

**UP out  
of poverty**



Company number: 1278887  
Charity Number: 272465

# United Purpose

Report and financial statements  
For the year ended 31 March 2017

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## Trustees' annual report

**For the year ended 31 March 2017**

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### Message from the Chair

Welcome to our Trustees' Annual Report and Accounts 2017. In my role as Chair, I'm often asked what United Purpose stands for. We stand for a world where justice, dignity and respect are universal and no one has to live with the injustice of poverty. But instead of telling people what we stand for, it is so much more powerful to show them – as we hope you'll agree by the end of this report.

As you reflect on the following pages, please do bear in mind that none of it would have been possible without our global community of Patrons and Ambassadors, volunteers, donors (institutions, individuals, corporate, communities, trusts and foundations), staff and partner organisations. If you are one of them, thank you!

This year has been significant for United Purpose, as we tackle the issues facing many in our sector: financial resilience, improving impact and keeping value for money. We have undertaken significant changes including name change and relocation of our UK office from Hereford to Cardiff in February 2017. We also welcomed the Olympic legacy charity International Inspiration to our family of charities following a merger in October 2016 – all reflecting a major renewal of our vision for how we are going to be as relevant going forward as we have been in the last 40 years.

While all these changes have taken place, we have continued with the core of our work and are making an even bigger impact than ever before. We believe passionately in our community-led approach, which has resulted in real and lasting transformation. People living in extreme poverty are vulnerable, so we build resilience at many levels to ensure no one who lifts themselves out of poverty ever finds themselves back in it. We believe that it is vital to empower communities so that they can fight back against exploitation, overcome the power dynamics that keep them poor, and triumph over disadvantage. This is at the heart of the new strategy we developed during the year to put our renewed vision into action.


We have reached four million people globally this year. As a result, 93,144 people now have access to safe water, 266,411 people have reduced 'hungry months', 719,569 people reached with humanitarian assistance and 30,471 disenfranchised young people have been empowered through sport. This work was delivered amidst a backdrop of challenging events that included reoccurring floods in Malawi and Bangladesh, political tension in The Gambia, and the growing footprint of security concerns and civil unrest in Nigeria and the Anglophone regions of Cameroon. We are immensely proud of the work that our Country Programmes deliver – each facing a different set of challenges to which they rise admirably.

This year's achievements are a brilliant foundation to build on. But we have much more to do. The scale of global poverty and inequality remains an outrage – all the more so in a world of such plenty and that is interlinked by economics, culture and technology as never before. As we look to the future, we will embrace these challenges through the new strategy developed during the year.

The Trustees' Annual Report and Accounts forms an essential part of our governance, which the Board takes very seriously. We discharge our responsibilities in a cooperative way with management and staff, and feel truly rewarded as a result. This does, however, require our Trustees to devote much time and energy to their role and for this and their continued support, I would like to express my thanks and appreciation.

Many thanks again to all of you who have been part of changing the lives of four million people for the better this year. It is an incredible achievement.

Best wishes,



Peter Ayres, Chair

The trustees present their report and the audited financial statements for the year ended 31 March 2017. Reference and administrative information set out on page 27 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

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### Objectives and activities

#### Purposes and aims

United Purpose is a global development organisation with an innovative, community-led approach to tackling poverty and inequality. Working in 14 countries across Asia, Africa and South America, we lift people up out of poverty by providing solutions to poverty that last. Our central office is based in Cardiff and in 2016-17 we had an annual turnover of £30 million.

Our work underpins the United Nation's 2030 Agenda for Sustainable Development, also known as the Global Goals. Our work addresses each of the 17 Sustainable Development Goals to end poverty, fight inequality and injustice, and tackle climate change by 2030.

**Our vision:** A world where justice, dignity and respect prevail for all.

**Our purpose:** To tackle poverty and inequality, by enabling people to improve their lives for the longer term.

#### How we work

We are proud of our devolved structure, which sees our nine country offices taking a lead on country strategy development (under the umbrella of the organisational strategy), programme delivery and management, grant fundraising and managing relationships with partners and donors. We currently have country offices in Bangladesh, Brazil, Ghana, Guinea, Malawi, Mozambique, Nigeria, Senegal and The Gambia where we combine being a direct deliverer, a deliverer through partners and / or having an advisor role with other partners.

We also have *neighbouring country-led programmes* where we undertake the above activities, but operate across borders in near-neighbours of countries – for example, Cameroon and Guinea-Bissau.

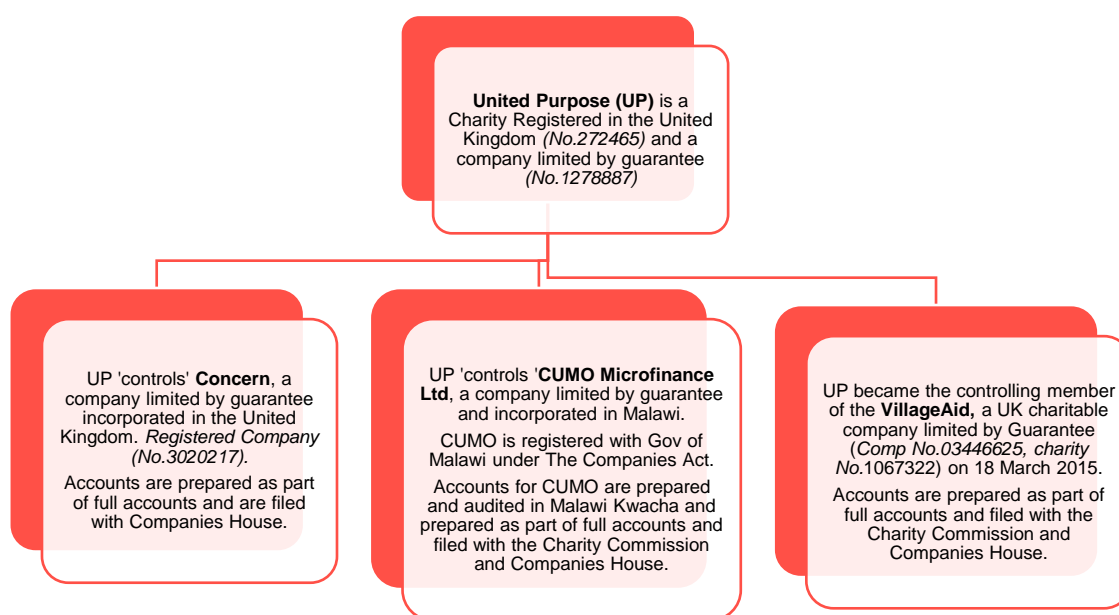
We also manage projects through local partners in the following countries where we don't have an UP office: Ethiopia, Kenya, India and Zambia. These have been brought into our programming mix through our merger with International Inspiration and their specialist partners, notably in sport-for-development.

United Purpose works in partnership with many organisations because we believe that significant and sustainable change will only happen if we harness the collective knowledge, skills, resources and motivation of a wide range of actors, starting with community-level partnerships. This may involve our staff being involved in joint operations, supporting and monitoring work, or funding local partners to deliver services. The grants we make to partners help local organisations provide sustainable benefits for poor and marginalised communities, and so further our own objectives. We carefully consider the experience, reach and governance of potential partners, as well as the value they will add to our work. We monitor how all grants are spent. In 2016-17 we worked with over 93 local partners.

Our central office, based in Cardiff plays a support role to the nine country offices and leads on: global strategy development and delivery; governance; organisational fundraising, communication and public affairs efforts, as well as financial management and planning.

In November 2016 the organisation was reborn out of Concern Universal as United Purpose, bringing together a group of organisations and initiatives to do much more together than they could separately. These organisations include: Village Aid, a proudly Derbyshire-based fundraising charity; and International Inspiration, the London Olympics-linked initiative that uses sport to uphold rights and promote development and peace. Our group also includes CUMO, a highly successful Malawi based micro finance organisation that was initially set-up in 2000 with a grant from UK Aid.

The diagram below shows our group structure:



### Our Approach

We have three key planks to our approach to tackling poverty and inequality:

**Intelligent Development** – We have 40 years' experience of delivering development around the world and our decentralised approach enables each country programme to respond effectively to local needs. We work in partnership and follow a community-led approach that is holistic, systematic, and respectful meaning that our work is some of the best around.

**Transformative Innovation** – Our wealth of experience and our trusted reputation allows us to develop truly innovative development approaches that have the power to fundamentally change the face of development.

**Enabling Independence** – By ensuring that the balance of power remains with the communities that we work with, we are challenging the dependency culture by nurturing resilient and self-sustaining citizens and communities.

### Public Benefit

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to the groups of people that it is set up to help. The review also helps the trustees to ensure that the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees refer to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

# 2016 In focus



Our country offices



Village Aid



International Inspiration

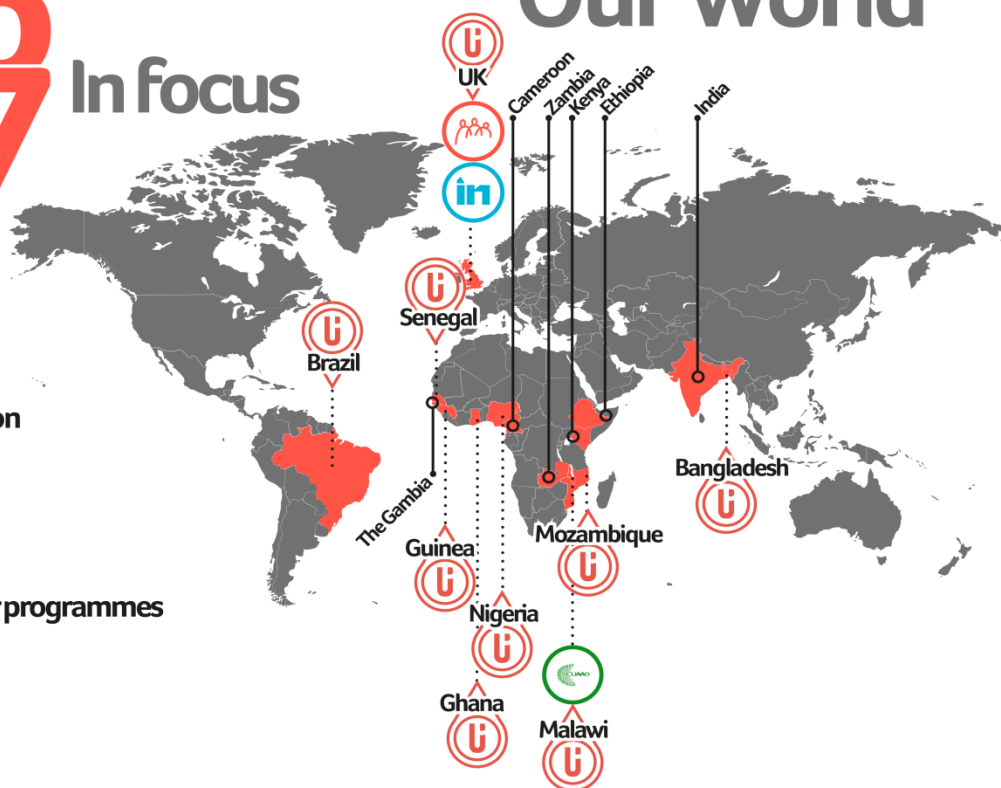


CUMO



Countries with partner programmes

## Our World



**117**  
projects



**93**  
local partners

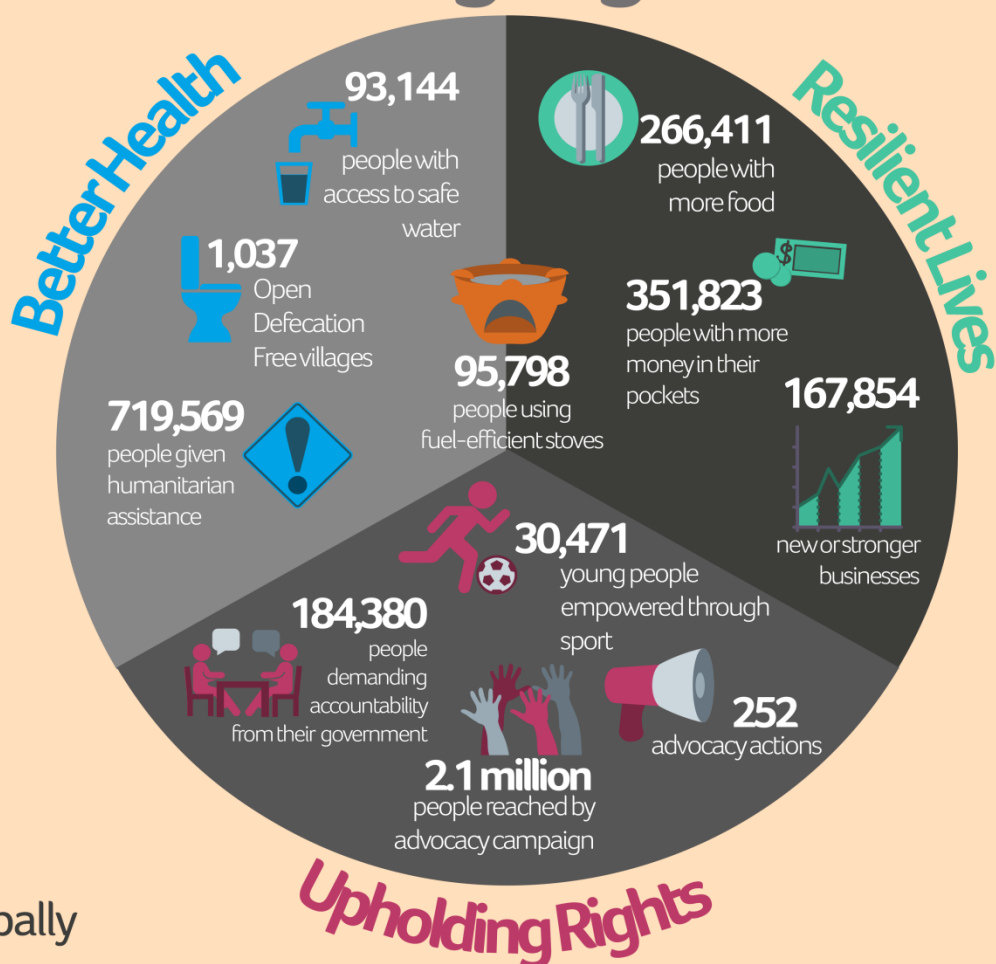


**1686**  
staff members



**4 million**  
people reached globally

## Our Highlights



## Strategic Report

This Strategic Report outlines the activities undertaken throughout the year, key achievements and strategic plans for the future.

