company issues the global master public liability insurance policy for CISV International annually to run from 1 Feb through 31 Jan. It provides coverage up to a maximum of £1 million. CISV International also purchases excess public liability insurance to sit on top of the global policy issued by CISV International Insurance Company and provide additional cover.

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The current Board of the Insurance Company is made up of:

- Arne-Christian Haukeland (Re-elected in 2016; term expires April 2019)
- Roman Parzei (Elected 2016; term expires April 2019)
- Brett Vottero (Term expires April 2017)
- Pedro Cardigos dos Reis (Term expired April 2016)
- Luis Akle (CISV International Governing Board)
- Gabrielle Mandell (Secretary General, *ex officio*)

The Governing Board, on behalf of CISV International, appoints a person to occupy one of the positions (currently Luis Akle). The 2016 Annual Meeting was held 27 April 2016.

#### **6. Volunteers**

The charity is grateful for the unstinting efforts of its volunteers who are involved in and responsible for all areas except the work of small International Office. The International Office provides administrative back up and direction only, the rest of the operation is volunteer-driven. The organization is directed by and could not operate without its volunteers.

#### **7. Financial Review**

##### **Principal activity and review of the year**

The Statement of Financial Activities is set out on page 22 of the financial statements. During the year under review the charity has carried out its objects throughout the world and there were 9995 participants in the 263 international programmes, 5700 participants in 60 local Mosaic projects and 92 more at the International Junior Branch Conference.

During the year the Charity continued to fundraise on an international and regional level. We have developed proposals and projects, which will support their ideals and objects. International committees oversee international operations, programmes and internal, as well as external development while regional teams provide direct advice and training to Members. The Governing Board is responsible for approving the annual budget which is developed by the Resources and Infrastructure Committee. Budget allocations are specifically linked to achievement of organizational objectives.

Throughout the year, budget use is controlled and monitored, primarily by the Fiscal Officer and the Resources and Infrastructure Committee. Any material changes to budget must be approved by the Resources and Infrastructure Committee, with new items also requiring Trustee approval. The Board has agreed that on an annual basis, we will budget for a £30,000 surplus so that we put aside money over three years to support Global Conference costs.

Members officially received the 2015 audited accounts electronically. They also approved the reappointment of Robson Laidler Accountants Limited as auditors for a period of two years (relating to the 2016 and 2017 accounts).

#### **Results**

The financial statements for year to 31 December 2016 show a surplus of £576,545 (2015: £225,512). The Trustees recommend that, being a charity, no dividend be paid for the year ended 31 December 2016.

## CISV INTERNATIONAL LIMITED

### TRUSTEES REPORT

#### YEAR ENDED 31 DECEMBER 2016

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The results have been analysed by the Resources and Infrastructure Committee and the Board and we are pleased to be able to build up a healthy level of reserves. It is noted that we ended 2016 with a significant surplus over budget. The main reasons for the variance between budget and actuals are as follows:

- Receipt of a generous legacy.
- Higher than anticipated income due to greater programme participation.
- Significant underspending in several areas due to some projects being delayed, a senior staff member leaving during the year, efficiency savings and tight management of expenditure.
- The effect of exchange gains and increase in investment values of assets in US Dollars due to the fall in value of the UK pound amounting to £186,000.

As a result, instead of £30,000 per year, we are able to ring-fence £60,000 from the operating actuals (not the legacy funds) toward the 2018 Global Conference. We will, therefore, need to set aside much less next year.

#### **Financial Risk Management Policy**

The charity's principal financial instruments comprise cash and cash equivalents. Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the charity's operating activities.

The main risks associated with the charity's financial assets and liabilities are set out below. The charity does not undertake any hedging activity.

#### **Interest rate risk**

The charity invests surplus cash in short term fixed and variable rate interest yielding deposit accounts. Therefore financial assets, liabilities, interest income and cash flows can be affected by movements in interest rates. However, the trustees do not consider there to be any significant exposure.

#### **Price risk**

There is no significant exposure to changes in the carrying value of financial liabilities.

