

# Every Child Free From Fear

World Vision UK Trustees' report  
and accounts for the year ended  
30 September 2016



World Vision®

EVERY CHILD FREE FROM FEAR

## OUR VISION

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

## OUR MISSION

To inspire the UK to take action that transforms the lives of the world's poorest children.

## OUR VALUES

We are Christian; we are committed to the poor; we value people; we are stewards; we are partners; we are responsive.

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

Poverty, conflict and disaster leave millions of children living in fear. Fear of hunger and disease. Fear of violence, conflict and exploitation. Fear that robs them of a childhood.

Our local staff work in numerous communities across the world. They live and work alongside children, their families and communities to help change the world they live in for good.

Our worldwide presence means we're quick to respond to emergencies like conflict and natural disasters. We also use our influence and global reach to help represent children at every level of decision-making.

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.

As a charity, our activities must be carried out for the public benefit. This report outlines specific activities which were undertaken for this purpose during the financial year ended 30 September 2016 under four strategic priorities:

- Evidence of real change for children
- A transformed supporter experience
- Growing our income and influence
- Being an inspiring and effective organisation.

For a more detailed review of the impact of our work, our 2016 Impact Report is available at:

[www.worldvision.org.uk/our-work/impact](http://www.worldvision.org.uk/our-work/impact)

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**COVER IMAGE:** Child sponsorship has enabled Ramatou, 7, from Niger, to start school and get an education. She says, "I like going to school, where I meet my friends. I am very happy. We learn together, but during our breaks we play games and laugh." ©2016 Stefanie Glinski/World Vision

**MAIN IMAGE:** Rosemary, 8, from Zambia (on the left) is a sponsored child. She's seen her family's life transformed through the goats they received from World Vision. The goats provided income, allowing her family to diversify their crops and invest in other activities to generate income. Now they don't go hungry and she can afford to go to school. ©2016 Jon Warren/World Vision



# “My presence will go with you, and I will give you rest”

Exodus 33:14

At our Day of Prayer at the start of the year, we took these lines from Exodus as our theme: The Lord replied, *My presence will go with you, and I will give you rest. Then Moses said to him, If your presence does not go with us, do not send us up from here.* We have seen God's presence with us in 2016, the final year of the strategy we set out on in 2010, and a year which has brought record income and enabled us to transform the lives of an unprecedented 4.4 million children. And we pray that He will go with us as He sends us forth on our new strategy for the next five years.

We are called by God to bring life in all its fullness to every child. This year, I had the privilege to see first-hand what that means in the Democratic Republic of Congo (DRC) and Kenya. In DRC – one of the toughest places on Earth for children to grow up – I saw how working with local people to bring clean water to their communities makes a dramatic difference in all aspects of children's lives. In Kenya I met children who had been working illegally in an unregulated gold mine, but are now supporting each other in enjoying their childhoods and planning their futures. Thanks to our supporters, they have the chance to choose what they become, rather than accept the hard fate of a life in the mine.

Encounters like these are a reminder that, while we strive to transform the lives of millions, each child is a unique individual. And God loves each one.

Our supporters understand this. Now, more than ever, they are able to connect with the children whose lives they transform and witness the change they enable within communities. This year, more than 90 percent of sponsors received an enhanced supporter experience, including elements such as videos from their sponsored child. We also found innovative ways to engage new supporters, winning awards for our immersive Story Shop experience in shopping centres.

Meanwhile, our partnership with the UK government continues to grow, and we were delighted to receive an A++ rating from the Department For International Development. Our influence on government initiatives in areas such as child protection and preventing sexual violence in conflict is enabling even more children to live a life free from fear.

We were also thrilled to achieve a 3\* rating in the Best Companies survey, putting us among the very top employers in our sector. It's important that we continue our efforts to nurture a healthy working culture where everyone can thrive, and where we have the agility and inventiveness to respond to challenges and changes.

The achievements of the past year are set against a backdrop of significant external pressures, including increased fundraising regulation, government reshuffles and economic uncertainty triggered by Brexit. We remain committed to responsible fundraising: we value our supporters, and have developed a new Supporter Charter, to be launched in 2017, outlining our covenant with those whose generosity makes our work possible. Growing our supporter numbers is also critical if we are to continue to increase our impact, particularly since the weaker pound means our money no longer goes as far in the field.

Finally, I would like to thank all of you who, through your donations and your partnership, support our calling to bring hope, freedom from fear, and life in all its fullness to children in the world's hardest places. May God's presence go with us all in the coming year.



*Tim Pilkington*

Tim Pilkington, Chief Executive

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

John 10:10

Jesus said: “The thief comes only to steal and kill and destroy; I have come that they may have life, and have it to the full” John 10:10.

This was the verse we looked at on our Day of Prayer in 2017, and it has been at the forefront of our minds throughout the past year. What does it mean for World Vision to bring life in all its fullness to children? Our attempts to answer this question will guide our strategy for the next five years. We have consulted widely and spent much time in prayer to find out what God is calling us to do.

Some key themes have emerged from this process. We know the face of poverty is changing. As we step forward, we will go more than ever where the need is greatest: wherever we work we will seek out the most vulnerable children, and where we launch new work, it will be in those places where more of the most vulnerable are found.

But we cannot do this without our supporters. We are so grateful that more sponsors are staying with us for longer, and sponsoring more children once those they first sponsored have moved on. This year we will be exploring what we can offer to enable people to support our work in reaching the most vulnerable, in the most difficult places – places so unstable that our traditional model of child sponsorship and long-term community development is simply not feasible.

We recognise, too, that the strength of our supporters is much greater than just their financial contributions, vital though these are. So we will do more to engage our supporters in our campaigning and influencing – and in praying for our work. The past year brought some exciting developments on this front, including around 50 supporters joining us and their MPs at the Houses of Parliament to call for support for the children of Syria. We look forward to building on these foundations.

Last but far from least, we will continue to hold our Christian faith as the foundation and core of all that we do. We pray for God's strength as we work to bring life in all its fullness to the most vulnerable, to those in greatest need and to children living in fear.

I hope this report will inspire you, and that you will continue to support us in the mission which we believe God has entrusted to us.



*Anna Laszlo*

Anna Laszlo, Board Chair

# “Today I can walk and I don’t feel much pain anymore. My life is different.”

## FATI’S BRIGHTER FUTURE

“I was very sick when I was younger and always in a lot of pain,” explains Fati, 16, in Niger. As a toddler it seemed Fati was destined for a life confined to bed, staring at four walls. Her back hadn’t developed correctly, leaving her in constant pain and unable to learn to walk.

“I don’t remember much from these early years, but I know that I was never outside playing with the other children,” she says. Tragically, while still very young, Fati lost both of her parents. Without them, her chances for a full life must have seemed ever more distant.

Fati was sent to live with her aunt and cousins. “That’s my first memory. They played with me while I was lying in bed.” When World Vision started working with her aunt’s community, Fati was chosen to be a sponsored child, marking a turning point in her life. Our staff recognised that Fati’s condition might be treatable and worked with her family to get her assessed.

Fati’s fear now was of the unknown. “I was scared to go at first, but I wanted to give it a try,” she says. Facing her fear, Fati underwent surgery and months of recovery and physiotherapy, and finally learnt to walk. “Today I can walk and I don’t feel much pain anymore. My life is different.”

Different in so many ways. Fati was not only freed from crippling pain and reliance on others, but she was also finally able to go to school like her cousins.

She’s graduated from school now. And the support of her sponsor, her education and confidence has helped her to start a career as a hairdresser. Thinking over her time as a sponsored child she says, “I like receiving letters, but more than that, I’m happy that I can walk now. I help with the household in the mornings and then my customers come to my house and I do their hair. I’m very happy.”

**BELOW:** Fati, seen here with her niece, is looking forward to the future thanks to the support of World Vision and her child sponsor. ©2016 Stefanie Glinski/World Vision

**OPPOSITE:** Madison, 2, from Honduras won’t have to worry about malnutrition thanks to the healthy food World Vision has taught her grandmother to cook. ©2016 Laura Reinhardt/World Vision



# Strategic report

A detailed look at our objectives and what we achieved for the financial year ended 30 September 2016, and our objectives for the coming year.



# Evidence of real change for children

Children living in the poorest and most fragile countries enjoy good health, are protected and resilient to disasters.

## WHAT WE AIMED TO DO

- Continue our focus on child protection, child health and humanitarian emergencies.
- Maintain our commitment to all areas of well-being for children, such as literacy, in all our programmes.

## WHAT WE ACHIEVED

In 2016, we supported 310 projects across 39 countries, helping just over 7.5 million people, including 4.4 million children. This is 8 percent more than last year, thanks largely to a number of new projects and the growth of existing ones.



World Vision's impact in humanitarian emergencies is significant - our size and presence in communities around the world has enabled us to respond quickly and smartly as far and wide as Nepal, Ecuador, South Sudan, and Mali.