## Charitable activities

The problems people face – such as lack of clean water, poor health, low income and a denial of rights – are all interrelated, and our experience shows that the most sustainable interventions are often those that take an integrated approach. During 2016-2017, we worked across three strategic change objectives set out in our previous strategy (2014-2019):

**Resilient Lives:** To ensure that vulnerable people have more resilient and sustainable livelihoods and that economic growth is equitable.

**Better Health:** To improve health by increasing access to basic services, such as water, sanitation, primary healthcare and emergency food/shelter.

**Upholding Rights:** To improve government accountability to vulnerable people and to increase citizen engagement in decision-making processes, as well as increasing the respect for the rights of all people.

We place a huge emphasis on monitoring and evaluation to ensure we achieve sustainable results and to help us to continually improve our impact; it is essential to 'prove' the difference we are making and learn, reflect and 'improve' what we are doing. We therefore take a holistic approach to impact measurement around four key areas: Monitoring; Evaluation and Impact; Accountability; and Learning and Research.

Under our change objectives (Resilient Lives; Better Health; Upholding Rights) we collate 30 output indicators on an annual basis. Each Country Programme collects this information from their project documents and the information is collated and analysed in the UK.

Below we have detailed our global targets under the 30 output indicators from 2014-19, and the achievements of the first three years of this strategy period. We have already exceeded many of the targets we set for ourselves for the five year strategy period, and we will be focusing resources in the last two years on hitting the rest of the targets.

<b>AIM 1: Resilient lives</b>		<b>Target</b>	<b>ACHIEVED TO DATE</b>	<b>ACHIEVED ANNUALLY</b>
Goal: To ensure that vulnerable people have more resilient and sustainable livelihoods, and that economic growth is equitable		<b>2014 - 2019</b>	<b>2014-2017</b>	<b>Total 2016-2017</b>
	<b>AIM</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
1	# people with an increase in cash income	980	735	352
2	# people with increased yields	743	1,018	430
3	# people with a decrease in 'hungry months'	836	1,284	266
4	# of animals for farming provided (chickens, pigs, etc.)	231	309	193
5	# of farmers trained	652	672	279
6	# people that have established or strengthened their businesses, or who have received access to business inputs/ services	246	364	168
7	# hectares irrigated	27	7	2
8	# trees planted	5,920	3,620	2,023

9	# of people using fuel-efficient stoves	177	193	96
10	# of people with micro-finance loans issued, or who have been helped to access micro-finance from another provider	209	114	32
11	# people with increased understanding of environmental issues	2,772	1,056	352
<b>AIM 2: Better health</b> Goal: To improve health by increasing access to basic services, like water, sanitation, primary healthcare, and emergency food/ shelter		<b>Target</b>	<b>ACHIEVED TO DATE</b>	<b>ACHIEVED ANNUALLY</b>
		<b>2014 – 2019</b>	<b>2014-2017</b>	<b>Total 2016-2017</b>
	<b>AIM</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
12	# people with access to safe water	2,780	1,080	93
13	# of water points provided or rehabilitated (boreholes, etc.)	10	5	2
14	# of water point repairers, local masons or water committee members trained/ supported	89	5	1
15	# of schools with a new or rehabilitated water point	2	1	0.010
16	# of school children who have benefited from rehabilitation of school water point	525	290	11
17	# of Open Defecation Free villages (e.g. CLTS)	3	4	1
18	# of new toilets built (subsidized or CLTS, direct or indirect)	160	335	88
19	# of school children with access to a single sex latrine	368	83	32
20	# of people supported with emergency relief (including emergency cash/ food distribution) or helped to prepare for disasters (e.g. contingency planning)	3,522	2,421	720
21	# of mosquito nets distributed	575	1,707	413
22	# of pregnant women supported: This is quite broad and could include support to services (e.g. ANC/ PNC), support to TBAs (training, etc.), support to safe delivery, support for community health workers, support for family planning	406	117	22
23	# of people receiving primary healthcare related support: Again, quite broad and could include anything related to pregnancy, malaria, HIV, EPI, etc.	402	118	10



<b>AIM 3: Upholding rights</b> Goal: To improve government accountability to vulnerable people and to increase citizen's engagement to decision-making processes, as well as increasing the respect for rights of all people.		<b>Target</b>	<b>ACHIEVED TO DATE</b>	<b>ACHIEVED ANNUALLY</b>
		<b>2014 - 2019</b>	<b>2014-2017</b>	<b>Total 2016-2017</b>
<b>AIM</b>		<b>'000</b>	<b>'000</b>	<b>'000</b>
24	# of people/ CSOs in dialogue with local or national government on issues that affect their livelihood (e.g. participating in <i>invited accountability spaces</i> created by Government, or <i>claimed accountability spaces</i> created by citizens, civil society)	277	369	184
25	# of workshops between community and local government on issues that affect their livelihoods	1	1	0.508
26	# of local government bodies using social accountability tools	0.301	0.926	0.061
27	# of CBOs / CSOs trained and supported in using social accountability techniques and tools	3	3	1
28	# people trained in advocacy skills, and/ or made aware of their rights	1,580	5,135	2,247
29	# of advocacy (lobbying) actions led by community	3	7	0.252
30	# of young people engaged and empowered through sport	Before merger with IN	Before merger with IN	30

In 2017-18 we developed a new five-year Global Strategy, with new focus areas. As a result we will be revising our Global Output monitoring indicators next year ready for data collection in 2018-19. We will continue to collect the same output information in 2017-18.

A huge range of work was undertaken and impact achieved across our country programmes in 2017. Below we outline in more detail some of the year's highlights in across our programmes and change objectives, to provide you with a deeper insight into our work.

All the projects that we are funded to deliver involve rigorous monitoring and evaluation. Monitoring is a two stage system: firstly building regular reporting and managerial processes and secondly, identifying sets of indicators which measure progress and identify what is and is not working well. Many of our projects require external evaluations and rigorous in-country audits. In each case this report is then studied in depth by the management team responsible for that project, who prepares a response to it to ensure that all necessary lessons are learnt and disseminated. The figures presented below are the results of our monitoring and evaluation processes.

## Our Highlights

### 1. Resilient Lives

Over the past 40 years, we have built up a wealth of expertise and knowledge in improving livelihoods. Much of our recent work has focused on the challenge of raising incomes among poor rural communities. We improve resilience by promoting livelihoods that can adapt to the demands of a changing climate, and by focusing on the growth and expansion of local markets. Specific activities include improving agricultural practices, providing access to financial services and developing fuel-efficient stoves to reduce firewood use.

Below, we provide some highlights from our 'Resilient Lives' work in Senegal, Bangladesh, Guinea and Malawi.

#### **Senegal: Using technology to improve agricultural resilience**

In Senegal, over 70% of the population are dependent on rain-fed agriculture (Climate Change, Agriculture and Food Security Research Program). We have developed our agricultural resilience project into a social enterprise that uses technology to scale up impact. We have thoroughly researched and tested a variety of farming products and techniques, and we want to share this information with the entire farming population.

Our local partner is Jokalante, a social enterprise that we helped set up in Senegal. Jokalante has developed a new technology that collects and distributes data on farming techniques to people across the country via radio. Information is given in local languages, and helps farmers to increase their crop yields. The demographic data we collect can be sold to marketing companies, thus creating a self-sustaining social enterprise. Jokalante has also developed an 'm-Alert' service that sends out vital information to over 12,000 farmers via SMS. The content of each alert is specific to farmers' needs (e.g. farmers' training days, sales of seeds and fertilisers, weather alerts, etc.).

This year, we sent out 22,500 local language voice messages to farmers, and we worked with 18 radio stations to produce 150 interactive broadcasts. This project is using technology to improve agricultural practices and productivity of 5,000 smallholder farmers in the Casamance region of Senegal. For example, the work has led to a direct impact on farmers' knowledge of how to recognise good quality, certified seeds. In earlier projects, Jokalante developed relationships with 12 radio stations in six of Senegal's 14 regions. The next phase will be to expand coverage to an additional 30-40 radio stations across the country, with a combined audience of 4-5 million.

#### **Bangladesh: Empowering women through rural business centres**



*Women attend training at a Women's Business Centre, Bangladesh*

Bangladesh is one of the most densely populated countries in the world. Persistent population growth and climate shocks (e.g. flooding) have resulted in a 50% decrease in the average size of landholdings over the last 30 years, with more than 60% of the population now landless. Women are disproportionately affected and face systemic constraints in access to and control over resources such as land, credit, technologies, skills and services.

The Women's Business Centre project was set up to respond to this challenge and build resilience among rural women. The model is simple and effective. Ten women entrepreneurs each set up a business centre. They engage five women at each centre to buy agricultural products from local female producers and to sell products and services (e.g. agricultural produce and business training) from the centre. The centres also serve as hubs for accessing basic free healthcare services and advice, including access to vaccinations, doctors, pharmacies and family planning.

Positive results from this project include:

- a) 10,125 rural women increased their annual income by an average of 14% from the production and marketing of diversified agricultural produce, such as fruits and vegetables, and other commodities, such as poultry, cows, goats and crafts
- b) The women farmers reduced their production costs by 17-29%, increased their agricultural production by 6-16% and received a 7-33% higher price for their vegetables in 2016, compared to 2014 (baseline).
- c) Almost all the women reported that they were ill for less than seven days in 2016, compared to 32 days in 2014
- d) 61% of the women said they had visited the doctor for regular health check-ups in 2016, compared to 2% in 2014

One participant told us:

*"Women are now receiving guidance on health issues and advice about agricultural processes, which enables these agricultural activities to be a joint effort between the husband and wife. Women are actively taking part in the development of our community."*

### **Guinea: Enabling women to access new income opportunities**

There is pronounced economic, political and social inequality between men and women worldwide. In Guinea, the responsibility on women is extremely high. Female family members are responsible for cooking, providing food and water, and caring for other family members. Despite 82% (World Bank, 2012 est.) of farmers being women, they lack control of the resources that they generate.

We support women in their aim to become economically independent, and we do this through increasing economic opportunities, especially in agriculture, by helping women to increase the quantity and quality of their crops and improving their access to market and financial services. In Guinea we do this by enabling rural women to increase their incomes through accessing the Non Timber Forest Products (NTFPs) market system. NTFPs are tree products, other than wood, derived from natural forests, e.g. edible fruit and plant parts, honey, medicinal plants, gums, resins and oils. Our research shows that NTFPs are a key diversification strategy in the livelihoods of women and provide vital cash income, as well as being a source of nutrition and medicine. NTFPs are abundant in Upper Guinea but are currently inadequately or under-exploited. We are supporting women to identify suitable NTFP products to produce and sell, as well as providing training on marketing, business management and improved harvesting techniques. Our work also supports communities and producers to sustainably manage these natural resources.

This innovative project is the first of its kind in Guinea, in that it applies a market-based approach to develop the NTFP market. In 2016-17, we supported 1,412 entrepreneurs (81% of which were women) to set up 59 enterprise groups, thereby reaching a total of 15,848 rural women. Our teams have worked intensively to support the groups, who in turn have developed comprehensive business plans. We also supported 32 villages to develop natural resource management plans, which were shared with their local environment service and local authorities. Overall, we expect that our work will boost women's income, increase their social empowerment and voice in their communities, and improve natural resource management.

## Malawi: CUMO Micro finance Ltd

Situated in Central-Southern Africa, Malawi is one of the poorest countries in the world (UNDP). The economy remains undiversified and vulnerable to external shocks that dictate the pace and magnitude of economic activities. 85% of people live in rural areas (UNDP) and about 55% are financially excluded (UN Conference on Trade and Development, 2014).

CUMO Microfinance Limited is a not-for-profit rural microfinance company that provides financial services and entrepreneurship mentoring to over 86,000 clients (86% of whom are women), across 17 districts of Malawi. It started out as an UP project in 2008, and now operates as a separate legal entity. It is Malawi's largest provider of a wide range of financial services to the rural poor, and in 2016 it realised a positive net surplus of MK17 million after grants and donations. In 2016, CUMO was awarded the highest compliance rating by Reserve Bank of Malawi, the only non-deposit-taking institution to do so.

CUMO's services play a major role in the rural economy of Malawi, allowing entrepreneurs to start successful businesses and earn their own income. In 2016, an independent evaluation found that: entrepreneurship training combined with microcredit increased the average monthly sales of clients by 73%; profitability grew by 29%; clients' savings rose from US \$4.91 to \$20.79; and the proportion of clients engaged in more profitable and environmentally friendly enterprises jumped from 20% to 48%.

Under the SORP (Statements of Recommended Practice, this micro-credit scheme is treated as a programme-related investment within UP's individual company accounts. Within the group accounts, the micro-credit scheme is consolidated on a line-by-line basis, with loans received and given out reflected in creditors and debtors respectively, where material.

## 2. Better Health

Because good health underpins development, we are seeking to improve health outcomes for the poorest and most marginalised. Good primary healthcare starts with the basics: access to clean water and sanitation; understanding the importance of good hygiene; protection from tropical diseases such as malaria; and access to skilled health professionals. When people have access to good healthcare, they are more likely to lead productive and fulfilled lives.

Below, we provide some highlights from our 'Better Health' work in Nigeria, Ghana and Malawi.

### Nigeria: Promoting sanitation and hygiene in rural communities



*A community ends open defecation and improves their sanitation in Obanliku, Nigeria, as part of the Community Led Total Sanitation (CLTS) approach.*

Diarrhoea is the second leading cause of death in children under five years old, yet a significant proportion of these deaths could be prevented through access to clean water and sanitation (World Health Organization). As recently as 2016, Nigeria was highlighted as the third worst country in the world in terms of access to sanitation, with 71% of the population lacking access to toilets (Water Aid, *The State of the World's Toilets 2016*). The country also has the highest rate of under-five deaths caused by diarrhoea, with 11 children out of every 1,000 dying of diarrhoeal illnesses each year (World Health Organization, 2012 EST.).