#### **Credit risk**

The charity's policy is aimed at minimising such losses. Individual exposures and overdue debts are monitored with each national association to ensure that the charity's exposure to bad debts is managed accordingly.

#### **Liquidity risk**

The charity aims to mitigate liquidity risk by managing cash generated by its operations. Capital expenditure is minimal but is approved by the trustees and flexibility is maintained by retaining sufficient surplus cash in readily accessible bank accounts.

#### **Foreign currency risk**

The charity's principle transactions are in pounds sterling, with a relatively limited number of transactions in foreign currency. The charity does not consider the risk to be of such significance to warrant any hedging activity.

## CISV INTERNATIONAL LIMITED

### TRUSTEES REPORT

YEAR ENDED 31 DECEMBER 2016

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#### **Investment policy**

Surplus funds are placed on bank deposit in order to achieve the best possible returns consistent with maintaining sufficient liquidity. In 2017, we intend to develop and implement a more detailed investment policy.

#### **Reserves**

The Trustees have reviewed the reserves of the charity and approved in principle a Reserves Policy developed by the Resources and Infrastructure Committee. This review encompassed the nature of the income and expenditure streams and the need to match the income from participants in the charity's activities with the costs of the central overheads and the international infrastructure. At the same time the charity recognises that participation fees should be kept as low as possible in order to make the programmes as accessible as possible to as wide a range of participants as possible. Delays can arise in the transmission of funds due to political and economic circumstances in the countries in which local affiliates are based and worldwide disaster events can affect programmes. Therefore the review concluded that the level of general reserves required should enable the continued operation of the International Office, Committees and Teams for a minimum of six months and, in the absence of a specific project, a maximum of 12 months.

The goal of six months to one year is desirable in all situations as the nature of CISV's international work (involving so much international travel) is particularly at risk in the current global situation especially as most international programmes take place within a short three month period.

In addition, in accordance with section 11.1.4 of the Articles of Association, Member approval is required if the Trustees approve an annual budget that would envisage depleting the charity's reserves to an amount that would equate to less than six months of annual operating costs.

In addition, CISV International Insurance Company is currently seeking to increase its reserve level with professional investment advice.

In order to function, the Insurance Company must have \$250,000 in assets. The insurance policy it issues covers up to £1 million. The Insurance Company directors, therefore, seek to increase the assets of the insurance company to the point where it has the full amount of the coverage plus the \$250,000 required by law for operation. In line with the charitable purpose of the parent company and protection of assets, the directors do not intend to amass reserves or assets greater than this amount. Once that amount has been reached, or as it is nearing, the directors anticipate gradually reducing the premium charged so that it can be applied to other relevant areas.

#### **9. Plans for future periods - 2017**

We anticipate the following exciting activities and developments in 2017, which will be second year of our current Strategic Plan.

Regional Meetings will be held for the representatives of our Member Associations in each region. At least one Trustee and one member of the Senior Management Team will also attend each one and present some of the developments and recommendations from the International organization.

## CISV INTERNATIONAL LIMITED

### TRUSTEES REPORT

YEAR ENDED 31 DECEMBER 2016

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#### IMPACT

*International Educational Programmes planned for 2017*

We will continue to hit our growth targets and participation is anticipated to pass 10,000.

56 Villages

91 Interchanges

45 Step Ups

20 Seminar Camps

51 Youth Meetings

9 International People's Projects

1 International Junior Branch Conference

- Each year features one of our four educational content area; 2017 will focus on Human Rights.
- We will publish descriptions of each of our international programmes that clearly state how they contribute to our vision.
- We will begin to assess how well our educational programmes align to and deliver our mission, identifying any gaps and weaknesses.
- We will begin a market research project on the growth potential of our international programmes
- We will identify and gather information on the local educational experiences, currently offered by our Member Associations.

#### PROFILE

##### Communications and Outreach

- We will consult with Members on options for refreshing our brand guidelines and how we live our values.
- We will seek Member approval for the evolution and application of our logo to allow us to revise our brand guidelines and develop a new profile raising training.
- The new NA and Chapter website template (and CISV International webpages) will be launched.