While the majority of our humanitarian responses were managed effectively, we're always looking to improve. The evaluation of our El Nino response highlighted that in this slow onset, multi-country emergency some of our bureaucratic procedures and tendency to be slightly risk adverse hampered our effectiveness. We're reviewing what's been learnt and how this can be improved for future responses.

We also need greater consistency in being accountable to the people we support. In Tamil Nadu, India, young people and women from communities hit by flooding were closely involved in distributing relief items, helping ensure transparency. However, people affected by the earthquake in Ecuador and refugees in Serbia, felt that more information and opportunity to feedback would have increased effectiveness and accountability. We've been piloting feedback mechanisms in six countries and developing these for future emergency responses.

It's important not just to respond to crises, but also to help communities build resilience to future shocks. We've made progress on this, especially in the post-Ebola programmes in Sierra Leone and Mali this year.



Our most outstanding achievements this year have been in working with local government to improve access to health services - seen most clearly in the increase in the number of women giving birth with skilled birth attendants present. These are real lifesaving changes, and we're proud of the great work done by our colleagues in the field.

Analysis clearly shows the negative impact of disasters on our health work; a number of programmes were disrupted by drought and disasters, and as a result we didn't see the progress expected in some areas. This again highlights the need for building resilience wherever we can.



Over and above our work to make children safer, which takes place in most of our programmes, we've recorded some real achievements in our efforts to free children from the fear of child labour, early marriage, harmful traditional practices and other forms of abuse. We do a lot of work to build children's awareness of child protection issues through clubs and activities, so it's particularly encouraging to see an increase in the proportion of children who say they know how to respond to abuse. Increasing numbers of people believe their communities to be safe for children, and more children have birth certificates, giving them a right to healthcare, education and other vital services. These improvements show what's possible when communities come together to keep their children safe.

For an in-depth review of our impact in 2016 you can download our Impact Report at:

[www.worldvision.org.uk/our-work/impact](http://www.worldvision.org.uk/our-work/impact)

In 2016 our emergency response helped

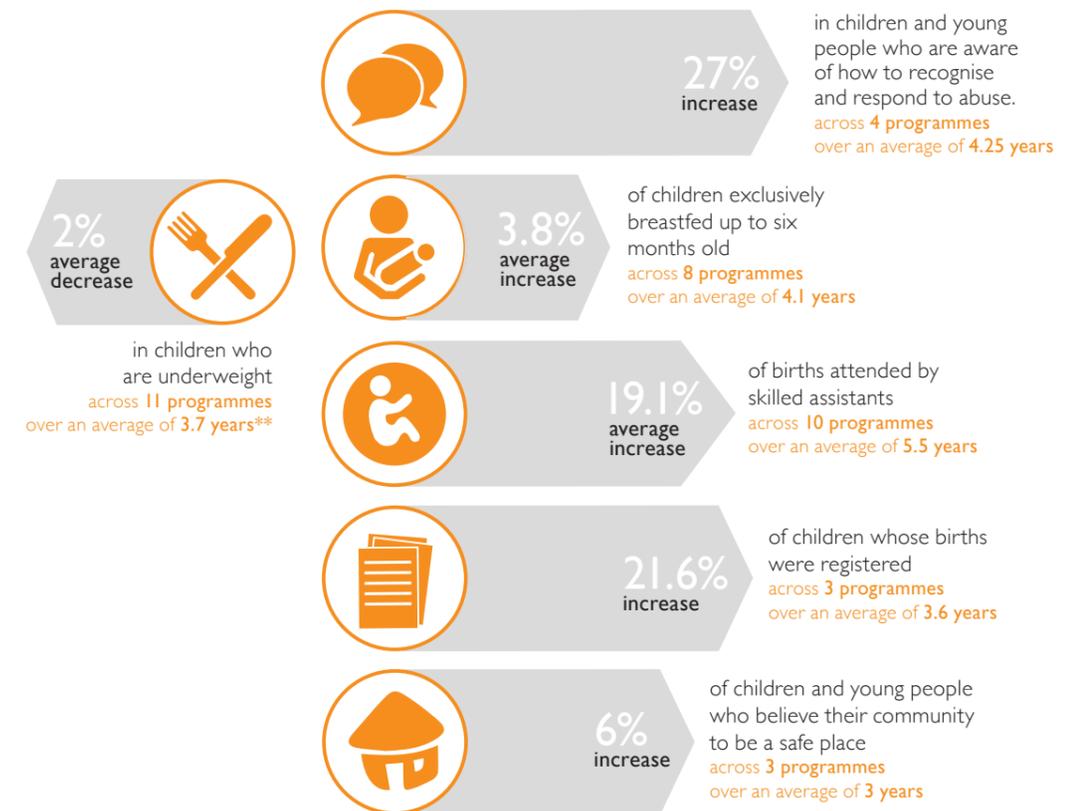


**SERBIA**  
We provided more than 49,600 Syrian refugees with food, clothes, medicine, and a warm, safe place to rest. Our child-friendly spaces offered an oasis of happiness and support for 10,677 young refugees.

**ECUADOR**  
We responded immediately to an earthquake, providing safe water, tents and psychological support.

**SIERRA LEONE**  
We continued to respond to the Ebola crisis by building new classrooms to benefit 30,940 children and helping 29,400 small traders to rebuild their businesses with grants and loans.

Our long-term programmes recorded the following progress\*



\*drawn from programme evaluations conducted in 2016.

\*\*Of the 11 programmes that have data showing the change in number of children underweight, 3 programmes showed a small increase in those underweight due to specific pressures, particularly drought in Niger affecting access to nutritious food. Without these negative outliers, the change seen across 8 programmes would be a decrease of 3.8 percentage points over 4 years, which is within the expected range.

“Peace is about God. I’m not afraid here and I can be happy. I want to study hard so that I can help my family one day.”

#### TURNING A NIGHT OF FEAR INTO A NIGHT OF HOPE

Most night-time frights can be explained away, but the scariest night of Mary’s young life was all too real.

Eight-year-old Mary was asleep at home in South Sudan when the sound of gunshot pierced the night, followed by stomach lurching screams. Chaos ensued as rebels ransacked her village killing anyone they found.

It’s a night Mary doesn’t like to remember; when she saw things no child should ever see. “I was terrified. I didn’t know what would happen to us.”

Mary and her mum somehow escaped, leaving everything behind. They ran for seven days, following a riverbank, surviving on fish they caught. Eventually they found safety; their Ugandan neighbours showing compassion and kindness.

Mary is now surviving in a refugee camp, where she wants to forget about the war. And World Vision is there helping her, and others, do just that.

At our Child Friendly Space, children can feel safe, play, learn and be children.

“I like playing with my friends and going on the swings,” says Mary, “it’s so much fun and we laugh a lot.”

World Vision teams also focus on helping children cope with their past trauma and Peace Clubs work to help the next generation understand each other and resolve conflict. “They advise us and counsel us. I can tell my caregivers about my problems and when something is wrong they will listen to me.”

Despite that night of violence three years ago, Mary believes she can have life in all its fullness:

“Peace is about God. I’m not afraid here and I can be happy. I want to study hard so that I can help my family one day.”

**OPPOSITE:** Despite all she’s seen, Mary still has hope for the future.  
© 2016 Stefanie Glinski/World Vision



# A transformed supporter experience

World Vision inspires the UK through evidence of changed lives and an innovative experience of walking with the poor.

## WHAT WE AIMED TO DO

- Bring the innovations we've tested over the last few years to as many of our child sponsors as possible.
- Continue to create unique experiences that connect our supporters with children in the world's hardest places.

## WHAT WE ACHIEVED

**A unique sponsorship experience:** More than ever, our child sponsors are able to see the difference they make to their sponsored child's world through regular updates on our My Sponsorship website. This year, more than nine out of ten sponsors received at least one of the following:

- A video update from their sponsored child
- A community video showing the changes their support has made possible
- A special storytelling worksheet completed by their sponsored child that gives a unique insight into what it's like to grow up in one of the world's hardest places.

Sponsors also received a personalised magazine – *The Seed* – highlighting achievements in the community they support and thanking them for all the amazing things they've made possible through the year.

All this helps sponsors see the lasting difference they're making – and as a result, they're staying committed for longer. The number of people cancelling their sponsorship has continued to fall, particularly among long-term supporters. Despite this progress, because of the challenging contexts we work in, the quality of the letters, photos and videos from communities can vary. We're very aware of this, and welcome the feedback we receive from our sponsors.

**“I just received my copy of *The Seed* yesterday. It was so lovely to know how valued we, the sponsors, are and that we are making a difference in our child's community. Thank you for making us feel special.”** Sally from Norwich

**The Story Shop:** We brought the lives of children in the world's hardest places into the heart of UK shopping centres through an immersive experience called The Story Shop. Its mix of creative design, state-of-the-art technology and hard-hitting true stories helped attract new sponsors and on-the-spot donations. We picked up a string of design and retail awards too.