In our five-year Rural Sanitations & Hygiene Promotion (RUSHPIN) programme, we used a community-led total sanitation (CLTS) approach. CLTS focuses on the behavioural change needed to ensure real and sustainable improvement, and uses a learner-centred approach. It is different to traditional development, as it recognises that merely providing a toilet does not guarantee its use, nor result in improved sanitation and hygiene. We engaged national, state and local governments, community leaders, NGO networks and civil society organisations, all of whom were ardent champions for achieving ODF status.

On 15 December 2016, the Nigeria Government's National Task Group on Sanitation announced that Obanliku was their first ever local government area to be 'Open Defecation Free' (ODF). No other INGO working in Nigeria has been able to achieve what we have in Obanliku and it is an unprecedented breakthrough in a country where 46 million people practise open defecation. Approximately 124,000 people living in Obanliku now live in clean, healthy environments, and all households and key public spaces have safe sanitation facilities.

### **Malawi: Improving water supply coverage for the long term**

Water, Sanitation and Hygiene (WASH) continues to be a core part of our Malawi programme. While Malawi has made substantial progress on water supply coverage, which currently stands at around 86% access across the country (WATERSPOUT Consortium), there are still issues of non-functionality of water points, putting lives at risk and adding a significant responsibility to women's workloads by requiring them to walk longer distances to fetch water. Progress in sanitation is less evident, with only 53% of the population able to access adequate sanitation. Worse still, very few people wash hands with soap at critical times. These factors are a catalyst for diarrhoeal diseases, which are one of the leading causes of death for under-five children.

The success of our WASH projects is due to the collaborative nature of our work. Communities are fully involved in the design and implementation of the projects, and often contribute local materials such as sand and stones. We establish Water Point Committees to collect financial contributions from the community members to maintain the boreholes and ensure their longevity. There is also evidence that our WASH is excellent value for money; communities are provided with good quality installations at a low price.

In 2016-17, our water provision activities in Malawi led to 29,683 people accessing safe water from 100 new or reconstructed water points. 7,820 school children have benefited from the rehabilitation of school water points, and 22,266 new toilets were built. In addition, 754 water point repairers, local masons or committee members were trained to service WASH infrastructure. A recent evaluation conducted for the Local Development Support Project found that 78% of the Water Point Committees conducted routine maintenance on water points.

### **Ghana: Advancing maternal and reproductive health services**

Maternal mortality is high in Ghana, estimated at 319 deaths per 100,000/live births (World Bank, 2015 est.), and only 35% of women (Be One Percent) give birth under the supervision of a qualified health worker. Additionally, women are largely unaware of existing free maternal healthcare services.

We are working to improve the effectiveness and quality of maternal and reproductive health services in the Brong Ahafo region of southern Ghana. We support communities to establish Social Accountability Monitoring Committees (SAMCOs). We trained the committee members to work with other community leaders and traditional authorities, in order to articulate community priorities for healthcare services and to hold local service providers to account for their commitments and budgets.

In 2016-17, we increased 7,500 women's knowledge of available maternal health services and improved the responsiveness of local governments to citizens' needs. So far, our work has contributed to an increase in supervised delivery from 7.2% to 29% of births in targeted areas of Brong Ahafo.

### 3. Upholding Rights

United Purpose believes that the underlying causes of poverty and inequality are often related to unequal power and the lack of accountability of those in positions of power. Weak organisations with poor governance are unable to respond to the needs of people living in poverty at the scale required, leading to scattered and unsustainable services.

Below, we outline some of the year's highlights from our work on 'Upholding Rights' in Zambia, Cameroon, Brazil and Mozambique.

#### **Zambia: Promoting gender equality through sport**

In November 2016, United Purpose welcomed the Olympic legacy charity International Inspiration to our family of charities following a merger. United Purpose aims to promote the strategic integration of sport into international development efforts by: using sport for development and peace (SDP) to enhance the impact of its programmes; developing scalable SDP approaches and sharing good practice; seeking to engage the world of sport in supporting development efforts; strengthening the capacity of grassroots civil society to work with marginalised young people through sport; and empowering young people to take an active and informed lead in shaping the future of their world. We are very pleased with the projects, people and opportunities this has brought, and we are pleased to share an example of how sport can inspire and empower individuals and aid peace and reconciliation.

Despite national efforts to promote gender equality and challenge negative attitudes towards women, girls in rural Zambia are growing up in a context of poverty and discrimination, where their rights are frequently denied and their opportunities are restricted. Zambia has strong policies and laws in place to protect women's rights – but new approaches are needed to transform attitudes and promote practical change.

In response, we are supporting a local partner organisation, EduSport, to deliver the innovative 'Go Sisters!' project. This exciting project works across five provinces in Zambia. It uses community-based netball and football leagues to run leadership development opportunities for marginalised girls, helping them to grow in confidence, develop life skills, improve their literacy, and access vocational and entrepreneurial training. Girls' rights are also promoted within local communities by both building trust with girls' families and running community tournaments that raise awareness of girls' rights and provide a safe space to challenge negative gender stereotypes in a non-confrontational way.

Our innovative approach uses sport to equip disenfranchised girls with the skills and confidence to access opportunities. To date, over 1,200 girls have taken part in the programme. Impact data collected from the project indicates that girls' confidence in their leadership abilities has risen from 40% to 74%, and many girls have taken up leadership roles in their local communities. In addition, the number of girls' reporting a "good" or "very good" knowledge of their rights increased from 51% to 80%, while 89% of participants reported increased knowledge about healthy living, and 93% reported increased knowledge about HIV/AIDS. However, perhaps the best way to understand the impact of the project is to hear from girls, in their own words, about the changes they have experienced:

*"My confidence in talking to others changed and I now know how to interact, cope up with other peers and I can stand strong and address any audience."*

*"I teach others about their rights, advising that you are born with rights and no-one can take them*



away.”

*In rural Zambia, a Peer Leader from the Go Sisters project engages girls from the local community in*



*a sport and education session - helping girls and young women to learn about their sexual and reproductive rights and empowering them to make informed decisions.*

### **Cameroon: Resolving community conflict**

In North West Cameroon, more than half of the people survive on less than \$1.25 per day and life expectancy is just 55 years of age. Climate change, environmental degradation and an expanding population has exacerbated poverty and increased the long-running land conflict between crop farming and cattle herding communities.

Our In Search of Common Ground project aims to reduce this conflict. Directly reaching 20,000 farmers and herders, the project uses conflict mediation forums, known as Dialogue Platforms, to facilitate cooperation and reduce tension between farmers and herders. To complement this, and to ensure sustainability, the project also promotes a range of innovative agricultural practices for the shared and sustainable use of natural resources. These include alliance farming, whereby crop farmers and cattle herders are able to increase their yields by sharing land.

Our mid-term review conducted in 2016-17 involved a survey of 863 community members. Key findings included a 10% reduction in incidence of conflict over two and a half years and a 25% reduction in water-related conflicts. Additionally, people's perceptions of a reduction in conflict increased by 45%. So far, 68 Dialogue Platforms have been established. To date, 925 people have used these platforms to resolve farmer/grazer conflict, with 92% reporting that their cases have been resolved satisfactorily. We also found that 13 Dialogue Platforms have emerged organically in communities not initially targeted by the project – an encouraging indication that communities have taken ownership of the idea of alternative conflict management.

### **Brazil: Revolutionising the fight against child exploitation**

In Brazil, there are an estimated 500,000 (UN, 2003) victims of child sexual exploitation. Eduardo Varandas, a Public Prosecutor with the Brazilian Labour Prosecution Office, is a pioneer in Brazil, having brought the first successful non-criminal conviction in the world in relation to class suits against people who exploit girls and boys for sex. Through this innovative application of the law, it is now possible to make the perpetrator pay a fine as well as face a prison sentence. The compensation arising from these suits is then used to fund charities and organisations working to prevent exploitation and to protect children through funding social services, health and educational support.

In 2016, United Purpose Brazil has been one such organisation to receive proceeds allowing us to continue our fantastic work in the north-eastern state. This supported us to train nearly 300 people in

how to advocate for their rights and to reach over 1,800 people directly with activities that promote the protection of children and help prevent exploitation. These people included schoolchildren, their families and teachers, as well as tourist trade staff and government officials. This has led to four municipalities developing concrete plans to improve child protection services to reduce the problem locally. In partnership with the Public Prosecution Office and local NGOs, the support received also enabled us to reach over 2 million people in Brazil with messages that raise public awareness about the problem of sexual exploitation of children, about child labour and violence against children, and what society can do to protect its children.

In 2016, in partnership with Mr Varandas, we worked with other children's rights organisations to advocate for this model internationally. In March we held a seminar in collaboration with ECPAT UK entitled Prosecution for Prevention: Disruptive innovation in child protection. The seminar took place at King's College London (KCL) and was hosted pro-bono by the Brazil Institute, KCL.

### **Mozambique: Raising voices through public hearings**

In Mozambique, we support citizens and local government to uphold rights through our Social Accountability programme. In Niassa and Zambezia provinces, we are working to improve the quality of life of vulnerable groups (including women, people with disabilities and people living with HIV) through enhancing social accountability and improving the responsiveness of the health sector to social needs. We train citizens, civil society organisations and community-based organisations to analyse and monitor government budgets, and to increase access to information that has an impact on peoples' access to healthcare, including government budgets and work plans. So far, we have reached 73,624 citizens and 30 healthcare centres.

Public health hearings are a forum where citizens have the opportunity to report their research on government spending and action to government officials. We found that these hearings are a key tool for facilitating dialogue between government, health authorities and citizens, and to hold authorities to account for their actions and budgets. In Maua-Sede village, citizens found that their local health centre had poor levels of sanitation due to lack of appropriate infrastructure, while meals were prepared in improvised kitchens without basic hygiene. As a result of public hearings, new public toilets were constructed for both patients and health officials, the water supply system was rehabilitated and the kitchen was rebuilt and is now operational.

This year, Teresa Quilele, a Member of Health Civic Group of Administrative Post Nungo, told us:

*"I read in newspapers and hear on radio and television the health officials saying that our greatest value is life. For the population of Nungo and patients of the health centre, it is somehow difficult to understand the true meaning of these messages. Us women, we are afraid of going to the maternity ward due to the poor service. As a member of the civic group and a participant in the training, I have learned about my rights and duties as a citizen and as a user. I encourage women in my village to approach the midwives and give them advice on how to better receive women who seek the assistance in the health centre."*

### **Humanitarian Response**

Our humanitarian approach is based on responding to situations where we can make the most difference. We focus on areas where we already have strong relationships with communities and local authorities, which enable us to build on existing partnerships for a faster, more effective response. In 2016-17, we responded to a drought in rural Malawi and flooding in The Gambia and Bangladesh.

Working with the World Food Programme, and in collaboration with the INGO Consortium, UP successfully implemented an emergency food and cash distribution programme in Malawi's Dedza and Balaka Districts from August 2016 to March 2017. Through our response, we delivered emergency food and cash aid to 101,386 households, reaching 557,624 people, and we provided important nutrition and sanitation advice to vulnerable communities. In addition, we promoted simple early recovery activities in order to prepare 12,257 households for the post-emergency period and to improve chances of a good harvest. These activities included Seed Fairs, the promotion of Conservation Agriculture, irrigation and water harvesting. As a result of our project, beneficiaries



consumed a more diverse food base, reducing incidences of significant malnutrition. We also promoted malnutrition screenings; we screened 782 children and 803 pregnant and lactating women at the sites during cash distribution.

In mid-2016, heavy rains caused severe flooding in The Gambia. Affected communities were in desperate need of food, clothing, shelter and material for housing repairs, so we implemented an emergency cash transfer programme to support people to meet their diverse needs and begin to re-establish their lives and livelihoods. Some 3,831 households in the affected areas received unconditional cash transfers from us.

In Bangladesh, we are active in supporting collaborative efforts for damage and needs assessment and coordinated rapid response. Following severe flooding in 2017, we conducted the national needs assessment in specific areas in both the northeast and northwest areas of the country. Our rapid and thorough assessments informed a quick and targeted response – by the government and humanitarian community – that saved lives and livelihoods.

## Development Education

### HandsUP

2016-17 was a landmark year for our Development Education work. Following our re-brand and name change to United Purpose, or 'UP', we re-packaged our schools work to fall under the umbrella of 'HandsUP' – global learning projects to inspire action in young people for a healthier, fairer and more environmentally sustainable world.

We are delighted to report that we delivered projects in fifty schools in the West Midlands, exploring issues of health, sanitation, energy, climate change and sustainability, all with live learning links to our projects overseas. Workshops are specially designed to build knowledge of global issues, develop critical thinking and leadership skills and strengthen the 'bigger than self' values for needed for young people to thrive in, and positively contribute to a better, fairer, more sustainable world.

This year, HandsUP expanded its reach and impact to our partners and projects overseas, working with children and schools in Guinea and Malawi on water, health and hygiene education projects. This marks an exciting new direction for UP's Development Education work, which, following mergers with Village Aid and International Inspiration, is now expanding to Derbyshire and integrating its work into a wider youth and sport global agenda.

## Our people

### Volunteers

This year, as in the previous 40, volunteers have supported United Purpose to achieve our objectives set out above and help challenge poverty and inequality. Be it working tirelessly to fundraise from Trusts and Foundations, organise seminars and events, provide administrative support or deliver Global Learning workshops, volunteers provide invaluable skills and knowledge. United Purpose is incredibly grateful for the 11,080 hours that 43 volunteers have given this year in the UK. Our team of volunteers are ambassadors for our vision, approach and values. Volunteers this year have:

- Submitted over 30 funding proposals to trusts and foundations
- Helped to plan, develop and write a Mid Term evaluation for our peacebuilding project in Cameroon
- Organised a seminar on tackling Child Sexual Exploitation, a networking event in Cardiff and a rebrand launch event in London

#### HandsUP Volunteer Highlight:

Our development education programme continues to be supported by a fantastic volunteer team of retired teachers who bring a plethora of expert skills, experiences and subject knowledge to our work. This year they have helped design and lead over 60 HandsUP for the Planet and Hands up for Health

workshops in primary schools. Between them, they have worked across senior management in primary and secondary schools, and across specialist departments of languages, geography, history, and even Ofsted. They have also extensively travelled and worked in all corners of the world, contributing to a shared passion for global citizenship and education for sustainability. We are delighted to report that we have welcomed three new team members in 2016-17 to further support and develop our future work.