##### Global Conference

Planning will continue and registration will open for our 2018 Global Conference.

#### RESOURCES

##### Fundraising

- We will review the experience of working with the Americas fundraising consultant and a second regional fundraising team and consultant will be recruited.
- We will seek funding and sponsorship for the Global Conference.
- New fundraising and donor development training will be developed.
- The new CISV International Alumni Association will be launched.
- momondo will fully sponsor a Village in Brazil

##### Chapter Development

- We will complete assessments and put in place development plans for all CISV associations receiving our support.
- We will review our chapter development policies and procedures
- We will pilot the newly developed training for association mentors
- We will develop a strategic planning workshop to help our associations to develop and implement strategic plans in line with our global vision.

## FOUNDATION

### Training, Research and Quality Assurance

- We anticipate holding five Regional Training Forums, where we will pilot revised programme training.
- We will focus on developing updated and improved organizational training packages.
- The e-learning project with the Scouts will be completed and the online modules launched.
- We will develop some internal online training
- We will cooperate with EEE-YFU, EFIL (AFS) and Experiment in International Living to hold a study session entitled "Youth work for intercultural dialogue: online and in-person encounters".
- We will roll out the peer and group evaluation system to Regional Coordinators and regional delivery teams.

### Junior Branch

We will complete the comprehensive review of Junior Branch and proposals for change for the future. The proposal will be sent out to Members for discussion and approval.

## 10. Statement of trustees' responsibilities in respect of the financial statements

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Charity and Company law requires the Trustees (who are also the directors for the purposes of the Companies Act) to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the group and of its financial activities for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with Statement of Recommended Practice for Charities and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity and the group will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the groups auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Trustees

Daniel Edelshaim

Dated 26 July 2017

## **CISV INTERNATIONAL LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

**YEAR ENDED 31 DECEMBER 2016**

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We have audited the financial statements of CISV International Limited for the year ended 31 December 2016, which comprise of the Group Statement of Financial Activities incorporating the Group Summary of Income and Expenditure Account, the Group and Parent Company Balance Sheet, Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.), including the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and republic of Ireland'.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 18 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.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs and that of the group as at 31 December 2016, of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice

**CISV INTERNATIONAL LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

**YEAR ENDED 31 DECEMBER 2016**

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- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Michael Moran BA FCA  
Senior Statutory Auditor  
On behalf of Robson Laidler Accountants Limited  
Statutory Auditors  
Fernwood House  
Fernwood Road  
Newcastle upon Tyne  
NE2 1TJ

Dated 31 August 2017

CISV INTERNATIONAL LIMITED  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>Income</b>				
<i>Donations and legacies</i>	3	286,032	286,032	28,708
<i>Income from charitable activities:</i>				
Fees from National Associations	4	2,162,628	2,162,628	1,949,572
<i>Investment income</i>	5	13,152	13,152	27,100
<i>Other income</i>		26,655	26,655	35,384
<b>Total income</b>		<b>2,488,467</b>	<b>2,488,467</b>	<b>2,040,764</b>
<b>Expenditure</b>				
<i>Cost of raising funds</i>				
Investment management costs		6,700	6,700	5,406
<i>Expenditure on charitable activities</i>				
Educational Group activities developing cross cultural understanding in children and youth from around the world	8	2,093,506	2,093,506	1,798,352
<i>Other</i>	9	(2,572)	(2,572)	(1,241)
<b>Total expenditure</b>		<b>2,097,634</b>	<b>2,097,634</b>	<b>1,802,517</b>
Net gains / (losses) on investments		133,608	133,608	782
<b>Net income / (expenditure)</b>		<b>524,441</b>	<b>524,441</b>	<b>239,029</b>
Transfers between funds		-	-	-
<b>Other recognised gains / (losses)</b>				
Other recognised gains / (losses)		52,104	52,104	(13,517)
<b>Net movement in funds</b>		<b>576,545</b>	<b>576,545</b>	<b>225,512</b>
Total funds brought forward	17	1,171,206	1,171,206	945,694
<b>Fund balances carried forward</b>	17	<b>1,747,751</b>	<b>1,747,751</b>	<b>1,171,206</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure is derived from continuing activities.