**Carve a Heart:** In October, people across the UK carved a heart into their pumpkin lanterns to show they care for children living in fear around the world. Now in its fourth year, this alternative to Halloween gave our supporters – including churches – a positive way to shine some light into an otherwise dark night.

**Speaking up for Syria:** We've found new ways for supporters to get involved in bringing our message of hope to people in power. To mark five years of the Syrian conflict, 535 supporters went “barefoot and coatless” on a cold day in February, standing in solidarity and raising over £75,000. Around 50 supporters and Ambassadors joined us and their MPs for tea at the Houses of Parliament. Together, we called on ministers to do more to help the children of Syria.

**Valuing our supporters:** To make sure we're meeting our supporters' expectations and fundraising in a manner compliant with new fundraising regulations, we carried out a full audit of our fundraising activities. Although the results were highly positive we found some areas where, although compliant, there's room for improvement. We're working to address these areas. We've also used this work as the basis for a Supporter Charter, to be launched in 2017, setting out our promises of what supporters can expect from their experience of giving to World Vision.

**OPPOSITE:** Nandar, 10, from Myanmar poses proudly with the time tables tester he received from his sponsor. “I try it out with my friends at school,” says Nandar. “At first, it took about 15 minutes but I'm doing much faster now than before.” © 2016 Khaing Min Htoo/World Vision



# Growing our income and influence

World Vision increases its income and influence to achieve even greater impact and become one of the UK's leading international aid agencies supporting vulnerable children in the world's most difficult places.

## WHAT WE AIMED TO DO

- Continue the drive to build sustainable methods through which we recruit new child sponsors.
- Bid for, and win, public tenders and grants.
- Get the UK government to prioritise protecting children in challenging contexts and improving humanitarian responses.
- Bring new supporter and faith perspectives to our advocacy work.

## WHAT WE ACHIEVED

### Income

**A record year for income:** Our income grew to its highest ever level at £95.4 million, helping us do even more to bring hope to children in the world's hardest places. Once again, our growth was driven by grants, which totalled £55.8 million. We're aware that, to sustain this growth, we need to increase our capacity to manage grants and compete successfully for tendered services. We also need to address the marginal decline in our voluntary income\* (compared to 2015), but we remain hugely grateful for the continued generosity of our supporters, who donated a total of £39 million.

**A++ rated:** Our long-term Programme Partnership Arrangement (PPA) with the Department For International Development (DFID) is one of our most important partnerships, so we were delighted to be awarded an A++ rating – meaning our results exceeded expectations. Those results included better public services for 560,402 people; an 8.5 percent rise in the number of children free from violence, abuse and exploitation; and healthier children in 329 communities. We also won praise from DFID after completing our first ever tender, to support NGOs to develop effective ways to collect and incorporate feedback from the people they work with.

**Generous support from key donors:** Winning grants often depends on raising matching funding from private donors. This went up by a quarter in 2016, to £1.26 million, enabling us to unlock grants worth £18.5 million. We also received our first ever £1 million commitment from a donor.

**Fundraising challenges:** Child sponsorship and other donations from our generous supporters are the foundation on which we're built. Voluntary income

declined during this year, but sponsorship cancellations from long-term supporters fell to their lowest rate for five years.

We've invested in a new in-house face-to-face fundraising team to help recruit new child sponsors. However, developing sustainable and scalable methods for recruiting new supporters at a healthy return on investment remains a significant challenge and we will further increase our focus on this in 2017.

### Influence

By influencing others, we can increase the impact of our work. Highlights this year include:

**Challenging shame and stigma:** We highlighted the impact of stigma on survivors of sexual violence and children born of rape. Our experts have helped make this a key part of the UK government's initiative to prevent sexual violence in conflict, which launched an #EndStigma campaign in September. We also won a grant to work with communities in South Sudan, DRC and Uganda to address the issue.

**Pioneering systems and sharing them:** Agencies and donors can respond to a crisis much more quickly and effectively if they understand the context. We've pioneered a context analysis tool that helps us and our partners to better prepare and respond. We've been sharing the tool and its findings widely – for instance, it directly influenced the UN's contingency planning for the presidential elections in DRC.

**Engaging key partners:** We strengthened our engagement with DFID, the Foreign and Commonwealth Office and key parliamentarians, including hosting a DFID Ministerial visit at our offices in April.

**Integrating faith and development:** We pursued opportunities to share evidence and experience on faith and development, including sharing evidence on our proven Channels of Hope model, strengthening our relationships with DFID's Faith Engagement team, playing a leading role in the Joint Learning Initiative on Faith & Local Communities, and establishing new partnerships with peer NGOs and political groups that share a faith perspective. We have also strengthened and established new partnerships with churches and other faith-based organisations.

\*donations and legacies, excluding institutional grants and donated goods

## TAKING RESPONSIBILITY FOR OUR FUNDRAISING

It's essential that we're transparent and accountable when it comes to fundraising and how we spend the money generously given to us. Following recent criticism of some charity fundraising, the Charity Commission has issued new guidance to ensure Trustees take responsibility for their charity's fundraising. This is how we follow their six key principles.

### 1. Planning effectively

- Trustees agree, set and monitor our overall approach to fundraising, including risk evaluation, values, relationship with donors and income needs. We have controls to manage fundraising risks, campaign by campaign.
- Every fundraising activity is approved via a briefing template which includes a full compliance checklist.
- Our planning for 2017 is complete and agreed, and we identified no risk with any campaigns.

### 2. Supervising our fundraisers

- Trustees ensure controls are in place to oversee our fundraising, including our in-house team, volunteer fundraisers and commercial partners.
- All our in-house fundraising and marketing and communications staff receive thorough training, including updates twice a year.
- Third-party fundraising is an obvious area of risk. We have strict compliance standards for face-to-face and agency staff, which we monitor and evaluate. We are currently formalising our position and rationale for commission-based payments.

### 3. Protecting our charity's reputation, money and other assets

- Trustees ensure strong management of our assets and resources, acting in the charity's best interests and protecting us from undue risk.
- We have a robust annual financial planning cycle, which is monitored on a quarterly basis and rigorously assesses spend versus return. This applies right down to campaign level.
- We have a 'Donor Promise' for each of our fundraising propositions, which clarifies how we will use the donations for a given fundraising campaign.
- Our values are clearly accessible on our website.
- Our overall income-to-expenditure ratio is displayed on the home page of our website.
- We have tight controls to minimise risks like fraud and bribery.

### 4. Following fundraising laws and regulation

- We conducted a 'ground zero' audit against various fundraising regulations and the Code of Fundraising Practice. While compliant in all areas, the audit identified areas that we could improve upon to meet best practice.
- We've established policies and procedures to address these issues, and a team to ensure ongoing compliance.
- We're especially vigilant in terms of safeguarding our supporters' data, with tight procedures and policies in place throughout the organisation. We're closely monitoring the latest EU directives on data collection and consent.

### 5. Following recognised standards

- Our audit identified areas for improvement, and we've established procedures and controls to ensure ongoing compliance with the Code of Fundraising Practice.

### 6. Being open and accountable

- Our accounts are audited and published in our annual report, which is posted on our website.
- We have a clear procedure to deal with all complaints quickly and fairly.
- We follow guidelines on what wording needs to appear on appeals.



# An inspiring and effective organisation

We are a healthy and streamlined organisation, running efficiently and sustainably, with a culture that enables everyone to thrive.

## WHAT WE AIMED TO DO

Continue to focus on our organisational health, concentrating on three areas:

- Thriving people and culture
- Operational excellence
- Agility

## WHAT WE ACHIEVED



**Making the Top 10 Best Companies:** For the first time, we achieved a 3\* rating in the Sunday Times Top 100 Best Companies to Work For, and were ranked in the top 10 not-for-profit organisations. That's a fantastic

achievement that will help us attract more talented people in future. Our Christian values have clearly played an important part in this success: staff said we had strong principles and that the senior team lived up to these values.

**Secure leadership:** We now have a stronger leadership team in place, having successfully recruited for senior positions including Director of Finance & Risk and Head of People & Culture. We've reduced the number of people acting up or filling positions on secondment, giving greater stability to the whole organisation. A number of key appointments were internal promotions – an encouraging sign that our efforts to nurture people and build their skills are proving successful.

**Agility:** In a fast-changing and challenging world, we need to be able to adapt and respond quickly, flexibly and innovatively. This year, we've pushed ourselves to become a more agile organisation by improving our operational management. This has created more space for leadership to engage in strategic discussion and improved decision-making.

**OPPOSITE:** David, 9, with his littler sister Sharon, 4, in Uganda. David helped save his sister's life after he triggered a child abduction alert system established by World Vision in his village. ©2016 Jon Warren/World Vision



# Strategy and plans for the future

By God's grace, our strategy for inspiring the UK to transform the lives of the world's poorest children has borne fruit. We have brought real change for children, transformed the experience of our supporters, grown our income and influence, and become a more effective organisation.