### Employees

Overseas: 502

UK: 20

Village Aid (Subsidiary): 2

CUMO (Subsidiary): 162

686 committed staff work tirelessly around the world to deliver programmes, raise funds and communicate about our work. In 2016-17 we recruited a set of key positions to bring our finance, fundraising and operations team up to capacity. Furthermore the merger with International Inspiration brought two experienced Sport for Development and Peace professionals into our team.

We wholeheartedly support the principle and application of equal opportunities across our staff, trustees and volunteers. We believe that holistic and sustainable development can only be properly achieved when all human resources, talents and skills in the communities where we work are duly considered. These principles also apply to pay, benefits, procedures and all terms and conditions of employment.

During 2016-17, we relocated our UK head office from Hereford to Cardiff. While we enjoyed many years of working from Hereford, our new Cardiff base provides exciting opportunities to be part of the thriving global-orientated Welsh capital with its great communications connections, universities and not-for-profit sector. We were thrilled at the warm welcome and sense of partnership we received from the Welsh Government, Cardiff City Council, the universities and the wider Cardiff community – and we are working on ways to build on this. The move did, however, mean saying goodbye to Hereford staff who were not able to make the move to Cardiff – and resulted in a lot of work to establish the new office and build up the team and base in Cardiff. New team members were recruited and a significant amount of time was devoted to training them and bringing them up to speed.

### Our plans for the future

2016-17 was a landmark year for UP, marking 40 years since it was first registered as a charity in the UK by Father Raymond Kennedy. Working in Africa, Asia and Latin America, we have established a trusted reputation with individual donors, funding agencies, governments, other charities and – most importantly – with the communities in which we operate. We have a catalogue of achievements to be proud of. But we know we can't stop there, we need to strive for better and wider impact and more people lifted up out of poverty. Our work today confronts a very different world from the one we did when we started out as Concern Universal, Village Aid and International Inspiration, up to forty years ago. We need to grow and develop as a charity, if we are to achieve our goal of supporting people to live poverty-free lives.

In 2016-17, we were reborn with a new look and name, United Purpose, and a renewed vision. In 2017, our first global strategy as United Purpose was developed based on a four-month consultation process that engaged UP's Country Offices and external stakeholders through online surveys, in-country consultation workshops and partner focus groups. It culminated in a Country Director forum in Cardiff in August 2017, where we were joined by 10 of our Country Directors.

This new strategy, and a detailed framework for how we plan to resource it and put it into action in practice, was agreed by the Board in October 2017 and provides a solid foundation to guide how we develop our work, maximise our impact and make the best use of the charity's resources to achieve our charitable objectives.

In a world with so many advances and opportunities, UP's 2018-2023 strategy sets out how we will harness innovations and developments that have brought change across the globe, to those who have yet to benefit. We believe we are extremely well placed to do this, with our devolved structure, entrepreneurial culture and deep roots into communities that will help us solve real problems in ways that work for those most vulnerable. Our central goal will therefore be **empowering communities to be independent** – to live lives free from poverty, improve their life chances, and take agency over their future.

We want to increase the scale and impact of our work – to reach more people. We have set a target of reaching 15 million people directly by 2023. But we also want to better leverage others (be it the government, private sector or our civil society partners) to bring about wider, deeper, and longer lasting systemic change. We have therefore set an ambitious target of reaching a further 15 million people through scaling our innovations in partnership over the strategy period.

To do this we will seek out and put to work fresh, creative ideas to empower the most disadvantaged communities to make bigger change, faster – and so put **transformative innovation** at the centre of our strategy. Our embrace of innovation is not about pursuing faddish ideas – but finding the most creative ways to help communities solve the problems they face and bring tangible change in people's lives. It is innovation for impact; what we call **intelligent development**. So as we go forward, we will make harnessing creative, scalable ideas to empower left-behind communities in a globalised world, our driving ambition.

We recognise that to achieve this ambitious strategy we need to do much further work to build and strengthen our organisation across five major areas:

- Growing the overall funds we raise; ensuring a higher proportion of this is strategic funding; improving the rate of return on our fundraising efforts including through more strategic, joined-up propositions to donors across countries / traditional sectors;
- Project a clearer, more compelling, evidence-based brand story. We need to build belief in our strategy amongst our target audiences across the world and develop our communication channels to do this, especially our digital presence;
- Draw on the pool of talented, committed people at UP by crafting and investing in an organisation-wide strategy to develop the team, leadership and culture needed to achieve the goals in our strategy.
- Develop our finance and operations management systems to enable us to make the best possible use of the mix of income we generate, use technology to facilitate fast feedback and learning and improve our ability to plan and deploy resources more strategically for long-term impact;
- Develop how we manage our programmes to align them with the new strategy, better support country programmes, build greater synergies, and support more strategic fundraising, programme funding and grant management.

## Financial review

### Results for the year

During the year, £28,013,319 of restricted funding was received from institutional donors and £1,491,013 of unrestricted funding was received through fundraising and investment income. In addition, CUMO, our regulated microfinance entity in Malawi, contributed £768,139 to turnover. Overall there has been a 46% increase in turnover from £20,704,634 in 2016 to £30,272,470 in 2017. This increase is largely due to the generous contribution of food supplies by the World Food Programme, for distribution to families in need of emergency assistance in Malawi World Food Programme.

Total expenditure for the year was £30,410,772. £30,203,805 was expended on its charitable activities (including governance activities of £34,946) and £206,967 on raising funds.

The charity ended the year with a surplus of £376,160, together with a surplus of £52,219 from CUMO. Draw down of restricted funds for programming exceeded restricted funds received during the year by £566,680, leading to an overall deficit of £138,302.

Village Aid reported income of £121,005 and expended £110,057.

### **Developing our ability to raise funds and communicate our work**

We undertook a major review of our fundraising and communications strategy during 2016-17. This highlighted that, while we have been successful in growing our income in recent years, we need to ensure that it is sustained and balanced in order to underpin our ability to extend our programme work and impact in line with our mission. The major growth in our income in recent years has been due to securing restricted programme funding and project grants within the countries in which we operate from institutional donors such as DFID, USAID, Irish Aid and the EU, together with grants from a range of foundations including the Waterloo Foundation, Comic Relief, William A Cadbury Charitable Trust, the One Foundation, the Vitol Foundation UK BIG Lottery Fund. A full list is available on page 40. This generous support has enabled us to greatly extend the depth and scale of our impact.

2016-17 also saw further development of our innovative in-house carbon offsetting initiative. Through this, organisations and individuals are able to 'offset' the carbon they put into the atmosphere through energy use and travel by buying carbon credits from UP programmes that are environmentally friendly. For instance, in Malawi, we have enabled communities to produce and use more efficient cook stoves that use less firewood. These save trees, reduce the time-consuming, back-breaking work of women and children collecting wood, and produce much less harmful smoke during cooking. UP then registers the carbon emissions that each stove saves as saleable credits. This has allowed us to create a new source of income beyond traditional aid grants. We are now piloting the re-investment of this income back into the communities that helped to generate it – including, for example, constructing a solar-powered facility to power an under-5s health clinic.

The review of communications and fundraising during the year enabled us to develop a strategy for how we can build on our success and further develop our income base and better communicate our work and vision. In particular, it concluded that we need to:

- Ensure a sound balance between unrestricted and restricted income sources – especially through stronger development of our unrestricted income;
- Balance our in-country funding development with mobilising greater resources from the potential in our UK base – including in our new home in Wales;
- Shift our emphasis towards a focus on fewer, larger funding sources, and income that is longer-term and repeatable, and that is more diverse and independent;
- Build new and innovative funding streams outside traditional grant giving, such as our carbon offsetting initiative;
- Develop and integrate our systems between the UK and our country programmes to optimise management of our funding relationships and partnerships;
- Build on the potential of our new name and brand to engage a range of audiences and partners able to support us in achieving our objectives and extending our impact, through implementing a strengthened communications programme in the UK and internationally.

On the basis of this review, the Board agreed a plan to develop and invest in our UK fundraising and communications programme, which will be implemented in 2017-18 in support of our new five-year strategy and operational framework. However, we began early work on the new approach during 2016-17. This included a major launch event in London, celebrating 40 years of achievement as Concern Universal, and announcing our merger and transformation into United Purpose in November 2016. Similar events followed in a number of the countries in which work, including in Malawi, Guinea and Bangladesh.

Village Aid is our Derbyshire-based affiliate. It merged with UP in 2015 and delivered a full programme of fundraising activities in Derbyshire, Sheffield and the Peak District in 2016-17, which focused on engaging individuals, businesses and groups in global issues. In 2016-17, Village Aid celebrated its 25<sup>th</sup> anniversary with a series of events that culminated in a fundraising dinner at one of Britain's most famous stately homes, Chatsworth House. Overall, in the year 2016-17 Village Aid raised £121,005 to support UP projects in West Africa.

## Challenges

These are detailed in the risk table on page 22 below.

Challenges include the impact of Brexit on exchange rates. The weaker pound limits purchasing power overseas – and volatile exchange rates make it difficult to predict and manage cash flows from uncertain income streams, meaning that significant amounts of time need to be devoted to tracking finances. Added to this, the introduction of tighter fundraising regulations since 2015 have made it more difficult to obtain both restricted and unrestricted sources of funding.

## Reserves policy

The trustees have established a reserves policy that aims to protect the charity's activities from risk of disruption at short notice due to a lack of funds, while at the same time ensuring that the charity does not retain income for longer than required.

Unrestricted reserves as at 31<sup>st</sup> March 2017 are £871,394. A full breakdown is provided in note 22 to the accounts.

Restricted funds represent funds that were received for the purposes of and are assigned to direct programme delivery. The overwhelming majority of these funds are received from institutional donors. UP spends these as quickly as possible per contracted agreements with donors to ensure that beneficiaries are assisted as soon as is possible.

On top of unrestricted funds, United Purpose have £69,205 designated funds. Designated funds are unrestricted funds but with intended use already assigned by the Board. UP's designated funds are funds received from trading carbon credits and is designated for spending on carbon finance business development.

Unrestricted reserves as at 31<sup>st</sup> March 2017 are £871,394. This includes £570,225 of fixed assets, leaving liquid free reserves of £301,169. The current reserves policy intends for unrestricted funds to cover operational disruption at short notice. The Board acknowledges that increasing liquid unrestricted funds is a key priority for the next financial year. The establishment of the fundraising team aims to address this issue with a concentrated focus on increasing unrestricted funds through appeals and grants. The merger with Village Aid also allows an opportunity for increased access to individual giving and small grants. UP is also exploring linkages with HNWI's and is in advance negotiations on a further merger which would increase access to unrestricted funds. The Board commits to undertake a review of reserves policy for the year ended 31<sup>st</sup> March 2018.

## Going concern

The charity currently has adequate financial resources and the structures in place to manage the business risks. The charity's budgeting and forecasting processes have taken into consideration the current economic climate and its potential impact on both our various sources of income and expenditure.

The trustees have reviewed cash flow forecasts for the next twelve months and have reasonable expectation that we have adequate resources, with 75% of funding confirmed, sufficient levels of cash and control mechanisms to continue in operational existence for the foreseeable future. Further, the trustees believe that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern. Therefore, the charity continues to adopt the going concern basis of accounting in preparing the annual financial statements.

## Principal risks and uncertainties

The trustees recognise the changing, competitive environment of the UK charity sector and the fragile context of international aid and development, especially in insecure geographical areas where there is a lack of cohesive infrastructure; often in the face of difficult communications, security, logistics and financial challenges. It is a challenge to work within these unstable environments with vulnerable people, while simultaneously protecting charitable assets.

Managing risks effectively is integral to the achievement of our vision. The Board has established a formal risk management process and internal control framework to ensure the intelligent, proactive and consistent management of risks, so that UP can reduce both the likelihood and the potential impact of risks occurring, whilst maximising its strategic opportunities. This process comprises:

- During annual planning and budgeting processes, the Senior Management Team undertake an annual review of the principal risks and uncertainties that the charity and its subsidiaries face. Mitigation plans are developed and this is then presented to the board for discussion and consideration before being finalised. This risk register identifies the risks facing the charity across the range of internal and external risks to the organisation, ranging from delivery of our programmes work on ground, to the funding and political environment in which we operate – both in the UK and internationally. Risks are assessed and given a high, medium or low rating, based on the likelihood of occurrence and their potential impact on the charity. A risk with the highest rating is likely to occur and with maximum impact. This annual review is in the context of the organisational strategy, which is renewed every 3-5 years.
- The operational environment and risks in countries where we operate around the world are included in the annual review. A more specific country-level assessment is also factored into country annual planning and budgeting processes.
- The annual risk register is reviewed quarterly by the Senior Management Team. This review covers changes in the risk profile, consideration of new and emerging risks, and progress against agreed mitigation plans. A report then goes to the board for their review and agreement.

### United Purpose's most significant risks and mitigating actions

Risk	Mitigation
Natural or manmade hazards, such as floods or internal conflict (e.g. this year in Nigeria, Gambia and Bangladesh) impact on our ability to deliver projects and result in risk to personal security of staff, assets and resources in country.	Country Security plans, and escalation processes, are in place to respond, adapt programmes and prepare contingency plans. During this year we undertook a cross-cutting review of security procedures.
Failure to sustain levels of overall funding and to ensure the balance between restricted and unrestricted funds.	We undertook a major review of our fundraising and communications strategy during 2016-17. This detailed processes of reorganisation and development of our major fundraising operation. On the basis of this review, the Board agreed a plan to develop and invest in our UK fundraising and communications programme, which will be implemented in 2017-18 in support of our new five-year strategy and operational framework.
Given EU funding is a significant funding source, United Purpose is working closely with others in the sector to understand the potential implications of the Brexit negotiations for this important funding stream and advocate on behalf of the international development sector. The dramatic fall in the value of sterling has had a detrimental impact on the 2017-18 budgets, on medium-term effect of EU funding and more immediately on exchange rates.	Scenario planning has taken place to consider ways in which it may be possible to continue to access these funds for future work. In the short term, United Purpose continues to apply for, and be successful in securing, EU funding. We also undertook re-budgeting in response to the depreciation of the pound (this also factored in the upside for non-sterling grants).