The notes on pages 25 to 36 form part of these financial statements

CISV INTERNATIONAL LIMITED (COMPANY REGISTRATION NUMBER: 03672838)

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 DECEMBER 2016

	Note	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
<b>Fixed assets</b>					
Tangible assets	12	3,226	3,644	3,226	3,644
Investments	13	-	-	318,850	318,850
		<u>3,226</u>	<u>3,644</u>	<u>322,076</u>	<u>322,494</u>
<b>Current assets</b>					
Investments	13	728,851	541,465	-	-
Debtors	14	92,561	109,132	97,586	112,236
Cash at bank and in hand		1,318,908	768,790	1,007,403	523,282
		<u>2,140,320</u>	<u>1,419,387</u>	<u>1,104,989</u>	<u>635,518</u>
<b>Creditors: amounts falling due within one year</b>	15	301,759	180,492	276,032	155,436
<b>Net current assets</b>		<u>1,838,561</u>	<u>1,238,895</u>	<u>828,957</u>	<u>480,082</u>
<b>Total assets less liabilities</b>		<u>1,841,787</u>	<u>1,242,539</u>	<u>1,151,033</u>	<u>802,576</u>
<b>Provisions for liabilities</b>	16	(94,036)	(71,333)	-	-
<b>Net assets</b>		<u>1,747,751</u>	<u>1,171,206</u>	<u>1,151,033</u>	<u>802,576</u>
<b>Reserves</b>					
Unrestricted funds					
General funds	17	1,635,096	954,322	1,038,378	585,692
Designated funds					
Programme Hosting	17	94,918	77,870	94,918	77,870
Life Members	17	-	139,014	-	139,014
Global Conference	17	17,737	-	17,737	-
		<u>1,747,751</u>	<u>1,171,206</u>	<u>1,151,033</u>	<u>802,576</u>

These financial statements were approved by the trustees on 26 July 2017 and are signed on their behalf by:-

Calixto Mateos Hanel- Trustee

The notes on pages 25 to 36 form part of these financial statements

CISV INTERNATIONAL LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Net cash provided by (used in) operating activities	593,224	198,814
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	13,152	27,100
Purchase of property, plant and equipment	(2,480)	(1,758)
Purchase of investments	(245,167)	(141,779)
Proceeds from sale of investments	191,389	103,075
<b>Net cash provided by (used in) investing activities</b>	(43,106)	(13,362)
<b>Changes in cash and cash equivalents in the reporting period</b>	550,118	185,452
<b>Cash and cash equivalents at the beginning of the reporting period</b>	768,790	583,338
<b>Cash and cash equivalents at the end of the reporting period</b>	1,318,908	768,790
	<b>2016</b>	<b>2015</b>
<b>Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>		
Net income / (expenditure) for the reporting period	576,545	225,512
<i>Adjustments</i>		
Depreciation	2,898	2,738
Dividends, interest and rents from investments	(13,152)	(27,100)
(Gains) / losses on investments	(133,608)	12,735
(Increase) decrease in debtors	16,571	(10,380)
Increase (decrease) in creditors and provisions	143,970	(4,691)
<b>Net cash provided by (used in) operating activities</b>	593,224	198,814
<b>Analysis of cash and cash equivalents</b>	<b>2016</b>	<b>2015</b>
Term deposit accounts	1,073,104	571,066
Current accounts	245,804	197,724
	1,318,908	768,790

## 1 ACCOUNTING POLICIES

CISV International Limited is a company limited by guarantee (company number: 3672838) and also a registered charity (charity number: 1073308). The registered office is based at MEA House, Ellison Place, Newcastle upon Tyne.

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period and in the preceding year.

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared on a going concern basis on the ground that current and future sources of funding or support will be more than adequate for the charity's needs. The Trustees have considered a period of 12 months from the balance sheet date and consider no further disclosures relating to the charity's ability to continue as a going concern need to be made.

CISV International Limited meets the definition of a public benefit entity entry under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its wholly owned subsidiary undertaking, CISV International Insurance Company. The results of the subsidiary are consolidated on a line by line basis.