Over recent months we've been conducting a strategic review – consulting widely throughout the organisation, seeking guidance through prayer, and reflecting on what God tells us. As we prepare to launch our new strategic direction for the next five years, our core values and our vision remain as relevant as ever: *Our vision for every child: life in all its fullness. Our prayer for every heart: the will to make it so.*

Through our work over the last few years, we have achieved real impact and influence in our work with the world's most vulnerable children – those who face extreme deprivation, whose rights are violated, who are exploited and abused, or exposed to disasters. This is our calling: **We will stand with the world's most vulnerable children.** We seek not to passively connect the wealthy to the poor, but to be neighbours to children in the toughest situations. To be on their side.

We believe we can provide leadership in this area, within the World Vision Partnership and beyond; we will invite and inspire others – donors, supporters, governments, politicians, NGOs and church leaders – to join us.

**As we pursue this mission in 2017 and beyond, we will:**

## **Be driven by a unifying cause**

We must be united in our call to stand with the world's most vulnerable children – and this must drive everything we do. We will rally round a cause that encompasses our current work, but gives greater focus to our strategic decision-making and our efforts to engage individual and institutional donors.

## **Live out our Christian faith with boldness and humility**

Our motivation is to follow Jesus' example and be beacons of light, hope and love for children in the world's hardest

places. In our words and actions we seek to follow Jesus and bring glory to God while being clear, authentic and sensitive in our expression. We will be an organisation characterised by our vibrancy, faith and prayer, and for working closely with Christian partners.

## **Grow our supporter base**

We cannot deliver our mission without our supporters: they are our greatest asset, contributing not just income but to our identity and legitimacy. The work we've put into making their experience as unique and inspiring as possible has helped maintain support, but we must redouble our efforts in an increasingly challenging fundraising environment.

## **Intentionally grow unrestricted income**

This is vital to the organisation and provides investment for the initiatives we need to succeed.

## **Amplify our impact with grants**

Grants have been a key success in enabling us to transform the lives of 10 million children over the last six years. We will continue our efforts to win grants that will enable us to amplify our impact for the most vulnerable children.

**MAIN IMAGE:** Ariana, a little girl who has benefited from World Vision's training of village health teams in Uganda.  
©2016 Jon Warren/World Vision



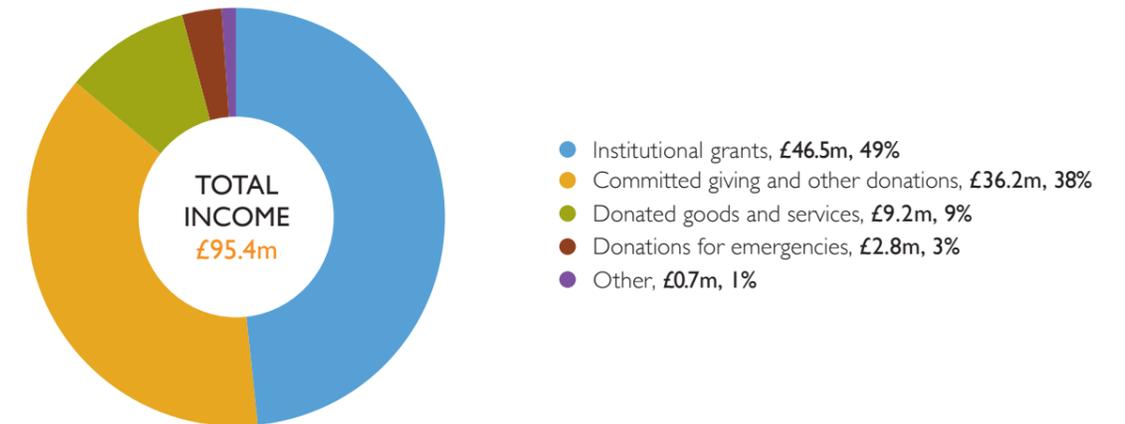
# Five-year finances

	2012 £'000	2013 £'000	2014 £'000	2015 £'000	2016 £'000	
Committed giving and other donations	41,881	38,897	37,725	37,877	36,239	
Donations for emergencies	3,732	1,651	6,092	4,272	2,753	
Institutional grants	21,057	21,917	24,205	43,980	46,548	
Donated goods and services	2,040	4,196	3,242	4,342	9,204	
Donations and legacies	68,710	66,661	71,264	90,471	94,744	
Charitable activities - government service contracts	-	-	467	359	456	
Investment and other income	79	81	94	108	172	
<b>Total income</b>	<b>68,789</b>	<b>66,742</b>	<b>71,825</b>	<b>90,938</b>	<b>95,372</b>	
Cost of raising funds	10,959	10,522	10,811	13,073	11,284	
Charitable activities	57,192	59,446	59,384	76,948	81,161	
Governance costs	513	454	527	551	765	
<b>Total expenditure</b>	<b>68,664</b>	<b>70,422</b>	<b>70,722</b>	<b>90,572</b>	<b>93,210</b>	
Investment gains / (losses)	98	103	77	43	153	
<b>Net movement in funds</b>	<b>223</b>	<b>(3,577)</b>	<b>1,180</b>	<b>409</b>	<b>2,315</b>	
<b>The funds of the charity</b>						
Restricted and designated funds	11,891	8,615	8,556	8,760	12,025	
General fund	6,230	5,929	7,168	7,373	6,423	
<b>Total funds</b>	<b>18,121</b>	<b>14,544</b>	<b>15,724</b>	<b>16,133</b>	<b>18,448</b>	
<b>Ratios</b>						
<b>5 Year Average</b>						
<b>Percentage of total expenditure:</b>						
Costs of generating funds	14.5%	16.0%	14.9%	15.3%	14.4%	12.1%
Charitable activities	84.7%	83.3%	84.4%	84.0%	85.0%	87.1%
Governance costs	0.7%	0.7%	0.6%	0.7%	0.6%	0.8%
<b>Free reserves</b>						
Number of days' expenditure	34	33	38	31	28	

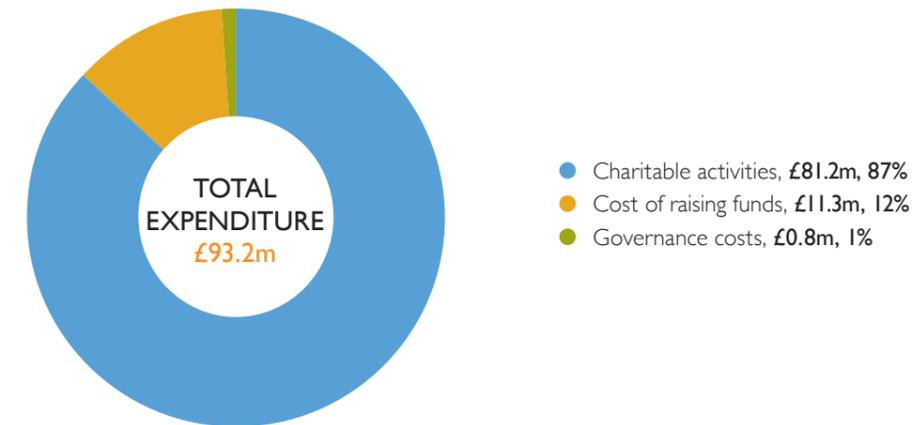
# Our finances at a glance

The charts below show how the funds we raised during 2016 were sourced and spent on projects to benefit children and communities around the world.

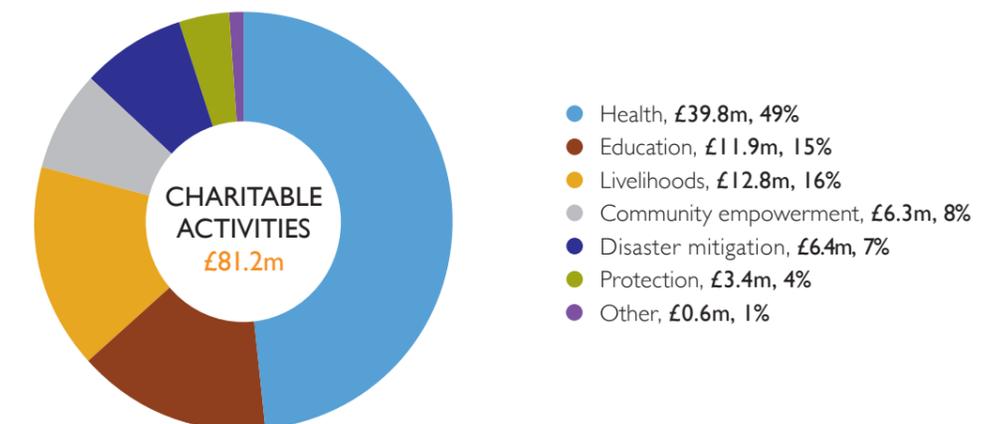
How we raised the money



How each £ is spent



Charitable activities we funded this year



# Financial review

Amidst an increasingly challenging economic and regulatory environment, everything we achieved in 2016 was only possible because of the generosity and partnership of our supporters and institutional donors, and because of the solid financial foundations we've built. Together, you donated a record £95.4 million, of which we spent £81.7 million on charitable activities, our highest amount ever. This represented 88 percent of our total expenditure and was above our average for the last five years. This meant even more of the funds entrusted to us were spent on activities that brought positive change to the lives of millions of children.