Changes in priorities within the British aid programme and a more challenging environment for voluntary giving.	We undertook a major review of our fundraising and communications strategy during 2016-17. One of the outcomes was investment in and adding better UK-based capacity to ensure strong communications and engagement with public affairs.
Ineffective information flow, failure of internal controls, and a dispersed geography of programmes leads to a risk that funds could be misappropriated or incorrectly recorded and information not being available to make informed decisions.	We have invested in improved accounting systems, including development of standard accounting policies, procedures and definitions and global agreement to use them.

### Internal controls

The Board of Trustees has overall responsibility for ensuring that United Purpose has a system of internal control, management and audit to mitigate risk. The charity has an annual planning and budgeting system. The financial reporting system compares results with the budget on a quarterly and yearly basis. These internal systems and financial controls can provide reasonable assurance against errors or fraud.

The charity 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.

### Structure, governance and management

UP is a charitable company limited by guarantee, with registration number 1278887 and charity number 272464. It was incorporated on 27 September 1976 and established under a memorandum and articles of association (subsequently amended by special resolution dated 29 November 2003), which set out the objects and powers of the charitable company.

The charity's trustees are appointed as directors of the company and are also its members. Every member guarantees to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees have no beneficial interest in the charity. The trustees of United Purpose govern the charity's activities and are legally responsible for the overall control of the charity and for ensuring that it is properly managed.

The trustees delegate responsibility for the day-to-day running of the charity to the Chief Executive, who reports directly to the Board and manages the execution of the strategy as directed by the Board. The Chief Executive is assisted by a management team comprising of those who have responsibility for programmes, external affairs and finance.

All trustees give their time voluntarily and receive no benefits from the charity. The trustees who served during the year, and up to the date of this report, are listed on page 27.

United Purpose was previously known as Concern Universal. In October 2016, the organisation re-branded and changed its name so that its values were better aligned with its work and its ambition to bring together individuals, communities and organisations as collective agents of change.



## United Purpose

United Purpose is a charity group. In order to have a bigger impact, to streamline and to cost-save, United Purpose has successfully merged with other charities, including Village Aid and International Inspiration. This partnership-based approach to tackling major global challenges will form a key part of United Purpose's strategy going forward.

### Trustee recruitment and appointment

United Purpose recognises that an effective Board of trustees is essential if the charity is to be effective in achieving its objectives. The Board seeks to be representative of the people with whom the charity works and to ensure it has access to the knowledge and skills required to run the charity. Individual trustees must have sufficient knowledge, both of trusteeship in general and of the charity's activities, to enable them to carry out their role and to represent the charity at meetings and other events.

The existing trustees are responsible for recruiting new trustees although specific administrative tasks may be delegated by the Board to the Chief Executive and Senior Management Team. The Board may at any time appoint any person duly qualified to be a trustee to fill a vacancy in their number or as an additional trustee. The minimum number of Trustees is set at less than three and the maximum number at no more than eleven.

Efforts at recruiting new trustees take account of any recent skills audit and gaps in skills/experience that have been identified, and specific roles or duties that need to be undertaken. Once the ideal skills/experience profile has been identified, a recruitment plan is formulated. This identifies the most appropriate resources from which applicants might be found. Preference is given to advertisement in the media over approaches to personal contacts, as the intention is to promote diversity and to avoid conflicts of interest.

United Purpose seeks to ensure diversity in its Board of trustees as well as in its staff base, and consideration will be given to ways in which groups that are under-represented on the Board might be reached and encouraged to apply.

### Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and to inform them of the content of the memorandum and Articles of Association, the decision-making processes, the strategic plan and recent financial performance of the charity. During the induction day, they meet employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. Trustees are given the opportunity to visit the charity's projects and partners.

### Related parties and relationships with other organisations

All trustees and key management personnel are required to disclose any related parties and conflicts of interest. There were no transactions with any other related parties during the year and none of the charity's trustees receives remuneration or other benefits from their work as a trustee.

### Remuneration policy for key management personnel

The key management personnel of the charity include the trustees and the Chief Executive, who is in charge of directing, controlling, running and operating the charity on a day-to-day basis.

All trustees give their time freely and receive no fees or remuneration for serving as a trustee of UP. The charity reimburses reasonable expenses incurred in the course of acting as a trustee. This includes travel and accommodation expenses required to attend meetings, and training and orientation costs. Every effort is made to ensure costs are modest. Details of related party transactions are disclosed in note 12 to the accounts.



In deciding appropriate pay levels, UP aims to strike a balance between paying enough to recruit and keep people with the skills we need, meeting our employees' needs, and meeting the public's and our donors' expectations that the money they entrust us with is used wisely. In setting the Chief Executive's salary, the Board takes into account the skills and experience required for the role and remuneration in sectors in which suitable candidates for such posts would be found. They have taken independent advice to inform those judgements. They also take account of affordability for the charity. The Chief Executive's salary is normally reviewed annually.

### Statement of responsibilities of the trustees

The trustees (who are also directors of United Purpose for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group 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 SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## United Purpose

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2016 was 25. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the strategic report has been approved by the trustees on 30<sup>th</sup> January 2018 and signed on their behalf by

Ceri Briggs  
Trustee Treasurer

## Reference and administrative information

### For the year ended 31 March 2017

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<b>Company number</b>	1278887																										
<b>Charity number</b>	272465																										
<b>Registered office</b>	United Purpose, 4th Floor, 14 Cathedral Road, Cardiff, CF11 9LJ Tel: 02920 220066																										
<b>Trustees</b>	<p>Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:</p> <table><tr><td>Peter Ayres (Chair)</td><td></td></tr><tr><td>Adam Wynne</td><td></td></tr><tr><td>Alan Davies</td><td></td></tr><tr><td>Ceri Briggs</td><td>(appointed 18 May 2017)</td></tr><tr><td>Chikondi Mpokosa</td><td>(resigned 1 December 2016)</td></tr><tr><td>David Bull</td><td>(appointed 26 November 2016)</td></tr><tr><td>Hadi Husani</td><td></td></tr><tr><td>Lucy Weston</td><td>(resigned 16 August 2016)</td></tr><tr><td>Martin Davidson</td><td>(appointed 24 September 2016)</td></tr><tr><td>Nicholas Briggs</td><td>(resigned 25 April 2016)</td></tr><tr><td>Nicola Mushet</td><td></td></tr><tr><td>Robin Todd</td><td>(resigned 25 November 2016)</td></tr><tr><td>Steven Marshall</td><td></td></tr></table>	Peter Ayres (Chair)		Adam Wynne		Alan Davies		Ceri Briggs	(appointed 18 May 2017)	Chikondi Mpokosa	(resigned 1 December 2016)	David Bull	(appointed 26 November 2016)	Hadi Husani		Lucy Weston	(resigned 16 August 2016)	Martin Davidson	(appointed 24 September 2016)	Nicholas Briggs	(resigned 25 April 2016)	Nicola Mushet		Robin Todd	(resigned 25 November 2016)	Steven Marshall	
Peter Ayres (Chair)																											
Adam Wynne																											
Alan Davies																											
Ceri Briggs	(appointed 18 May 2017)																										
Chikondi Mpokosa	(resigned 1 December 2016)																										
David Bull	(appointed 26 November 2016)																										
Hadi Husani																											
Lucy Weston	(resigned 16 August 2016)																										
Martin Davidson	(appointed 24 September 2016)																										
Nicholas Briggs	(resigned 25 April 2016)																										
Nicola Mushet																											
Robin Todd	(resigned 25 November 2016)																										
Steven Marshall																											
<b>Key management personnel</b>	Kathryn Llewellyn Chief Executive Officer																										
<b>Principal Bankers</b>	Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD																										
<b>Auditors</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL																										

## **Independent auditors' report**

### **To the members of United Purpose**

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#### **Opinion**

We have audited the financial statements of United Purpose (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2017 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2017 and of the group's and parent charitable company's 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 and the Charities Act 2011

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

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

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

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

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Jonathan Orchard (Senior statutory auditor)

31 January 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

## United Purpose

### Consolidated Statement of Financial Activities (Incorporating an income and expenditure account)

For the year ended 31 March 2017

	Note	Restricted £	Unrestricted £	CUMO £	2017 Total £	2016 Total £
<b>Income from:</b>						
Donations and Legacies	3	–	1,472,691	–	1,472,691	1,176,853
Charitable activities	4					
Resilient Lives		21,549,005	–	715,379	22,264,384	12,211,451
Better Health		5,092,762	–	–	5,092,762	6,459,188
Upholding Rights		1,371,551	–	–	1,371,551	782,056
Investment income	5	–	18,322	52,760	71,082	75,086
<b>Total income</b>		<b>28,013,319</b>	<b>1,491,013</b>	<b>768,139</b>	<b>30,272,470</b>	<b>20,704,634</b>
<b>Expenditure on:</b>						
Raising funds	6	–	206,967	–	206,967	301,751
Charitable activities						
Resilient Lives		21,777,296	645,414	715,920	23,138,630	12,082,614
Better Health		5,604,620	325,517	–	5,930,137	6,300,333
Upholding Rights		1,106,688	28,350	–	1,135,038	953,226
<b>Total resources expended</b>		<b>28,488,604</b>	<b>1,206,248</b>	<b>715,920</b>	<b>30,410,772</b>	<b>19,637,924</b>
<b>Net (outgoing)/incoming</b>		<b>(475,285)</b>	<b>284,765</b>	<b>52,219</b>	<b>(138,302)</b>	<b>1,066,710</b>
Transfers between funds		(91,395)	91,395	–	–	–
<b>Net movement in funds</b>	22	<b>(566,680)</b>	<b>376,160</b>	<b>52,219</b>	<b>(138,302)</b>	<b>1,066,710</b>
<b>Funds at the start of the year</b>		<b>5,417,204</b>	<b>564,438</b>	<b>1,227,558</b>	<b>7,209,200</b>	<b>6,142,490</b>
<b>Funds at the end of the year</b>	20	<b>4,850,524</b>	<b>940,598</b>	<b>1,279,777</b>	<b>7,070,899</b>	<b>7,209,200</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 22 to the financial statements.

United Purpose

Consolidated Balance Sheet

Company No. 1278887

As at 31 March 2017

	Note	Group 2017 £	2016 £	Charity 2017 £	2016 £
<b>Fixed assets</b>					
Tangible fixed assets	14	<u>645,878</u>	<u>605,615</u>	<u>570,225</u>	<u>508,618</u>
		<b>645,878</b>	<b>605,615</b>	<b>570,225</b>	<b>508,618</b>
<b>Current assets</b>					
Debtors	17	2,536,599	2,471,464	1,798,793	1,929,673
Short Term Deposits		349,131	167,181	–	–
Cash at bank and in hand		<u>5,056,511</u>	<u>4,699,278</u>	<u>4,631,108</u>	<u>4,041,242</u>
		<b>7,942,241</b>	<b>7,337,923</b>	<b>6,429,901</b>	<b>5,970,915</b>
<b>Liabilities</b>					
Creditors: amounts due within one year	18	<u>(1,516,118)</u>	<u>(681,116)</u>	<u>(1,209,007)</u>	<u>(464,122)</u>
<b>Net current assets</b>		<u>6,426,123</u>	<u>6,656,807</u>	<u>5,220,894</u>	<u>5,506,793</u>
<b>Total assets less current liabilities</b>		<b>7,072,001</b>	<b>7,262,422</b>	<b>5,791,119</b>	<b>6,015,411</b>
<b>Creditors: amounts due greater than one year</b>					
	19	<u>(1,102)</u>	<u>(53,222)</u>	<u>–</u>	<u>(50,000)</u>
<b>Net assets</b>	20	<u><b>7,070,899</b></u>	<u><b>7,209,200</b></u>	<u><b>5,791,119</b></u>	<u><b>5,965,411</b></u>
<b>Funds</b>					
Restricted funds		4,850,524	5,417,204	5,033,036	5,400,973
Restricted funds in deficit		–	–	–	–
Unrestricted funds:					
Designated funds					
Funds held by CUMO		1,279,777	1,227,558	–	–
Other designated funds		69,205	30,226	68,781	30,226
General funds (excluding funds held by CUMO)		<u>871,394</u>	<u>534,212</u>	<u>689,302</u>	<u>534,212</u>
<b>Total funds</b>	22	<u><b>7,070,899</b></u>	<u><b>7,209,200</b></u>	<u><b>5,791,119</b></u>	<u><b>5,965,411</b></u>

Approved by the trustees on 30th January 2018 and signed on their behalf by

Ceri Briggs



United Purpose

Consolidated statement of cash flows

For the year ended 31 March 2017

	Note	2017 £	£	2016 £	£
Cash flows from operating activities	23				
Net cash provided by / (used in) operating activities			894,782		639,690
Cash flows from investing activities:					
Dividends, interest and rents from investments		71,082		75,086	
Purchase of fixed assets		(223,369)		(164,646)	
Net cash provided by / (used in) investing activities			(152,287)		(89,560)
Change in cash and cash equivalents in the year			742,494		550,130
Cash and cash equivalents at the beginning of the year			4,866,459		4,805,565
Change in cash and cash equivalents due to exchange rate			(203,312)		(489,236)
Cash and cash equivalents at the end of the year			5,405,642		4,866,459

## United Purpose

### Notes to the financial statements

For the year ended 31 March 2017

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#### 1. Accounting policies

##### a) Statutory information

United Purpose is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address (and principal place of business) is 14 Cathedral Road, Cardiff, Wales CF11 9LJ.

##### b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) 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.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries CUMO Microfinance Ltd, Village Aid Ltd (of which United Purpose is a controlling member) and Concern on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The Charity controls Concern Universal Ghana, a company limited by guarantee incorporated in Ghana. Accounts for Concern Universal Ghana have been prepared and audited in Ghanaian new Cedis for the year ended 31 March 2017. Concern Universal Ghana is accounted for as a country programme within United Purpose (formerly Concern Universal) and therefore its results are fully consolidated into United Purpose (formerly Concern Universal)'s accounts.