The financial accounts are prepared in Sterling (£).

### **Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial accounts.

## 1 ACCOUNTING POLICIES (continued)

### Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Grants receivable are credited to income in the period to which they relate
- Gifts in kind of assets are recognised in the SOFA in the period in which they are received and capitalised within the balance sheet
- Fees from National Associations are accounted for in the year in which they apply
- All other income is credited to income in the period to which it relates

### Life members fees

Life members fees are recognised as income when received.

### Resources expended

All expenditure is accounted for on an accruals basis as a liability is incurred.

- Costs of raising funds comprise costs associated with income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities, and those costs of an indirect nature necessary to support them.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resources, e.g. staff time or usage.

### Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures	- 10% on straight line basis
Telephones and miscellaneous equipment	- 20% on straight line basis
Computer equipment	- 33% on straight line basis
Printers, fax machines and photocopiers	- 25% straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may no longer be recoverable.

### Pensions

The charity contributes to personal pension plans of its employees based on a percentage of salary. The personal plans are defined contribution schemes and the funds are independently administered.

### 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.

### Cash at bank and cash equivalents

Cash at bank and cash equivalents comprises cash in hand and current balances with banks and other institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value. This definition is also used for the cash flow statement.

**1 ACCOUNTING POLICIES (continued)**

**Creditors and provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting in 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.

**Transactions and balances**

Transactions denominated in foreign currencies other than pound sterling are recorded at the average exchange rate for the financial period. Monetary assets and liabilities denominated in currencies other than pound sterling at the year end are recorded at the rate of exchange prevailing at the year end. Foreign exchange gains and losses is included in "Other incoming resources" if it is a net gain or "Other resources expended" if it is a net loss.

The results of foreign entities consolidated within these financial statements are translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising on opening reserves are recognised through the SOFA (including the income and expenditure account).

**Fixed asset investments**

Investments in subsidiary companies are stated at costs less any amounts written off for permanent diminution in value.

Available for sale investments are exchange traded funds and mutual funds not classified as either trading or held-to-maturity and are reported at fair value, adjusted for other temporary declines in fair value, with unrealised gains and losses reported as a separate component in the consolidated funds. Realised gains and losses are determined on the specific identification method. In evaluating potential impairment, management considers, among other criteria; the current fair value compared to the amortised cost or cost, as appropriate; the length of time the assets fair value has been below amortised cost or cost; managements intent and ability to retain the investment for a period of time sufficient to allow any anticipated recovery in value; specific credit issues related to the issuer; and the current economic conditions. Other than temporary impairment losses result in permanent reduction in the cost basis of the underlying investment. The charitable group recorded no other than temporary impairment loss for the years ended 31 December 2016 and 2015.

**Fair value**

Fair value measurement of investments available for sale is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

**Leasing commitments**

Rentals paid under operating leases are charged to the profit and loss on a straight line basis over the period of the lease.

**Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

## CISV INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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#### 1 ACCOUNTING POLICIES (continued)

##### Deferred tax

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discontinued basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws enacted by the balance sheet date.

#### 2 FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of the wholly owned subsidiary, CISV International Insurance Company which trades as an insurance company in Kentucky, USA.

The summary performance of the charity alone is:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Total incoming resources	2,479,216	2,006,184
Total expenditure	2,130,759	1,844,146
	<hr/>	<hr/>
Net income / (expenditure)	348,457	162,038
Total funds brought forward	802,576	640,538
	<hr/>	<hr/>
Total funds carried forward	<b>1,151,033</b>	<b>802,576</b>
	<hr/>	<hr/>
<b>Represented by</b>		
Unrestricted funds	1,038,378	585,692
Designated funds	112,655	216,884
	<hr/>	<hr/>
	<b>1,151,033</b>	<b>802,576</b>
	<hr/> <hr/>	<hr/> <hr/>

#### 3 VOLUNTARY INCOME

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Grants	38,023	28,672
Donations	214	36
Legacies	247,795	-
	<hr/>	<hr/>
	286,032	28,708
	<hr/> <hr/>	<hr/> <hr/>