## INCOME

Total income increased by five percent compared to 2015, to reach another record level of £95.4 million (2015: £90.9 million). This growth came mainly from donated goods from institutional donors, such as DFID and the World Food Programme, which more than doubled to £9.2 million (2015: £4.3 million). We continued to deepen our partnership with institutional grant makers, with total income during 2016 of £46.5 million (2015: £44.0 million). The increase in institutional grants income was the eighth successive year of growth and followed the particularly strong performance of 2015. Our ability to grow our institutional grant-funded activities depends in part upon match funding donated by individual supporters; this reached its highest ever level in 2016, providing leverage to achieve even greater impact for the children we serve.

While we continued to grow our grant-funded activities, child sponsorship remained the key foundation of our financial health and therefore our work. Due largely to the successful closure of a number of long-term programmes, by the end of the year, the number of children in our sponsorship programmes had reduced on a net basis to approximately 92,000 (2015: 98,000) with income of £23.2 million (2015: £23.9 million). We've continued investment in the way our sponsors connect with the children and communities they support, and seen the mature sponsorship cancellation rate falling to its lowest level for several years. Returning our committed-giving supporter numbers to growth is one of the most important challenges we face and over the next year will be a key area of strategic focus.

## EXPENDITURE

Total expenditure for 2016 increased to £93.2 million (2015: £90.6 million) and was reflected in our record level of £81.7 million of charitable expenditure (2015: £77.2 million). £76.9 million (2015: £71.9 million) of this was sent to our overseas programmes and £4.3m was spent on improving the effectiveness of our work and raising awareness of issues of poverty in the UK.

The challenging fundraising and regulatory environment within which we continued to operate meant the cost of raising income rose. Whilst in 2015 we took advantage of specific opportunities to increase the number of new supporters, fewer of these opportunities - at sufficiently sustainable rates of return - were identified in 2016. Therefore fundraising spend fell in the year to £11.5 million (2015: £13.3 million). This resulted in the cost of raising funds as a proportion to total expenditure falling to its lowest ever level of 12 percent and below the average for the last five years. Looking ahead, we will continue to be discerning in how we invest to raise funds and will also work to improve the efficiency of the fundraising channels we use.

## RESERVES POLICY

Having sufficient general reserves helps ensure our long-term financial viability, protects our work against adverse financial events and allows us to take advantage of opportunities when they arise. Our Trustees review our reserves policy annually, considering risks and opportunities, and taking into account forecasts and assessed sensitivities to voluntary income sources and the need for unrestricted funds.

Our 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 2016, this was equivalent to a range of £5.7 million to £10.4 million at current expenditure levels. The Trustees considered this an appropriate level for reserves to maintain funding for programmes and emergencies. This reserves policy will be reviewed against our new strategy beginning next year.

## FUNDS

At the end of 2016 total funds stood at £18.4 million (2015: £16.1 million). Restricted funds - which are subject to conditions imposed by donors or implied by the nature of an appeal - amounted to £9.8 million (2015: £6.9 million).

### Unrestricted funds of £8.6 million (2015: £9.3 million) comprised the following:

- Designated funds of £2.2 million (2015: £1.9 million), that make up the Fixed Assets Fund, 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.
- Free reserves (General Funds not designated) of £6.4 million (2015: £7.4 million) that represented 28 days of applicable expenditure (2015: 31 days).

One of the purposes of holding free reserves is to protect our field partners and beneficiaries against adverse financial events. 2016 saw a material weakening of around 14 percent over the year in the strength of Sterling against the US Dollar. Free reserves were used to mitigate some of the impact of this to give time to our field partners to adjust.

## GOING CONCERN

We have assessed that we have adequate financial resources and the appropriate structures 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 our various sources of both income and expenditure. We therefore have a reasonable expectation that we have adequate resources and control mechanisms to continue in operational existence for the foreseeable future. Further, we believe there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern. Therefore, we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## INTERNAL CONTROLS

The organisation has documented systems of internal financial controls and procedures that are reviewed regularly by financial 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
- material errors or irregularities are either prevented or would be detected within a timely period.

The World Vision Partnership has an Internal Audit department 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 are involved in the action taken resulting from 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 programmes and is accountable to the Finance and Audit Risk Committee. Audits are also carried out for some of our government donors.

## RISK MANAGEMENT

We work in some of the most difficult environments in the world to reach some of the most vulnerable children. Our established formal risk management process and internal control framework ensures we monitor and scrutinise these situations consistently and proactively. That means we can identify and manage risks that could affect our ability to achieve our objectives, while also protecting our staff, assets and reputation. In turn, we make sure we learn from any incidents and build them into our training, policies and procedures.

The Trustees have defined a clear risk statement that provides us with a framework of reference for the conditions and factors that determine our risk appetite. We use a dynamic risk events log to capture all incidents centrally, then assign clear mitigation actions, ownership and timeframes to appropriate staff. Senior management update this quarterly or more often as required. All significant risks are reviewed at every Finance, Audit and Risk Committee meeting and a summary thereof circulated to all Board members. This allows the Trustees to keep abreast of the major risks we face and check we're assessing and mitigating them appropriately. This Annual Report summarises our overall assessment and control of key risks as shown in the table overleaf.

Strategic Priority	Key Risk	Mitigating Actions
Evidence of real change for children	As we often undertake our work in fragile contexts affected by conflict, instability and poor infrastructure, there is a risk we will be unable to operate effectively and achieve all the relief and development impact we seek for the most vulnerable children.	Working with World Vision International Partners to maintain consistent implementation of our global risk management and operational policies. Defining and implementing appropriate enhanced oversight in high risk contexts. Monitoring and review of internal audit reports to ensure, where issues are highlighted, appropriate action is taken. Refining our international travel policy and training of our staff. Support and staff training on risk assessment and project management in volatile contexts.
Evidence of real change for children Inspiring and effective organisation	As traditional fundraising channels are increasingly finding it more difficult to achieve cost-effective supporter recruitment, the number of supporters may continue to reduce. The consequential reduction in unrestricted income could reduce our ability to deliver all the programmes and projects we would want. In this environment it could be harder to attract and retain staff in key roles.	Implementation of a World Vision Partnership global marketing initiative to refresh and improve our child sponsorship product. Focusing on improving the return on investment we are achieving with our face-to-face fundraising team. Ensuring appropriate investment in innovative solutions to fundraising is effectively managed. Review of our recruitment practices and introduction of an organisational health strategy. Resource and prioritise actions to retain the key skills we depend upon.
Grow income and influence	A failure of World Vision's global and UK financial systems and processes could increase the risk that UK funds may be misused or diverted from their intended charitable purpose.	Working with World Vision International to continually improve the operational effectiveness of global financial controls and monitoring systems. Ensuring anti-fraud and corruption and blocked party screening systems and processes are working effectively where UK funds are involved. A continued commitment to quality, transparency and accountability with our internal processes.
Transformed supporter experience Grow income and influence	As the strong media appetite for scrutinising the charity sector continues, the possibility of adverse media attention for World Vision UK that could damage our reputation and credibility increases.	Having a defined process for quality review and sign-off of external communications. Giving priority to our Media and Communications strategy including the creation of a flow of positive messaging and reporting the evidence of the positive impact we are having on the lives of children across the globe. Maintain and implement our emergency procedures for the effective management of public relations crisis situations.

Looking forward, the Trustees anticipate work to ensure compliance with the new *Fundraising Code of Practice* and general data protection regulations. We'll continue to manage the risks inherent in working with the most vulnerable children, and monitor and review our policies and procedures building on the learning we've gained from working in areas of fragility and conflict.

The general fundraising environment will remain very competitive. Innovative ways to acquire new supporters will need to be managed well. We will need to develop more financial resilience and flexibility to mitigate reduced committed giving. As we anticipate that grant funding will increasingly be paid on results or subject to competitive

tendering, we'll continue to develop our grants capacity and capability accordingly drawing from the lessons learnt to date. It's also likely more grants will be awarded to consortia, where World Vision UK could play either a lead role or be a contracting partner. Although we're well placed to deliver grants in this way, we'll continue to strengthen our management and oversight of them.

To effectively inform and support management in their decision-making in an increasingly uncertain external environment, we recognise our risk management arrangements must remain agile and be regularly reviewed.

# 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 was incorporated in England on 3 November 1982 as a company limited by guarantee (No. 1675552) and is a registered charity (No. 285908). As a charitable company, World Vision UK has 'Members' who are also appointed as the charity's 'Trustees' and responsible for running the charity. The Trustees' liability is limited to £1 each. The charity's governing document, its Memorandum and Articles of Association (dated 12 March 2010), sets out its objects, powers and matters relating to the running of its internal affairs.