##### 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.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

##### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

**1 Accounting policies (continued)**

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, 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. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g) Interest receivable**

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

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**i) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of resilient lives, better health and improved rights work undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable to partner organisations are included in the Statement of Financial Activities in the year in which they are payable.

Costs of generating donations and legacies relate to the costs incurred by United Purpose (formerly Concern Universal) in fundraising and publicity.

United Purpose

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies (continued)

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between charitable activities on the basis of area of literature occupied by each activity.

● Resilient Lives	64%
● Better Health	33%
● Upholding Rights	3%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

● Resilient Lives	64%
● Better Health	33%
● Upholding Rights	3%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

United Purpose (formerly Concern Universal)

Office furniture and equipment: reducing balance basis at an annual rate of 20%

ITC Equipment: reducing balance basis at an annual rate of 33.3%

Vehicles: reducing balance basis at an annual rate of 33.3%

Drilling Rig: reducing balance basis at an annual rate of 33.3%

Land & Buildings: reducing balance basis at an annual rate of 5%

Capitalised development costs: reducing balance basis at an annual rate of 33%

CUMO

Office furniture and equipment: straight line basis at an annual rate of 25%

ITC Equipment: straight line basis at an annual rate of 33.3%

Vehicles: straight line basis at an annual rate of 20%

There are no material differences arising from the different treatment of depreciation within CUMO.

**1 Accounting policies (continued)**

**m) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**n) Debtors**

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

**o) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**p) Creditors and provisions**

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

**q) Financial instruments**

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

**r) Pensions**

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

**s) Transactions in foreign currencies**

Transactions in foreign currencies are translated at a daily average rate. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end. Exchange differences are taken into account in arriving at the net incoming resources for the year.

**t) Taxation**

The charitable company is granted exemption from corporation tax as all its income arises from or is applied for charitable purposes. Its subsidiary CUMO is a controlled foreign company, however trading profits of CUMO arise from and are applied to the charitable purpose of providing microfinance loans to clients in rural areas within Malawi living in extreme poverty, to enable them to improve their livelihoods. No portion of CUMO profits passes to United Purpose (formerly Concern Universal) as parent company. Concern (limited) donates all profits to United Purpose.

# United Purpose

## Notes to the Financial Statements

For the year ended 31 March 2017

### 2 Detailed prior year comparatives for the statement of financial activities

	Restricted £	Unrestricted £	CUMO £	2016 Total £
<b>Income from:</b>				
Donations and Legacies	–	1,176,853	–	1,176,853
Charitable activities				
Resilient Lives	11,340,662	–	870,789	12,211,451
Better Health	6,459,188	–	–	6,459,188
Upholding Rights	782,056	–	–	782,056
Investment income	–	42,222	32,864	75,086
<b>Total income</b>	<b>18,581,906</b>	<b>1,219,075</b>	<b>903,653</b>	<b>20,704,634</b>
<b>Expenditure on:</b>				
Raising funds	–	301,751	–	301,751
Charitable activities				
Resilient Lives	10,756,009	400,575	926,030	12,082,614
Better Health	6,067,096	233,237	–	6,300,333
Upholding Rights	915,031	38,195	–	953,226
<b>Total resources expended</b>	<b>17,738,136</b>	<b>973,758</b>	<b>926,030</b>	<b>19,637,924</b>
<b>Net (outgoing)/incoming resources before other recognised</b>	<b>843,770</b>	<b>245,317</b>	<b>(22,377)</b>	<b>1,066,710</b>
Transfers between funds	(23,065)	23,065	–	–
<b>Net movement in funds</b>	<b>820,705</b>	<b>268,382</b>	<b>(22,377)</b>	<b>1,066,710</b>
<b>Funds at the start of the year</b>	<b>4,596,499</b>	<b>296,056</b>	<b>1,249,935</b>	<b>6,142,490</b>
<b>Funds at the end of the year</b>	<b>5,417,204</b>	<b>564,438</b>	<b>1,227,558</b>	<b>7,209,200</b>

## United Purpose

### Notes to the financial statements

For the year ended 31 March 2017

#### 3. Income from donations and legacies

	Restricted	Unrestricted	2017 Total	2016 Total
	£	£	£	£
Committed giving	–	494,051	494,051	260,383
Miscellaneous grants & donations	–	810,672	810,672	909,587
Appeals and collections	–	167,968	167,968	6,883
<b>Total grants</b>	<b>–</b>	<b>1,472,691</b>	<b>1,472,691</b>	<b>1,176,853</b>
Large donations included in the above:		Unrestricted		
		£		
William Cadbury Trust		90,000		
The Oakdale Trust		5,000		
The Waterloo Foundation		300,000		
The Welsh Government		170,000		

#### 4. Income from charitable activities

	Restricted	Unrestricted	2017 Total	2016 Total
	£	£	£	£
<b>Resilient Lives</b>				
Action Aid	101,298	–	101,298	187,726
Australian Foundation for the Peoples of Asia and the Pacific	96,481	–	96,481	245,979
Alliance for a Green Revolution in Africa (AGRA)	219,254	–	219,254	1,075,343
BE1%	4,786	–	4,786	–
Beatrice Laing Trust	5,000	–	5,000	–
Big Lottery Fund	642,520	–	642,520	569,682
BRAC	–	–	–	–
CARE International	–	–	–	399,145
Catholic Relief Services	69,045	–	69,045	–
Coca Cola	–	–	–	68,420
Cordaid	29,274	–	29,274	219,519
CUMO	–	–	–	870,789
Department for International Development	2,900,020	–	2,900,020	3,333,521
Electric Aid	50,281	–	50,281	45,223
European Commission	1,964,666	–	1,964,666	1,451,345
EC Humanitarian Office	320,394	–	320,394	14,915
European Community of West African States (ECOWAS)	–	–	–	21,652
FAO	27,883	–	27,883	–
GIZ	67,701	–	67,701	183,573
Guernsey Overseas Aid Commission	11,893	–	11,893	–
International Potato Centre (CIP)	–	–	–	23,971
International Fund for Agricultural Development (IFAD)	51,336	–	51,336	–
Irish Aid	1,445,739	–	1,445,739	642,442
JA Clark Charitable Trust	35,000	–	35,000	15,000
Miscellaneous income	349,442	–	349,442	115,877
Mitsubishi Corporation	30,000	–	30,000	–
Pentland PLC	60,171	–	60,171	–
Rio Tinto Foundation, Guinea	43,430	–	43,430	–
Save the Children	65,723	–	65,723	124,352
Solidaridad/Schokland Fund	–	–	–	38,121
SORGEV	111,696	–	111,696	44,619
TERO	17,139	–	17,139	–
The One Foundation	100,000	–	100,000	168,680
UMCOR	35,449	–	35,449	–
USAID	631,069	–	631,069	466,005
World Food Programme (see Note 9)	12,032,314	–	12,032,314	1,840,555
Zochonis Charitable Trust	30,000	–	30,000	–
<b>Total</b>	<b>21,549,005</b>	<b>–</b>	<b>21,549,005</b>	<b>12,211,454</b>

## United Purpose

### Notes to the financial statements

For the year ended 31 March 2017

#### 4. Income from charitable activities (continued)

	Restricted £	Unrestricted £	2017 Total £	2016 Total £
<b>Better Health</b>				
ACF International	102,132	–	102,132	270,011
Against Malaria Foundation	58,999	–	58,999	1,877,715
Ausaid	–	–	–	–
Australian Foundation for the Peoples of Asia & the Pacific	590,996	–	590,996	731,224
British Embassy, Guinea	9,988	–	9,988	–
Carlsberg	20,938	–	20,938	–
Comic relief	–	–	–	52,841
Department for International Development	548,805	–	548,805	148,978
DIAGEO	1,160	–	1,160	49,919
Drilling Rig Campaign	173,395	–	173,395	–
EDM	–	–	–	46,987
European Commission	288,942	–	288,942	305,329
Irish Aid	192,373	–	192,373	445,270
Japanese Embassies	–	–	–	–
Millenium Challenge (MCA)	193,113	–	193,113	–
Miscellaneous income	2,360	–	2,360	213,289
Oxfam	–	–	–	68,261
Polish Embassy, Nigeria	22,494	–	22,494	–
PLAN International	172,865	–	172,865	131,207
One Foundation	132,500	–	132,500	115,625
PZ Cussons	46,978	–	46,978	75,500
The Lancashire Foundation	25,959	–	25,959	–
UNICEF	1,281,679	–	1,281,679	1,161,438
UNOPS (GSF)	993,694	–	993,694	541,043
USAID	–	–	–	112,332
Vitol	233,392	–	233,392	–
World Food Programme	–	–	–	112,219
	<u>5,092,762</u>	<u>–</u>	<u>5,092,762</u>	<u>6,459,188</u>
	Restricted £	Unrestricted £	2017 Total £	2016 Total £
<b>Upholding Rights</b>				
Comic Relief	295,185	–	295,185	–
Department for International Development	–	–	–	13,011
European Commission	–	–	–	120,830
Miscellaneous income	44,663	–	44,663	54,659
MMS	–	–	–	41,370
MPT	–	–	–	11,222
PRODEM	934,224	–	934,224	114,588
Swiss Agency for Development and Cooperation (SDC Mozambique)	–	–	–	263,073
World Bank	97,479	–	97,479	163,303
	<u>1,371,551</u>	<u>–</u>	<u>1,371,551</u>	<u>782,056</u>

#### 5. Investment Income

CUMO's investment income comprises interest from short-term money market investments entered in to by CUMO. Other investment income is bank interest on current accounts.



United Purpose

Notes to the financial statements

For the year ended 31 March 2017

6. Total resources expended

	Costs of raising funds	Charitable activities			Support costs	Governance costs	2017 Total £	2016 Total £
		Resilient Lives	Better Health	Upholding Rights				
	£	£	£	£	£	£		
Staff costs (note 10)	112,995	2,441,491	958,201	128,851	1,975,404	7,116	5,624,058	4,485,597
Office costs	87,756	281,282	131,997	25,185	312,874	27,830	866,924	1,185,580
Transport	5,071	199,001	146,492	4,509	156,838	–	511,911	612,230
Equipment (not capitalised)	1,145	518,389	149,299	6,854	2,613	–	678,300	194,119
Grants payable to partners (note 5a)	–	2,388,244	551,457	18,122	2,457	–	2,960,280	3,877,627
Other project activities	–	15,585,629	3,122,879	875,766	185,029	–	19,769,303	9,282,771
Total resources expended	206,967	21,414,036	5,060,325	1,059,287	2,635,214	34,946	30,410,772	19,637,924
Support costs	–	1,702,025	858,432	74,757	(2,635,214)	–	–	–
Governance costs	–	22,570	11,381	993	–	(34,946)	–	–
<b>Total expenditure 2017</b>	<b>206,967</b>	<b>23,138,630</b>	<b>5,930,137</b>	<b>1,135,038</b>		<b>–</b>	<b>30,410,772</b>	<b>19,637,924</b>
Total expenditure 2016	301,751	12,082,616	6,300,331	953,226	–	–		19,637,924

Of the total expenditure, £1,922,168 was unrestricted (2016: £1,899,789 ) and £28,488,603 was restricted (2016: £17,738,185).

## United Purpose

### Notes to the financial statements

For the year ended 31 March 2017

#### 7a Grants payable to partners

	Resilient Lives	Better Health	Upholding Rights	2017 Total	2016 Total
	£	£	£	£	£
Bangladesh	184,293	–	–	184,293	713,164
Brazil	–	–	2,967	2,967	2,298
Gambia	239,109	–	–	239,109	429,955
Ghana	37,234	24,957	–	62,191	65,499
Guinea	52,339	–	–	52,339	43,700
Malawi	–	–	–	–	–
Mozambique	980	–	17,612	18,592	386,433
Nigeria	–	506,241	–	506,241	321,170
UK	1,865,274	29,273	–	1,894,547	1,915,408
Total resources expended	2,379,229	560,471	20,579	2,960,280	3,877,627

#### 7b Analysis of grants paid in excess of £50,000

	2017 £	2016 £
Cooperazione Internazionale (COOPI)	507,233	471,298
CUMO	7,406	166,549
Dhaka Ahsania Mission (DAM), Bangladesh	–	51,678
GOAL	358,121	556,102
IC Bangladesh	–	104,874
ICRAF	645,455	233,743
Kixiquila Mozambique	–	84,302
KULIMA Mozambique	–	131,279
MBOSCUA	84,951	76,960
N.Z. EKATA Mohila Samiti (EKATA), Bangladesh	–	339,585
OCODEMA Mozambique	–	61,712
PRGWER	58,350	–
PRLOG	64,905	–
RGTA	52,339	–
Self Help Africa	214,164	306,864
World Fish	58,225	–
TARUD	–	61,492
Wuli and Sandu Development Agency (WASDA), Gambia	–	114,167
Grants under £50,000	909,131	1,117,022
Total	2,960,280	3,877,627

#### 8. Net incoming resources for the year

This is stated after charging:	2017 £	2016 £
Depreciation	195,663	191,005
Trustees' indemnity insurance	854	2,122
Trustees' expenses	1,869	4,303
Loss on disposal	–	20,150
Auditors' remuneration:		
▪ Audit	27,700	22,500
▪ Audit – Other Services	24,000	–
▪ Under accrual for previous year	14,820	10,956
Operating lease rentals:		
▪ Property	506,686	122,040
▪ Other	1,299	1,299

The number of trustees receiving expenses was 6 (2016: 3). Remuneration received by trustees was nil (2016: Nil). Trustees expenses covered travel and accommodation costs incurred in attending trustee meetings, training costs and travel costs incurred visiting Country Programmes.

## United Purpose

### Notes to the financial statements

#### For the year ended 31 March 2017

#### 9. Gifts in Kind (group and charity)

	2017 £	2016 £
Against Malaria foundation – Mosquito nets	–	1,404,185
World Food Programme, Foodstuffs for distribution in Malawi	11,373,412	1,787,357
Rent discount, UK (Peter Hill esq)	–	2,000
<b>Total Gifts in Kind</b>	<b>11,373,412</b>	<b>3,193,542</b>

All donations in kind are shown at valuations provided by the donor.