CISV INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

**4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

The incoming resources are from the one charitable activity of the charitable company. An analysis of incoming resources from the charitable activities by geographical market is given below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
United Kingdom	34,669	32,902
Europe	1,161,160	1,044,522
Rest of the world	966,799	872,148
	<u>2,162,628</u>	<u>1,949,572</u>
	<u><u>2,162,628</u></u>	<u><u>1,949,572</u></u>

**5 INVESTMENT INCOME**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Deposit account interest – UK	3,901	1,134
Dividends received – USA	9,251	25,966
	<u>13,152</u>	<u>27,100</u>
	<u><u>13,152</u></u>	<u><u>27,100</u></u>

**6 SUBSIDIARY UNDERTAKING**

The summary performance of the subsidiary alone is:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Turnover	97,935	97,120
Cost of sales	(59,278)	(48,785)
Investment income	9,251	25,966
	<u>47,908</u>	<u>74,301</u>
Net income / (expenditure)	47,908	74,301
Taxation	(1,331)	(3,626)
Unrealised gains / (losses)	31,958	(27,579)
	<u>78,535</u>	<u>43,096</u>
Profit for the financial year	<u><u>78,535</u></u>	<u><u>43,096</u></u>
The assets and liabilities of the subsidiary were		
Current assets	1,043,435	791,973
Current liabilities	(119,763)	(96,389)
	<u>923,672</u>	<u>695,584</u>
<b>Total net assets</b>	<u><u>923,672</u></u>	<u><u>695,584</u></u>
	<u><u>923,672</u></u>	<u><u>695,584</u></u>
<b>Aggregate share capital and reserves</b>	<u><u>923,672</u></u>	<u><u>695,584</u></u>

**7 NET INCOMING RESOURCES FOR THE YEAR**

The net incoming resources for the year are stated after charging:

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Charity 2016 £</b>	<b>Charity 2015 £</b>
Audit fee	4,850	4,850	4,850	4,850
Depreciation	2,898	2,738	2,898	2,738
Operating lease rentals	25,036	25,322	25,036	25,322

**8 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

<b>Group</b>	<b>Direct Costs £</b>	<b>Support Costs £</b>	<b>2016 Total £</b>	<b>2015 Total £</b>
Governing board costs	-	46,472	46,472	37,271
Conferences and meetings	-	218,854	218,854	221,952
Hosting fees	951,471	-	951,471	891,277
Wages and salaries	415,352	-	415,352	354,159
Staff training and other costs	12,370	-	12,370	12,105
Premises expenses	30,989	-	30,989	32,513
Computer and IT support	50,886	-	50,886	44,693
Telephone, internet and fax	4,424	-	4,424	3,217
Printing and stationery	3,609	-	3,609	2,757
Professional fees	106,488	-	106,488	44,221
Publications and subscriptions	224	-	224	3,104
Insurances	216,490	-	216,490	114,417
Audit and accountancy fees	16,493	-	16,493	14,467
Depreciation	2,898	-	2,898	2,738
Irrecoverable VAT	19,966	-	19,966	16,623
Grants payable	4,455	-	4,455	-
Other expenses	10,752	-	10,752	2,838
Bad debts written off/(recovered)	(18,687)	-	(18,687)	-
<b>Total</b>	<b>1,828,180</b>	<b>265,326</b>	<b>2,093,506</b>	<b>1,798,352</b>

CISV INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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**9 OTHER EXPENDITURE**

<b>Group</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Taxation – USA	1,331	3,626
Deferred tax – USA	(3,903)	(4,867)
	<u>(2,572)</u>	<u>(1,241)</u>
	<u><u>(2,572)</u></u>	<u><u>(1,241)</u></u>

**10 TAXATION**

The parent organisation is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried out in the furtherance of the charity's primary objectives.

**11 STAFF COSTS**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Salaries & wages	350,328	297,641
Social security costs	34,233	29,407
Pension costs	30,791	27,111
	<u>415,352</u>	<u>354,159</u>
	<u><u>415,352</u></u>	<u><u>354,159</u></u>

No employee received emoluments above £60,000.