### World Vision UK's charitable objects are:

- 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.
- 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 Board of Trustees is legally responsible for the overall control of the charity and for ensuring that it is properly managed. Principles of governance, including legal compliance, have been identified by the National Council for Voluntary Organisations in *Good Governance: A Code for the Voluntary and Community Sector*, which the Board uses in evaluating its performance. In addition, all Trustees are required to review the *Charity Commission guidance: The Essential Trustee: what you need to know, what you need to do* (and

other governance materials) on joining the Board and then annually at the first Board Meeting of each financial year.

#### 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 the Principal Officers). The Principal Officers develop most of the organisation's plans, policies and processes, and are responsible for their implementation, following Board advice and approval.

## PUBLIC BENEFIT

This Report sets out World Vision UK's charitable activities which have been carried out in accordance with its charitable objects for the public benefit. The Board has ongoing regard to the public benefit guidance published by the Charity Commission when reviewing the charity's aims and objectives, planning future activities and considering how these will achieve its aims and objectives.

## BOARD COMPOSITION

The Board is comprised of independent, unremunerated, non-executive directors (or Trustees) who have a broad range of skills 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. Trustee recruitment, induction and training are governed by Board policies on Trustee recruitment and Board education. These policies are reviewed by the Board Development Committee on a regular basis.

Trustees normally serve for a maximum of nine years and are re-elected, by the Board, every three years based on satisfactory performance. There is provision for extension of service terms (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.

## 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. Individual Trustees evaluate themselves against these standards annually. Trustees are required to disclose any potential conflicts of interest or conflicts of loyalty to the Board and withdraw from any related Board discussion and decision-making.

## BOARD EXPENSES

No fees or remuneration are paid for serving as a Trustee of World Vision UK. World Vision UK reimburses reasonable expenses incurred in the course of acting as a Trustee. This includes travel and accommodation 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. Important governance work is carried out by Board Committees, which hold two to three meetings a year to discharge their responsibilities under formal terms of reference, which are reviewed annually. Each Committee includes Trustees with directly relevant skills and experience. The Board does not delegate major decisions to the 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 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 liaises with the external auditors and reviews internal audit reports.

- The Organisational Effectiveness and Remuneration Committee approves the remuneration of all Principal Officers and the remuneration policies for other staff. Additionally, it reviews organisational strategies including those for development of innovations and information technology.
- 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 two scheduled retirements in 2016, the Board appointed two new Trustees to ensure continuity of finance and fundraising expertise on the Board. It also initiated a Trustee succession programme for 2017 to ensure the Board continues to be comprised of Trustees with high-level and diverse skills and experience.
- Anna Laszlo was appointed Board Chair for a second one-year term following the Board's annual chair performance review process; Linda Emery was re-appointed Vice Chair.
- The Board reviewed and approved revisions to the Board Policy on Board Education, Chief Executive's Annual Goals and Performance Review, and Child Safeguarding and Serious Incidents Reporting. It also reviewed and approved a new Supporters' Charter.
- The Board reviewed the Charity Commission's *Protecting charities from harm: compliance toolkit* and a report on World Vision UK's compliance with the main principles of the Charity Commission's guidance on Charities and Terrorism (November 2015).
- The Public Engagement Committee reviewed the updated *Charity Commission guidance on Charity fundraising: a guide to trustee duties*. It reported to the Board on the Charity Commission checklist designed to support Trustees with this responsibility (July 2016).
- The Board formed a Board Advisory Group comprised of Committee Chairs to oversee and guide the development of the new strategy for 2017-2021.

## KEY POLICIES AND PROCESSES

### Diversity and inclusion

We're 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 annually 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. 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 for 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.

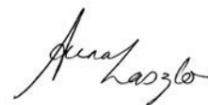
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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 24 February 2017 and signed on behalf of the Board by:



**Anna Laszlo**  
Board Chair – World Vision UK

# Financial statements

A detailed look at our finances from the financial year ended 30 September 2016



**OPPOSITE:** Christina, 4, from Kenya, is thriving thanks to the advice her mother has been receiving from a World Vision community health volunteer. © 2015 Laura Reinhardt /World Vision

# Statement of financial activities

(including income and expenditure account) for the year ended 30 September 2016

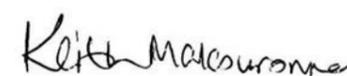
	Notes	Restricted funds £'000	Unrestricted funds £'000	2016 £'000	Restricted funds £'000	Unrestricted funds £'000	2015 £'000
<b>Incoming from:</b>							
Donations and legacies	2a	84,408	10,336	94,744	79,292	11,179	90,471
Charitable activities	3	-	456	456	-	359	359
Investment	4	-	30	30	-	40	40
Other	5	76	66	142	-	68	68
<b>Total income</b>		<b>84,484</b>	<b>10,888</b>	<b>95,372</b>	<b>79,292</b>	<b>11,646</b>	<b>90,938</b>
<b>Expenditure on:</b>							
Raising funds	6	6,488	5,024	11,512	8,229	5,100	13,329
Charitable activities	7	75,030	6,668	81,698	70,410	6,833	77,243
<b>Total expenditure</b>		<b>81,518</b>	<b>11,692</b>	<b>93,210</b>	<b>78,639</b>	<b>11,933</b>	<b>90,572</b>
Gains on investments	14	-	153	153	-	43	43
<b>Net income/expenditure</b>		<b>2,966</b>	<b>(651)</b>	<b>2,315</b>	<b>653</b>	<b>(244)</b>	<b>409</b>
<b>Net movement in funds</b>		<b>2,966</b>	<b>(651)</b>	<b>2,315</b>	<b>653</b>	<b>(244)</b>	<b>409</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward	19	6,881	9,252	16,133	6,228	9,496	15,724
<b>Total funds carried forward</b>	<b>19</b>	<b>9,847</b>	<b>8,601</b>	<b>18,448</b>	<b>6,881</b>	<b>9,252</b>	<b>16,133</b>

# Balance sheet

as at 30 September 2016

	Notes	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Intangible assets	12	287	104
Tangible fixed assets	13	5,755	5,692
Investments	14	1,068	915
<b>Total fixed assets</b>		<b>7,110</b>	<b>6,711</b>
<b>Current assets</b>			
Debtors	15	8,615	6,841
Cash at bank		11,248	8,206
<b>Total current assets</b>		<b>19,863</b>	<b>15,047</b>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	16	(4,946)	(1,920)
<b>Net current assets</b>		<b>14,917</b>	<b>13,127</b>
<b>Total assets less current liabilities</b>			
Creditors: Amounts falling due after more than one year	17	(3,579)	(3,705)
<b>Total net assets</b>		<b>18,448</b>	<b>16,133</b>
<b>The funds of the charity</b>			
Restricted funds	19	9,847	6,881
Tangible fixed assets fund	19	2,178	1,879
General fund	19	6,423	7,373
<b>Total unrestricted funds</b>	<b>19</b>	<b>8,601</b>	<b>9,252</b>
<b>Total funds</b>	<b>19</b>	<b>18,448</b>	<b>16,133</b>

The financial statements of World Vision UK, registered number 1675552, were approved by the Board on 24 February 2017.



Keith Malcouronne FCA



Anna Laszlo (Board Chair)

# Statement of cash flows

for the year ended 30 September 2016

	2016 £'000	2016 £'000	2015 £'000	2015 £'000
<b>Cash flows from operating activities:</b>				
<b>Net cash provided by operating activities</b> a		3,582		1,416
<b>Cash flows from investing activities:</b>				
Bank interest received	30		40	
Purchase of property, plant and equipment	(260)		(19)	
Purchase of intangible fixed assets	(195)		(25)	
<b>Net cash used in investing activities</b>		(425)		(4)
<b>Cash flows from financing activities:</b>				
Repayment of borrowings	(294)		(202)	
Cash inflows from new borrowing	179		-	
<b>Net cash used in financing activities</b>		(115)		(202)
Change in cash and cash equivalents in the year		3,042		1,210
Cash and cash equivalents at the beginning of the year		8,206		6,996
<b>Cash and cash equivalents at the end of the year</b> b		11,248		8,206
<b>Notes</b>				
<b>a Reconciliation of net income to net cash flows from operating activities</b>		<b>2016 £'000</b>		<b>2015 £'000</b>
<b>Net income for the year (as per the statement of financial activities)</b>		2,315		409
<b>Adjustments for:</b>				
Depreciation charge		191		156
Amortisation charge		12		61
Gains on investments		(153)		(43)
Bank interest received		(30)		(40)
Loss on the disposal of fixed assets		6		480
(Increase) / decrease in debtors		(1,774)		451
Increase /(decrease) in creditors		3,015		(58)
<b>Net cash provided by operating activities</b>		3,582		1,416
<b>b Analysis of cash and cash equivalents</b>		<b>2016 £'000</b>		<b>2015 £'000</b>
<b>Cash at bank</b>		11,248		8,206
<b>Total cash at bank</b>		11,248		8,206

# Notes to the accounts

for the year ended 30 September 2016

## 1 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 47. 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. Reconciliation with previously Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether, in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was required. The transition date was 1 October 2014. Opening balances and net income/(expenditure) for the year in accordance with the requirements of FRS 102 are unchanged from those reported under previous GAAP and, therefore, no reconciliation is shown.