#### 10. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	UK £	International £	2017 £	2016 £
Salaries and wages	1,258,023	4,097,226	5,355,249	4,251,930
Redundancy and termination costs	27,271	–	27,271	5,300
Social security costs	75,314	–	75,314	71,907
Pension contributions	18,990	–	18,990	17,984
Other staff costs	68,925	78,309	147,234	138,476
	<u>1,448,523</u>	<u>4,175,535</u>	<u>5,624,058</u>	<u>4,485,597</u>
Total emoluments paid to staff were:	<u>1,277,014</u>	<u>4,097,226</u>	<u>5,374,240</u>	<u>4,269,914</u>

The number of employees whose emoluments, as defined for taxation purposes, amounted to £60,000 or more in the year were as follows:

	2017 £	2016 £
£60,000 – £69,999	–	1
£70,000 – £79,999	1	1
<b>Total</b>	<u>1</u>	<u>2</u>

The total employee benefits including pension contributions of the key management personnel were £230,286 (2016: £213,569 ).

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Notes to the financial statements

For the year ended 31 March 2017

11. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	UK No.	Overseas No.	2017 No.	2016 No.
<b>Charity</b>				
Operations	14	502	516	506
Fundraising and publicity	5	–	5	8
Governance	1	–	1	1
<b>Subsidiary (CUMO)</b>				
Operations	–	162	162	160
<b>Subsidiary (Village Aid)</b>				
Fundraising and publicity	2	–	2	–
Total Group Employees	22	664	686	675

The average weekly number of employees (full-time equivalent) during the year was as follows:

	UK	Overseas	2017 No.	2016 No.
<b>Charity</b>				
Operations	14	502	516	505
Fundraising and publicity	5	–	5	6
Governance	1	–	1	1
<b>Subsidiary (CUMO)</b>				
Operations	–	162	162	160
<b>Subsidiary (Village Aid)</b>				
Fundraising and publicity	2	–	2	–
Total Group Employees	22	664	686	672

12 Related party transactions

There are no related party transactions to disclose for 2017 (2016: none).

Aggregate donations from related parties were £227,366 (2016: £188,649).

13. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

United Purpose

Notes to the financial statements

For the year ended 31 March 2017

14. Tangible fixed assets

	Land and buildings £	Drilling rig £	Office furniture & equipment £	Vehicles £	Total £
<b>Group:</b>					
<b>COST</b>					
At 1 April 2016	126,526	276,084	120,330	1,041,708	1,564,648
Additions in year	–	–	35,782	195,785	231,567
Disposals in year	–	–	(379)	(13,278)	(13,657)
Unrealised exchange loss on CUMO asset valuation	–	–	2,629	7,259	9,888
At 31 March 2017	126,526	276,084	158,362	1,231,474	1,792,446
<b>DEPRECIATION</b>					
At 1 April 2016	23,988	157,040	83,409	694,596	959,033
Charge for the year	4,733	36,592	20,715	133,623	195,663
Elimination on disposal	–	–	(872)	(12,674)	(13,546)
Unrealised exchange loss on CUMO asset valuation	–	–	1,902	3,516	5,418
At 31 March 2017	28,721	193,632	105,154	819,061	1,146,568
<b>NET BOOK VALUE</b>					
<b>At 31 March 2017</b>	<b>97,805</b>	<b>82,452</b>	<b>53,208</b>	<b>412,413</b>	<b>645,878</b>
At 31 March 2016	102,538	119,044	36,921	347,112	605,615
<b>Charity:</b>					
<b>COST</b>					
At 1 April 2016	126,526	276,084	57,808	891,278	1,351,696
Additions in year	–	–	29,677	193,692	223,369
At 31 March 2017	126,526	276,084	87,485	1,084,970	1,575,065
<b>DEPRECIATION</b>					
At 1 April 2016	23,988	157,040	35,719	626,331	843,078
Charge for the year	4,733	36,592	14,004	106,432	161,761
At 31 March 2017	28,721	193,632	49,723	732,763	1,004,839
<b>NET BOOK VALUE</b>					
<b>At 31 March 2017</b>	<b>97,805</b>	<b>82,452</b>	<b>37,761</b>	<b>352,207</b>	<b>570,225</b>
At 31 March 2016	102,538	119,044	22,089	264,947	508,618

All tangible fixed assets are used for direct charitable purposes.

## United Purpose

### Notes to the financial statements

#### For the year ended 31 March 2017

#### 15. Subsidiary undertakings

##### CUMO

The charity controls CUMO Microfinance Ltd, a company limited by guarantee and incorporated in Malawi. Accounts for CUMO have been prepared and audited in Malawi Kwacha for the year to 31 December 2016. These accounts, adjusted to the year to 31 March 2017 have been consolidated into United Purpose (formerly Concern Universal)'s accounts on a line by line basis. The Trustees consider that given seasonal factors affecting the take up of loans by CUMO's client group, it is currently appropriate to maintain a different accounting year end for CUMO from United Purpose (formerly Concern Universal).

As the CUMO audited accounts are prepared in Malawi Kwacha, an unrealised gain/(loss) on translation of these accounts for consolidation is shown as an exceptional item on the face of the Statement of Financial Activities. As these are in a separate column on the SOFA, these results are not set out below.

##### Concern Ltd

The charity controls Concern, a company limited by guarantee incorporated in the United Kingdom. The results for the year to 31 March 2017 has been consolidated on a line by line basis.

	2017 £	2016 £
<b>Concern Profit and Loss Account</b>		
Turnover	106,360	21,373
Cost of sales	–	–
Gross profit	106,360	21,373
Admin & distribution costs	12	4
Operating profit	<u>106,348</u>	<u>21,369</u>
Realised exchange loss	(1,193)	432
Unrealised exchange loss	–	–
Gift aid to parent undertaking	<u>(105,155)</u>	<u>(21,801)</u>
Profit on ordinary activities before taxation	–	–
Taxation	<u>–</u>	<u>–</u>
<b>Profit for the financial year</b>	<u><u>–</u></u>	<u><u>–</u></u>

The aggregate of the assets, liabilities and funds was:

	2017 £	2016 £
Assets	17,874	316
Liabilities	<u>(17,874)</u>	<u>(316)</u>
Funds	<u><u>–</u></u>	<u><u>–</u></u>

The profit of Concern Ltd is transferred to parent company via Gift Aid.

##### Village Aid

The charity is the controlling member of the Village Aid, a UK charitable company limited by Guarantee (company no. 03446625, charity no. 1067322). The summarised statement of financial activities for the year ended 31 March 2017 and assets and liabilities as at 31 March 2017 are shown below. Full accounts are filed with the Charity Commission and Companies House.

##### Village Aid income and expenditure summary

	Restricted £	Unrestricted £	2017 £	2016 £
Income	11,893	109,112	121,005	167,164
Expenditure	<u>(11,893)</u>	<u>(98,164)</u>	<u>(110,057)</u>	<u>(227,479)</u>
Net incoming/(outgoing) resources for the year	–	10,948	10,948	(60,315)
Funds at the start of the year	<u>–</u>	<u>5,750</u>	<u>5,750</u>	<u>66,065</u>
Funds at the end of the year	<u><u>–</u></u>	<u><u>16,698</u></u>	<u><u>16,698</u></u>	<u><u>5,750</u></u>

Included in expenditure is a grant support cost from the parent entity of £109,163 (2016: £215,069)

United Purpose

Notes to the financial statements

For the year ended 31 March 2017

15. Subsidiary undertakings (continued)

Village Aid balance sheet	2017 £	2016 £
Assets	19,199	13,879
Liabilities	(2,500)	(8,129)
	<u>16,699</u>	<u>5,750</u>
Restricted funds	–	–
Unrestricted funds	<u>16,699</u>	<u>5,750</u>
	<u>16,699</u>	<u>5,750</u>

16 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2017 £	2016 £
Gross income	29,224,029	19,568,582
Result for the year	<u>(201,469)</u>	<u>694,992</u>

17. Debtors

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	100,117	53,761	91,423	55,734
CUMO outstanding client loans	577,138	484,825	–	–
Amounts due from donors	1,343,714	1,546,390	1,343,714	1,535,907
Prepayments	53,105	24,399	53,105	24,399
Other debtors	<u>462,524</u>	<u>362,089</u>	<u>310,551</u>	<u>313,633</u>
	<u>2,536,599</u>	<u>2,471,464</u>	<u>1,798,793</u>	<u>1,929,673</u>

18. Creditors : Amounts falling due within one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Taxation and social security costs	–	18,837	–	18,837
Trade creditors	83,205	97,971	133,672	78,108
Accruals	62,771	177,002	62,771	177,002
CUMO loan collateral fund	121,202	98,750	–	–
Loan: Waterloo Foundation	300,000	19,623	300,000	19,623
Loan: Drilling rig	62,500	62,500	–	62,500
Amounts due to parent	34,573	318	–	–
Sundry	<u>851,867</u>	<u>206,115</u>	<u>712,564</u>	<u>108,052</u>
	<u>1,516,118</u>	<u>681,116</u>	<u>1,209,007</u>	<u>464,122</u>

## United Purpose

### Notes to the financial statements

#### For the year ended 31 March 2017

#### 19. Creditors : Amounts falling due greater than one year

	Group 2017	2016	Charity 2017	2016
	£	£	£	£
Amounts payable in 1–2 years	–	50,000	–	50,000
Loan: Drilling rig	1,102	3,222	–	–
CUMO – amounts due to funders				
	<u>1,102</u>	<u>53,222</u>	<u>–</u>	<u>50,000</u>

Interest accrued on the loan from Waterloo Foundation in the year was NIL (2016 £1,566). The loan capital and accrued interest was settled in the year.

The loan for the drilling rig is interest free and not secured against any charity asset.

#### 20a Analysis of net assets between funds (current year)

Group:	Restricted funds £	Designated funds £	CUMO £	General funds £	Total funds £
Tangible fixed assets	–	–	75,651	570,227	645,878
Current assets	4,850,524	69,205	1,475,266	1,547,246	7,942,241
Current liabilities	–	–	(270,037)	(1,246,081)	(1,516,118)
Long term liabilities	–	–	(1,102)	–	(1,102)
<b>Net assets at 31 March 2017</b>	<b><u>4,850,524</u></b>	<b><u>69,205</u></b>	<b><u>1,279,778</u></b>	<b><u>871,392</u></b>	<b><u>7,070,899</u></b>

#### 20b Analysis of net assets between funds (prior year)

Group:	Restricted funds £	Designated funds £	CUMO £	General funds £	Total funds £
Tangible fixed assets	366,392	126,990	96,997	15,236	605,615
Current assets	5,050,812	–	1,347,330	939,781	7,337,923
Current liabilities	–	(96,764)	(213,547)	(370,805)	(681,116)
Long term liabilities	–	–	(3,222)	(50,000)	(53,222)
<b>Net assets at 31 March 2017</b>	<b><u>5,417,204</u></b>	<b><u>30,226</u></b>	<b><u>1,227,558</u></b>	<b><u>534,212</u></b>	<b><u>7,209,200</u></b>



21. Operating lease commitments

The charitable company had total commitments under operating leases expiring as follows:

Group	Property		Equipment	
	2017	2016	2017	2016
	£	£	£	£
0 – 1 year	247,264	96,340	1,200	1,200
1 – 2 years	121,839	23,685	99	1,200
2 – 5 years	137,583	2,015	–	99
> 5 years	–	–	–	–
	<u>506,686</u>	<u>122,040</u>	<u>1,299</u>	<u>2,499</u>
Charity	Property		Equipment	
	2017	2016	2017	2016
	£	£	£	£
0 – 1 year	238,439	81,033	1,200	1,200
1 – 2 years	113,270	14,909	99	1,200
2 – 5 years	136,301	–	–	99
> 5 years	–	–	–	–
	<u>488,010</u>	<u>95,942</u>	<u>1,299</u>	<u>2,499</u>

United Purpose

Notes to the financial statements

For the year ended 31 March 2017

22a Movements in funds (current year)

Restricted funds (analysed by donors greater than £100,000):

Group and Charity:	At 1 April 2016 £	Incoming and gains £	Expenditure and losses £	Transfers £	At 31 March 2017 £
<b>Upholding Rights</b>					
Cross River State (Nigeria) Development support	18,377	–	(18,377)	–	–
Comic Relief Sport	–	295,185	(86,678)	–	208,507
Social Accountability, PRODEM	–	934,224	(814,669)	–	119,555
Tilitonse – EQUIPS	12,694	–	(12,694)	–	–
World Bank, social accountability	60,819	97,479	(132,335)	–	25,963
Others	18,419	44,663	(41,935)	–	21,147
<b>Upholding Rights Total</b>	<b>110,309</b>	<b>1,371,551</b>	<b>(1,106,688)</b>	<b>–</b>	<b>375,173</b>
<b>Better Health</b>					
ACF, Ending Ebola	11,949	102,132	(92,746)	–	21,335
AMF – Balaka and Dedza net distribution, Malawi	446,784	58,999	(301,631)	(83,278)	120,874
DFAT – Phalombe SWASH, Malawi	578,139	590,996	(966,884)	–	202,251
Comic Relief child health improvement, Malawi	42,197	–	(42,197)	–	–
DfID Community-led Health Improvement, Nigeria	46,755	548,805	(495,207)	–	100,353
European Commission, improving health	36	288,942	(190,212)	(98,766)	–
GSF – UNOPS, improving Health	1,029,392	993,694	(875,115)	–	1,147,971
Irish Aid Better Health	311,252	192,373	(270,484)	–	233,141
MCA	14,442	193,113	(203,621)	–	3,934
One Foundation, Clean Water & Sanitation promotion, Malawi	63,190	132,500	(81,771)	–	113,919
PLAN International, Better Health	–	172,865	(147,819)	–	25,046
UNICEF, Clean Water & Sanitation promotion, Malawi	2,374	1,281,679	(1,250,841)	–	33,212
Vitol Foundation Wash	–	233,392	(156,471)	–	76,921
World Food Programme, Better Health	17,172	–	(1,391)	–	15,781
Drilling rig campaign	30,394	173,395	(225,371)	–	(21,582)
Others	172,736	129,877	(302,859)	–	(246)
<b>Better Health Total</b>	<b>2,766,812</b>	<b>5,092,762</b>	<b>(5,604,620)</b>	<b>(182,044)</b>	<b>2,072,911</b>