The average number of employees during the year was as follows:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Secretary General	1	1
Fiscal Officer	1	1
Administration	10	9
	<u>12</u>	<u>11</u>
	<u><u>12</u></u>	<u><u>11</u></u>

The charities regulations do not permit the payment of remuneration to Trustees. CISV International Officials and Trustees are entitled to receive reimbursement of reasonable expenses within approved budgets for expenses relating to travel and subsistence. During the year, total reimbursed expenses to Trustees amounted to £nil (2015: £nil).

**12 TANGIBLE FIXED ASSETS****Group & Charity**

	<b>Furniture &amp; Fittings £</b>	<b>Office Equipment £</b>	<b>Total £</b>
<b>COST</b>			
At 1 January 2016	22,188	27,550	<b>49,738</b>
Additions	-	2,480	<b>2,480</b>
	<u>22,188</u>	<u>30,030</u>	<u><b>52,218</b></u>
At 31 December 2016	<u>22,188</u>	<u>30,030</u>	<u><b>52,218</b></u>
<b>DEPRECIATION</b>			
At 1 January 2016	20,907	25,187	<b>46,094</b>
Charge for year	294	2,604	<b>2,898</b>
	<u>21,201</u>	<u>27,791</u>	<u><b>48,992</b></u>
At 31 December 2016	<u>21,201</u>	<u>27,791</u>	<u><b>48,992</b></u>
<b>NET BOOK VALUE</b>			
At 31 December 2016	<u>987</u>	<u>2,239</u>	<u><b>3,226</b></u>
At 31 December 2015	<u>1,281</u>	<u>2,363</u>	<u><b>3,644</b></u>

**13 INVESTMENTS**

	<b>Charity Shares in group undertaking £</b>	<b>Group Available for sale £</b>
<b>Cost or valuation</b>		
At 1 January 2016	318,850	541,465
Additions	-	245,167
Disposals	-	(191,389)
Change in fair value	-	133,608
	<u>318,850</u>	<u>728,851</u>
At 31 December 2016	<u><b>318,850</b></u>	<u><b>728,851</b></u>

*Shareholdings in group undertakings*

The charity holds 1,000 class A and 10 class B shares in its wholly owned trading subsidiary CISV International Insurance Company which is incorporated in the USA as a captive insurance company.

*Available for sale investments*

The aggregate fair value, gross unrealised holding gains, gross unrealised holding losses, and amortized cost for the available for sale investments by major security type at 31 December 2016 are as follows:

## NOTES TO THE FINANCIAL STATEMENTS

**13 INVESTMENTS (CONTINUED)**

	Amortized Cost £	Unrealised Gains £	Unrealised Losses £	Market Value £
Equity exchange traded funds	93,275	5,272	(612)	97,935
Equity mutual funds	174,743	6,196	(3,002)	177,937
Fixed income traded funds	154,018	-	(2,738)	151,280
Fixed income mutual funds	207,981	-	(7,868)	200,113
Non-traded mutual funds	106,517	984	(5,915)	101,586
	<u>736,534</u>	<u>12,452</u>	<u>(20,135)</u>	<u>728,851</u>

**14 DEBTORS**

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Trade debtors	65,747	79,689	65,747	79,689
Other debtors	6,864	5,905	4,882	5,905
Deferred tax	1,097	5,000	-	-
Prepayments and accrued income	18,853	18,538	26,957	26,642
	<u>92,561</u>	<u>109,132</u>	<u>97,586</u>	<u>112,236</u>

An impairment loss of £18,687 (2015: £1,867) was recognised against trade debtors

Deferred tax	2016 £
Balance at 1 January 2016	5,000
Credited to Statement of Financial Activities	(3,903)
	<u>1,097</u>

**15 CREDITORS: AMOUNTS FALLING DUE WITHIN ON YEAR**

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Trade creditors	78,380	45,781	78,380	45,781
Income taxes payable	-	2,577	-	-
Social security & other taxes	9,545	7,761	9,545	7,761
Other creditors	47,196	47,625	38,434	39,419
Accruals and deferred income	166,638	76,748	149,673	62,475
	<u>301,759</u>	<u>180,492</u>	<u>276,032</u>	<u>155,436</u>