### c. Public benefit entity

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

### d. 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.

### e. 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.

### f. 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 expended 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 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.

**g. 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.

**h. 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

**i. 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.

**j. Investments**

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

**k. 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 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.

**l. 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.

**m. Leasing commitments**

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

**n. Irrecoverable Value Added Taxation (VAT)**

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

**o. 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.

**p. 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.

**q. 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.

**r. Financial instruments**

World Vision UK's financial instruments are all common 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.

**s. Volunteers**

World Vision UK had nine volunteers working in its offices across all areas in 2016. 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 who help enable monetary donations to go further.

**t. 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 2016, the number of children in the child sponsorship committed giving scheme was approximately 92,000 (2015: 98,000).

	Restricted £'000	Unrestricted £'000	2016 £'000	2015 £'000
<b>Committed giving and other donations</b>				
Child Sponsorship committed giving scheme	23,243	-	23,243	23,900
Legacies	8	471	479	738
Other donations	2,652	3,707	6,359	6,891
Tax recovered under Gift Aid	-	6,158	6,158	6,348
	25,903	10,336	36,239	37,877
<b>Donations for emergencies</b>				
Emergency appeals	370	-	370	1,498
Disasters Emergency Committee appeals	2,383	-	2,383	2,774
	2,753	-	2,753	4,272
Institutional grants (see Note 2b)	46,548	-	46,548	43,980
Donated goods and services (see Note 2c)	9,204	-	9,204	4,342
<b>Total donations and legacies</b>	<b>84,408</b>	<b>10,336</b>	<b>94,744</b>	<b>90,471</b>

## 2b Institutional grants

	2016 £'000	2015 £'000
Development grants	31,542	24,944
Relief grants	15,006	19,036
	46,548	43,980
<i>Grants receivable from:</i>		
Department for International Development (DFID):		
Programme Partnership Arrangement (PPA)	3,938	3,938
Ebola Crisis West Africa	12,084	14,256
Girls' Education Challenge (GEC)	4,099	4,024
DRC Primary Healthcare Access	2,736	2,724
El Nino Response	1,744	-
Sudan Humanitarian Assistance and Resilience Alliance (SHARP)	1,532	1,208
Communicating with Disaster Affected Communities (CDAC) Network	1,032	548
Syria Crisis Response	-	464
Response to Drought-Affected Communities in Zimbabwe	709	500
Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED) Myanmar	469	-
Turkana Arid Lands Support Programme	322	548
African Climate Change Resilience Alliance	111	174
Nutrition Programme Turkana	71	472
Bulawayo Emergency Water Augmentation	-	15
Other DFID	222	666
The Global Fund to Fight AIDS, Tuberculosis and Malaria	7,418	6,648
United Nations	3,327	3,980
European Community Humanitarian Office (ECHO)	2,557	285
Other European Union	1,793	1,528
Start Network	1,857	901
Other	527	1,101
	46,548	43,980

Included in institutional grants is £3,424,000 (2015: £3,089,000) received as a contribution towards UK programme support and administration costs.

## 2c Donated goods and services

	2016 £'000	2015 £'000
<i>Donated goods and services received from:</i>		
World Food Programme (WFP) and other UN agencies	6,405	4,342
Department for International Development (DFID)	2,799	-
	9,204	4,342

### 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:

	2016 £'000	2015 £'000
Department for International Development (DFID)	318	359
Start Network	138	-
	456	359

### 4 Investment income

	2016 £'000	2015 £'000
Bank interest	30	40
	30	40

### 5 Other income

	2016 £'000	2015 £'000
Use of premises	66	68
Brand marketing	76	-
	142	68

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	Funding to overseas programmes	Programme support costs	Advocacy, education and research	Governance	Support costs	2016 total £'000	2015 total £'000
Raising funds	8,792	-	-	-	228	2,492	11,512	13,329
Charitable activities (see Note 7)	-	73,446	837	3,439	537	3,439	81,698	77,243
<b>Total resources expended</b>	<b>8,792</b>	<b>73,446</b>	<b>837</b>	<b>3,439</b>	<b>765</b>	<b>5,931</b>	<b>93,210</b>	<b>90,572</b>

Costs incurred in the United Kingdom:	Charitable activities £'000	Cost of generating funds £'000	Governance costs £'000	Support costs £'000	2016 total £'000	2015 total £'000	Basis of Allocation
Salaries	3,825	2,990	488	3,107	10,410	9,316	Direct & Headcount
Employment benefits	63	24	23	258	368	331	Headcount
Temporary staff	8	98	59	207	372	173	Headcount
Training	31	51	9	83	174	250	Headcount
Recruitment	22	22	25	106	175	292	Headcount
Travel and subsistence	246	217	30	190	683	623	Headcount
Advertising	7	568	-	70	645	1,226	Direct
Research and consultancy	608	76	20	104	808	916	Direct
Other marketing and communications	85	4,666	15	894	5,660	6,935	Direct
Equipment maintenance and rental	58	3	8	277	346	433	Headcount
Depreciation and amortisation	34	1	4	164	203	214	Headcount
Occupancy and supplies	87	132	22	393	634	1,285	Headcount
Legal and professional	1	5	53	5	64	72	Direct
Bank charges and exchange differences	(15)	(62)	(2)	41	(38)	63	Direct
Mortgage interest	6	-	11	32	49	51	Headcount
	5,066	8,792	765	5,931	20,553	22,180	
Included in the total are allocated costs of	1,949	2,492	627	5,068	5,068	5,574	
Governance costs are made up as follows							
Board (see Note 11)					62	33	
Statutory audit					40	40	
Management					663	478	
					765	551	

## 7 Charitable activities

	Restricted £'000	Unrestricted £'000	2016 £'000	2015 £'000
<b>Support was given to the following regions (including donated goods and services)</b>				
East Africa	21,925	1,116	23,041	19,173
Southern Africa	18,788	2,238	21,026	14,073
West Africa	19,049	309	19,358	21,048
Asia	7,086	237	7,323	10,003
Latin America	2,260	-	2,260	1,871
Middle East/Eastern Europe	3,822	55	3,877	5,775
<b>Total remittances to overseas programmes</b>	<b>72,930</b>	<b>3,955</b>	<b>76,885</b>	<b>71,943</b>
Programme support costs	274	563	837	1,063
Advocacy, education and research	1,562	1,877	3,439	3,942
Governance	-	537	537	340
	<b>74,766</b>	<b>6,932</b>	<b>81,698</b>	<b>77,288</b>
<b>Number of countries supported</b>				
			43	43
	Direct expenditure	Allocated expenditure		
Funding for overseas programmes	76,885	-	76,885	71,943
Programme support costs	140	697	837	1,063
Advocacy, education and research	2,187	1,252	3,439	3,942
Governance	-	537	537	340
	<b>79,212</b>	<b>2,486</b>	<b>81,698</b>	<b>77,288</b>

### 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)

	2016 £'000	2015 £'000
<b>This is stated after charging:</b>		
Depreciation of owned assets	191	217
Amortisation of assets held under finance leases	12	-
Operating lease rentals – plant and machinery	100	113
Operating lease rentals – buildings	119	119
Write off of IT development costs	-	480
Interest payable on mortgage loans	49	51
Auditors' remuneration	40	40
	- audit fees	
	- other	
	10	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	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Less than one year	122	119	103	102
One to five years	394	385	152	259
More than five years	33	164	-	-
	<b>549</b>	<b>668</b>	<b>255</b>	<b>361</b>

## 10 Employee costs

	2016 £'000	2015 £'000
<b>Aggregate payroll costs were as follows:</b>		
Wages and salaries	8,723	7,800
Social security costs	858	765
Other pension costs	829	751
	<b>10,410</b>	<b>9,316</b>
	<b>Number</b>	<b>Number</b>
<b>The number of employees whose actual emoluments (including benefits-in-kind but excluding pension contributions) fell in the following bands is:</b>		
£60,001 - £70,000	-	1
£70,001 - £80,000	3	2
£80,001 - £90,000	2	1
£90,001 - £100,000	-	1
£100,001 - £110,000	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 emoluments in the year were £102,660 (2015: £94,693). The total employee benefits including pension contributions of the key management personnel were £529,435, 6 roles (2015: £493,101, 6 roles).

### The divisional breakdown of average monthly permanent staff numbers is:

	Number	Number
Policy and Programmes	78	77
Fundraising	76	57
Marketing and Communications	76	57
Organisational Effectiveness	54	50
Chief Executive's office	3	3
Finance and Risk	36	35
	<b>323</b>	<b>279</b>

## 11 Trustees' remuneration

The Trustees received no remuneration for their services. Directly incurred expenses are reimbursed, if claimed, and in 2016 totalled £5,498 (2015: £5,000), which was claimed by 8 Trustees (2015: 7 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 £12,720 (2015: £13,000).