# United Purpose

## Notes to the financial statements

For the year ended 31 March 2017

### 22. Movements in funds (current year) continued

<b>Resilient Lives</b>					
ActionAid	46,379	101,298	(147,677)	-	-
AFAP, poverty reduction	57,374	-	(57,374)	-	-
AGFund	37,768	-	(37,768)	-	-
Alliance for Green Revolution in Africa – Resilient Lives Mozambique	14,418	-	(14,418)	-	-
Alliance for Green Revolution in Africa – Resilient Lives West Africa	212,581	219,254	(454,379)	-	(22,544)
Big Lottery Fund, Building Markets for the poor, Guinea	108,980	123,546	(102,582)	-	129,944
Big Lottery Fund, Helping Costal Communities	20,910	318,835	(172,420)	-	167,325
Big Lottery Fund, In Search of Common Ground, Cameroon	48,722	68,687	(107,455)	-	9,954
Big Lottery Fund, Breaking the Poverty Chain Through building self sustaining communities , Ghana	-	131,453	(77,152)	26,530	80,831
CARE	7,736	-	(7,264)	(472)	-
Comic Relief	-	25,618	(2,669)	-	22,949
The Charitable Foundation, Livelihood improvement, Malawi	34,500	-	(34,500)	-	-
Cordaid, Resilient Lives	60,905	29,274	(81,097)	-	9,083
DfID Improving Livelihoods, Bangladesh	-	280,928	(280,928)	-	-
DFID Resilient Lives, Malawi	-	2,619,092	(2,836,016)	-	(216,924)
European Commission, Resilient Lives	925,371	1,964,666	(1,334,165)	-	1,555,872
European Commission, Humanitarian Office	-	320,394	(260,458)	32,134	92,070
Irish Aid, Resilient Lives	260,832	1,445,739	(1,157,031)	-	549,540
One Foil, support to smallholder farmers	154,645	100,000	(186,527)	-	68,118
SORGEV (Scottish Government)	-	111,696	(155,516)	4,591	(39,228)
USAID Livelihoods, Gambia	9,061	577,769	(697,643)	91,121	(19,691)
Village Aid	5,749	-	(5,749)	-	-
World Food Programme Food distribution, Malawi	-	12,032,312	(12,045,955)	(36,102)	(49,745)
Others	534,152	1,078,444	(1,520,552)	(27,153)	64,891
<b>Resilient Lives Total</b>	<b>2,540,083</b>	<b>21,549,005</b>	<b>(21,777,296)</b>	<b>90,649</b>	<b>2,402,444</b>
<b>Total restricted funds</b>	<b>5,417,204</b>	<b>28,013,318</b>	<b>(28,488,604)</b>	<b>(91,395)</b>	<b>4,850,523</b>

United Purpose

Notes to the financial statements

For the year ended 31 March 2017

22a Movements in funds (current year) continued

Group and Charity:	At 1 April 2016 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2017 £
<b>Unrestricted funds:</b>					
<i>Designated funds:</i>					
<b>UK</b>					
Sustainable energy fund	9,359	89,817	(31,952)	–	<b>67,224</b>
Fixed asset fund	–	–	–	–	–
<b>Malawi</b>					
Eureka rig	–	–	–	–	–
Replacement vehicles	–	–	–	–	–
Medical fund	1,889	–	93	–	<b>1,982</b>
<b>Gambia</b>					
Vehicle replacement	18,978	–	(18,978)	–	–
<i>Total designated funds</i>	30,226	89,817	(50,837)	–	<b>69,205</b>
<b>General Funds held by CUMO</b>	1,227,558	768,139	(715,920)	–	<b>1,279,777</b>
<b>General funds</b>	534,212	1,401,197	(1,155,410)	91,395	<b>871,394</b>
<b>Total unrestricted funds</b>	<u>1,791,996</u>	<u>2,259,153</u>	<u>(1,922,168)</u>	<u>91,395</u>	<u><b>2,220,376</b></u>
<b>Total funds</b>	<u>7,209,200</u>	<u>30,272,471</u>	<u>(30,410,772)</u>	<u>–</u>	<u><b>7,070,899</b></u>

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## Notes to the financial statements

For the year ended 31 March 2017

### 22b Movements in funds (prior year)

Restricted funds (analysed by donors greater than £100,000):

Group and Charity:	At 1 April 2016 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2016 £
<b>Upholding Rights</b>					
Cross River State (Nigeria) Development support	18,690	–	(313)	–	18,377
European Commission respect for rights "Live without Limits", Irish Aid	(7,397)	10,690	(3,293)	–	–
Social Accountability, PRODEM	(447)	430	17	–	–
Swiss Agency for Co-operation & Development	–	130,250	(130,250)	–	–
Tilitonse – EQUIPS	83,927	288,829	(372,756)	–	–
World Bank, social accountability	62,676	13,011	(62,993)	–	12,694
Others	50,900	163,303	(153,384)	–	60,819
	34,944	175,542	(192,067)	–	18,419
<b>Upholding Rights Total</b>	<b>243,293</b>	<b>782,055</b>	<b>(915,039)</b>	<b>–</b>	<b>110,309</b>
<b>Better Health</b>					
ACF, Ending Ebola	–	270,011	(258,062)	–	11,949
AMF – Balaka and Dedza net distribution, Malawi	108,870	1,877,715	(1,539,801)	–	446,784
DFAT – Phalambe SWASH, Malawi	299,378	655,265	(376,504)	–	578,139
Comic Relief child health improvement, Malawi	55,250	52,841	(65,894)	–	42,197
Cordaid, improving health	(1,948)	47,969	(46,021)	–	–
DfID Community-led Health Improvement, Nigeria	–	148,978	(102,223)	–	46,755
European Commission, improving health	122,851	296,326	(419,141)	–	36
GSF – UNOPS, improving Health	1,196,939	563,400	(730,947)	–	1,029,392
Irish Aid Better Health	40,024	408,637	(137,409)	–	311,252
MCA	–	112,332	(97,890)	–	14,442
One Foundation, Clean Water & Sanitation promotion, Malawi	70,473	115,625	(122,908)	–	63,190
PLAN International, Better Health	11,512	131,207	(142,719)	–	–
UNICEF, Clean Water & Sanitation promotion, Malawi	72,206	1,093,952	(1,163,784)	–	2,374
World Food Programme, Better Health	17,172	–	–	–	17,172
Drilling rig campaign	24,424	90,684	(84,714)	–	30,394
Others	356,360	594,247	(779,080)	1,209	172,736
<b>Improving Health Total</b>	<b>2,373,511</b>	<b>6,459,189</b>	<b>(6,067,097)</b>	<b>1,209</b>	<b>2,766,813</b>

## United Purpose

### Notes to the financial statements

For the year ended 31 March 2017

#### 22b Movements in funds (prior year) continued

<b>Resilient Lives</b>					
ActionAid	–	199,547	(153,168)	–	<b>46,379</b>
AFAP, poverty reduction	49,116	172,732	(164,474)	–	<b>57,374</b>
AGFund	37,768	–	–	–	<b>37,768</b>
Alliance for Green Revolution in Africa – Resilient Lives Mozambique					
	6,646	500,777	(493,005)	–	<b>14,418</b>
Alliance for Green Revolution in Africa – Resilient Lives West Africa					
	165,290	487,097	(439,806)	–	<b>212,581</b>
Big Lottery Fund, Resilient Lives, Gambia					
	38,330	145,343	(183,673)	–	<b>–</b>
Big Lottery Fund, Building Markets for the poor, Guinea					
	102,580	94,618	(88,218)	–	<b>108,980</b>
Big Lottery Fund, Helping Coastal Communities					
	71,839	109,592	(160,521)	–	<b>20,910</b>
Big Lottery Fund, In Search of Common Ground, Cameroon					
	–	138,943	(90,221)	–	<b>48,722</b>
CARE	–	399,145	(391,409)	–	<b>7,736</b>
The Charitable Foundation, Livelihood improvement, Malawi					
	71,998	(8,513)	(28,985)	–	<b>34,500</b>
Cordaid, Resilient Lives					
	43,889	176,850	(159,834)	–	<b>60,905</b>
DfID Improving Livelihoods, Bangladesh					
		308,261	(308,261)	–	<b>–</b>
DFID Resilient Lives	–	3,025,278	(3,025,278)		<b>–</b>
European Commission, Resilient Lives					
	305,319	1,489,773	(869,721)	–	<b>925,371</b>
Irish Aid, Resilient Lives					
	287,939	620,223	(647,330)	–	<b>260,832</b>
One Foil, support to smallholder farmers					
	248,173	168,680	(262,208)	–	<b>154,645</b>
USAID Livelihoods, Gambia					
		458,297	(449,236)	–	<b>9,061</b>
Village Aid					
	66,064	–	(60,315)	–	<b>5,749</b>
World Food Programme Food distribution, Others					
	1,843	1,830,842	(1,832,685)	–	<b>–</b>
	482,901	1,023,177	(947,653)	(24,274)	<b>534,151</b>
<b>Resilient Lives Total</b>	<b>1,979,695</b>	<b>11,340,662</b>	<b>(10,756,001)</b>	<b>(24,274)</b>	<b>2,540,082</b>
<b>Total restricted funds</b>	<b>4,596,499</b>	<b>18,581,906</b>	<b>(17,738,137)</b>	<b>(23,065)</b>	<b>5,417,204</b>

## United Purpose

### Notes to the financial statements

For the year ended 31 March 2017

#### 22b Movements in funds (prior year) continued

Group and Charity:	At 1 April 2016 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2017 £
<b>Unrestricted funds:</b>					
<i>Designated funds:</i>					
<b>UK</b>					
Sustainable energy fund	16,095	22,610	299	(29,645)	9,359
Fixed asset fund	16,709	–	–	(16,709)	–
<b>Malawi</b>					
Eureka rig	(6,840)	30	(19,685)	26,495	–
Replacement vehicles	(7,971)	–	(6,167)	14,138	–
Medical fund	2,648	–	(759)	–	1,889
<b>Gambia</b>					
Vehicle replacement	7,196	2,488	23,432	(14,138)	18,978
<i>Total designated funds</i>	27,837	25,128	(2,880)	(19,859)	30,226
<b>General Funds held by CUMO</b>	1,249,935	903,653	(926,030)	–	1,227,558
<b>General funds</b>	268,219	1,193,948	(970,879)	42,924	534,212
<b>Total unrestricted funds</b>	1,545,991	2,122,729	(1,899,789)	23,065	1,791,996
<b>Total funds</b>	6,142,490	20,704,635	(19,637,926)	–	7,209,200

#### Transfers between funds

Transfers between restricted funds represent movements of opening balances to correct mismappings of fund to incorrect donor or to extract a donor from the 'others' grouping as income in the year has exceeded £100,000 in the year.

The transfers from restricted funds into unrestricted funds are as result of a review of fund balances that identified funds held in restricted funds for projects that are now complete. The fund balances were reviewed and as the final donor reports have been submitted and accepted by donor with final income installments received the likelihood of funder clawback is remote and hence the amount is deemed to be unrecognised income that can be classified as unrestricted.

#### Purposes of restricted funds

Restricted funds consist of donor funding for specific development projects, plus an allocation of voluntary income restricted for other purposes than specific development projects. The funds held within Village Aid have also been shown as restricted in the group accounts as they are to be spent in line with Village Aid's objectives.

Where fund balances are in deficit, this is due to payments due from donors not having been received at year end. We have not accrued for this income on grounds of prudence.

A significant proportion of the restricted funds balance is held in cash funds in project specific bank accounts and as such is not available for group cash resources.

## United Purpose

### Notes to the financial statements

For the year ended 31 March 2017

#### 22 Movements in funds (continued)

##### Purposes of designated funds

The eureka rig fund is designated for the replacement of drilling equipment in Malawi.

The vehicle replacement funds are designated for replacement of vehicles in the specified country programmes.

The fixed asset fund is designated to ensure that there is fund cover for the net book value of fixed assets that would otherwise be held in general funds. This is to ensure that the reported general fund balance equates to free funds.

The medical fund is designated for support of victims of HIV AIDs and their families within the Malawi staff.

CUMO loan funds are held for making microfinance loans in Malawi, specifically to living those in extreme poverty in rural areas. These funds arise from initial grants from the Department for International Development (granted to establish a revolving loan fund), supplemented by surpluses generated through the charging of loan interest, less the cost of administering the loans. The cash resources of CUMO are not available for group cash resources and therefore has been set aside within designated funds.

#### 23 Reconciliation of net incoming resources to net cash inflow from operating activities:

	2017 £	2016 £
<b>Net incoming resources</b>	<b>(138,302)</b>	<b>1,066,710</b>
Effect of foreign exchange rate movements	195,116	408,008
Dividends, interest and rent from investments	(71,082)	(75,086)
Depreciation & amortisation charges	195,663	191,005
Unrealised exchange loss on CUMO assets	(4,470)	33,614
(Profit)/Loss on disposal of fixed assets	111	20,097
(Increase) in debtors	(65,135)	(127,586)
(Decrease)/increase in creditors	782,882	(877,072)
<b>Net cash inflow from operating activities</b>	<b>894,782</b>	<b>639,690</b>

#### 24 Analysis of cash at bank and in hand

	Charity £	Subsidiaries £	Total £	2016 £
General accounts in the UK	1,208,338	28,379	1,236,717	844,879
Project specific accounts in the UK	990,130	–	990,130	853,289
Held in overseas accounts	2,432,640	397,024	2,829,664	3,001,110
<b>Total cash funds held</b>	<b>4,631,108</b>	<b>425,403</b>	<b>5,056,511</b>	<b>4,699,278</b>

#### 25 Capital Commitments

At the 31 March 2017 there were no capital commitments (2016: Nil).

#### 26 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.