## NOTES TO THE FINANCIAL STATEMENTS

**16 PROVISIONS FOR LIABILITIES**

Included in provisions for liabilities of the insurance company is a reserve for losses and loss adjusted expenses which represents the estimated ultimate cost of all reported and unreported losses incurred through the year to 31 December 2016 and 2015. This reserve is not discounted and is based on actuarial and other assumptions. The Trustees believe the reserve for losses and loss adjusted expenses is adequate.

**17 ANALYSIS OF MOVEMENT IN FUNDS**

<b>CHARITY</b>	<b>Incoming Resources £</b>	<b>Expenditure £</b>	<b>Gains / (losses) £</b>	<b>Net Incoming Resources £</b>
<b>General fund</b>				
Operating fund	2,479,216	2,130,759	-	348,457
<b>Designated fund</b>				
Programme fund	-	-	-	-
Life Members fund	-	-	-	-
Global Conference fund	-	-	-	-
<b>Total</b>	<b>2,479,216</b>	<b>2,130,759</b>	<b>-</b>	<b>348,457</b>
<b>GROUP</b>				
<b>General fund</b>				
Operating fund	2,488,467	2,097,634	185,712	576,545
<b>Designated fund</b>				
Programme fund	-	-	-	-
Life Members fund	-	-	-	-
Global Conference fund	-	-	-	-
<b>Total</b>	<b>2,488,467</b>	<b>2,097,634</b>	<b>185,712</b>	<b>576,545</b>

## 17 ANALYSIS OF MOVEMENT IN FUNDS (CONTINUED)

	Balance at 1-Jan-16 £	Net incoming resources £	Transfers £	Balance at 31-Dec-16 £
<b>CHARITY</b>				
<b>General fund</b>				
Operating fund	585,692	348,457	104,229	1,038,378
<b>Designated fund</b>				
Programme fund	77,870	-	17,048	94,918
Life Members fund	139,014	-	(139,014)	-
Global Conference fund	-	-	17,737	17,737
<b>Total</b>	<b>802,576</b>	<b>348,457</b>	<b>-</b>	<b>1,151,033</b>
<b>GROUP</b>				
<b>General fund</b>				
Operating fund	954,322	576,545	104,229	1,635,096
<b>Designated fund</b>				
Programme fund	77,870	-	17,048	94,918
Life Members fund	139,014	-	(139,014)	-
Global Conference fund	-	-	17,737	17,737
<b>Total</b>	<b>1,171,206</b>	<b>576,545</b>	<b>-</b>	<b>1,747,751</b>

The general fund represents the accumulated surpluses and deficits and is required to provide working capital to enable the Charity to continue as a going concern should economic or political conditions prove unfavourable.

The programme hosting fund has been separately designated by the Trustees and can be allocated to Hosting chapters where the barrier to hosting is financial. The fund comprises the lower of penalties collected or the result for the year and after 2 years any unused reserve is transferred back to the general fund.

The life members' fund had been separately designated by the Trustees in previous years but this has been subsumed into the operating fund.

The global conference fund has been separately designated by the Trustees in order that the surplus from the global conference can be identified and that the Charity is aware of its continuing commitment to invest this money in the Global Conference.

## 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund	Programme Fund	Global Conference Fund	Total
	£	£	£	£
Fixed assets	3,226	-	-	3,226
Investments	728,851	-	-	728,851
Current assets	1,298,814	94,918	17,737	1,411,469
Creditors	(395,795)	-	-	(395,795)
<b>As at 31 December 2016</b>	<b>1,635,096</b>	<b>94,918</b>	<b>17,737</b>	<b>1,747,751</b>

## 19 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

The minimum lease payments on non-cancellable operating leases falling due are as follows:

	Land and buildings	
	2016	2015
	£	£
Expiring:		
Between 2 and 5 years	49,557	74,335
	<u>49,557</u>	<u>74,335</u>