## 12 Intangible fixed assets

	Assets in course of development £'000	Software £'000	Total £'000
<i>Cost:</i>			
At 1 October 2015	74	3,864	3,938
Additions	195	-	195
At 30 September 2016	<b>269</b>	<b>3,864</b>	<b>4,133</b>
<i>Amortisation:</i>			
At 1 October 2015	-	3,834	3,834
Charge for the year	-	12	12
At 30 September 2016	-	<b>3,846</b>	<b>3,846</b>
<i>Net book value:</i>			
At 30 September 2016	<b>269</b>	<b>18</b>	<b>287</b>
At 1 October 2015	74	30	104

### Assets in the course of development

Assets in the course of development refer to the replacement and improvement of the charity's financial accounting system which started in 2013. This is expected to come into use during the following year.

## 13 Tangible fixed assets

The cost of freehold land amounting to £670,000 (2015: £670,000) is not depreciated.

	Freehold land and building £'000	Computer and office equipment £'000	Fixtures and fittings £'000	Total £'000
<i>Cost:</i>				
At 1 October 2015	7,050	461	439	7,950
Additions	-	185	75	260
Disposals	-	(254)	(50)	(304)
At 30 September 2016	<b>7,050</b>	<b>392</b>	<b>464</b>	<b>7,906</b>
<i>Depreciation:</i>				
At 1 October 2015	1,524	422	312	2,258
Charge for the year	127	28	36	191
Disposals	-	(248)	(50)	(298)
At 30 September 2016	<b>1,651</b>	<b>202</b>	<b>298</b>	<b>2,151</b>
<i>Net book value:</i>				
At 30 September 2016	<b>5,399</b>	<b>190</b>	<b>166</b>	<b>5,755</b>
At 1 October 2015	5,526	39	127	5,692

## 14 Investments

All fixed asset investments are held within the UK.

	2016 £'000	2015 £'000
<i>Fixed assets</i>		
<b>Common investment funds held by the charity</b>		
Market value at 1 October	915	872
Net investment gains	153	43
<b>Market value at 30 September</b>	<b>1,068</b>	<b>915</b>
Historical cost at 30 September	452	452

£2.9m of the investments reported at September 2015 have been reclassified as cash at bank, since they comprise short-term highly liquid investments with a maturity of three months or less from placing deposit.

## 15 Debtors

	2016 £'000	2015 £'000
Institutional grants receivable	4,814	3,864
Amounts owed by other World Vision entities	2,008	967
Tax recoverable	1,562	1,140
Prepayments and accrued income (including legacy income)	198	835
Other debtors	33	35
	<b>8,615</b>	<b>6,841</b>

## 16 Creditors

Amounts falling due within one year

	2016 £'000	2015 £'000
<b>Amounts falling due within one year</b>		
Mortgage loan (see also note 17)	225	213
Amounts owed to other World Vision entities	86	-
Hire purchase loan	60	-
Accruals	974	514
Taxation and social security	252	251
Other creditors	3,349	942
	<b>4,946</b>	<b>1,920</b>

Included within 'Other creditors' are outstanding pension contributions amounting to £78,000 (2015: £72,000).

## 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%.

	2016 £'000	2015 £'000
Mortgage loan repayable between 1-5 years	1,033	979
Mortgage loan repayable in more than 5 years	2,446	2,726
	<b>3,479</b>	<b>3,705</b>
Hire purchase loan repayable 1-5 years	100	-
	<b>3,579</b>	<b>3,705</b>

## 18 Financial instruments

	2016 £'000	2015 £'000
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	1,068	915
Financial assets measured at amortised cost	19,665	14,408
	<b>20,733</b>	<b>15,323</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	8,487	5,530
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:		
	2016 £'000	2015 £'000
<b>Income, expense, gains and losses</b>		
Total investment income for financial assets measured at fair value through income and expenditure	153	43
Net gains on financial assets measured at amortised cost through income and expenditure	30	40

## 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 General fund at 30 September 2016 includes cumulative net unrealised gains on investments of £616,000 (2015: unrealised gain of £463,000), see Note 14.

	Restricted funds	Unrestricted funds		Total
	£'000	Designated Tangible fixed asset fund	General fund	£'000
		£'000	£'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	Balance 2015	Incoming resources	Outgoing resources	Transfers between funds	Balance 2016
	£'000	£'000	£'000	£'000	£'000
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>

## 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 the year end (2015: 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.

At the end of the year, World Vision International and its partner entities owed the charity £2,008,000 (2015: £967,000). See Note 15.

The charity remitted £62,035,000 (2015: £59,684,000) to World Vision International to fund overseas programme costs and charged £68,000 (2015: £79,000) for office space, IT and payroll services.

## 23 Impact of transition to FRS 102 and SORP 2015

It is the first year the charity has presented its financial statements under SORP (FRS 102) and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 30 September 2015 and the date of transition was therefore 1 October 2014.

As a result of the changes in income recognition required by SORP (FRS 102), the accounting policy on recognition of grant income and legacy income has changed. This has had no impact on the opening and closing reserves for 2015.

# Independent auditor's report

to the Members of World Vision UK

We have audited the financial statements of World Vision UK for the year ended 30 September 2016, which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes numbered 1 to 23.

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 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 the company's 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 Statement of Trustees' responsibilities, the Trustees (who are also the Directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

A description of the scope of an audit of financial statements is provided in the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## 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 as at 30 September 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006.

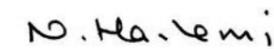
## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report within 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:

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



## Naziar Hashemi

Senior Statutory Auditor  
For and on behalf of  
Crowe Clark Whitehill LLP  
London  
24 February 2017

# Trustees, principal officers and advisers

## BOARD OF TRUSTEES

Serena Brown (appointed March 2016)  
Simon Burne (appointed March 2016)  
Jennifer Collins  
Marie-Eve Coulomb  
Linda Emery  
Richard Izard  
Anna Laszlo, Board Chair  
Keith Malcouronne  
Mark Parsons  
Stephen Phelps (retired November 2016)  
Andrew Reed  
Rev Canon David Richards  
Mark Sheard (retired March 2016)  
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

### Organisational Effectiveness Director

Adrian Blair

### Finance and Risk Director

Paul Wratten

## 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 of 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.

The Derek Butler Trust  
Department for International Development  
Mr George Downing  
Mr and Mrs James and Katherine Anne Duffy  
European Commission  
European Community Humanitarian Office  
Alan & Nesta Ferguson Charitable Trust  
Mr and Mrs Dean & Melissa Fielding  
Mr Paul Forman  
GOAL  
Global Fund to Fight AIDS, Tuberculosis and Malaria  
Goodwood Racecourse Limited  
The Gisela Graham Foundation  
Grundfos Lifelink  
The Mary Alice Harris Charitable Trust  
Mr David Henderson OBE  
Mr and Mrs Peter and Lillian Hindley  
Hotel Puente Romano in Marbella  
Mr Phillip House  
Howard Tenens Limited  
Irish Aid  
Mr R P Jarvis  
Mr and Mrs Kevin and Helen Jenkins  
The Jerusalem Trust

Julian and Kirsteen Jessop  
JOAC  
The Kilreggan Trust  
The Latin American Children's Trust  
Lightsource Renewable Energy Limited  
The Madeline Mabey Trust  
Mr Jeremy Middleton CBE, Mrs Catherine Middleton and family  
Premier Contract Supplies  
Mr Don Procter  
Royal Norwegian Embassy  
The Shamoon Family  
Mrs Sarah Sherwin  
Mr James Sim  
Alison Smith  
The Souter Charitable Trust  
Start Network  
The Andy Stewart Charitable Foundation  
The Stone Family Foundation  
UNFAD  
UNHCR  
UNICEF  
Mr and Mrs Steve and Carolyne Walker  
Wider Plan  
World Bank  
World Food Programme

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



# Get involved

There are many ways you can support our mission to transform the lives of the world's most vulnerable children.

## 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)**

## GIVE RAW HOPE

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)**

## CONTINUE CHANGING CHILDREN'S LIVES THROUGH YOUR WILL

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)**

## BECOME AN AMBASSADOR

You could become an Ambassador and share with others your first-hand experience of sponsoring a child. If you want to know more about the Ambassador role visit:

**[www.worldvision.org.uk/get-involved/become-ambassador](http://www.worldvision.org.uk/get-involved/become-ambassador)**  
**Email: [ambassador@worldvision.org.uk](mailto:ambassador@worldvision.org.uk)**

## FOLLOW US

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

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



**BACK COVER IMAGE:** Pov, 2, from Cambodia, is stronger and healthier than her seven older siblings were at the same age, thanks in part to a World Vision vaccination programme and nutritional advice given to her mother. Neither of these were available when her older siblings were born. ©2015 Chetra Ten/World Vision



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

John 10:10

World Vision UK

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

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a company limited by guarantee and registered in  
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