

Registered number: 08093052
Charity number: 1153130

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING

**TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)

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INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2016

Trustees

Christopher Underhill, Chair
Amoné Gbedemah (resigned 20 August 2015)
Michael Norton (resigned 19 August 2015)
Simon Myers, Treasurer
Neil Marshall
Kate Wareing
Joanna Stokes (resigned 31 July 2015)
Emma Cooper (appointed 1 December 2015)
Christopher Cuthbert (appointed 1 December 2015)
Peter Weiss (appointed 1 December 2015)

Company registered number

08093052

Charity registered number

1153130

Registered office

Calder & Co
16 Charles II Street
London
SW1Y 4NW

Principal operating office

Phoenix Yard
65 Kings Cross Road
London
WC1X 9LW

Chief executive officer

Dan Berelowitz

Bankers

Co-operative Bank
Business Customer Services
PO Box 250
Skelmersdale
WN8 6WT

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

The Trustees (who are also directors of the Company for the purposes of the Companies Act) present their annual report together with the financial statements of International Centre for Social Franchising ("ICSF" or "the charity") for the year ending 30 June 2016. The Trustees confirm that the annual report and financial statements of ICSF comply with current statutory requirements, the requirements of ICSF's governing documents and the provisions of the Statement of Recommended Practice (SORP), 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).

OBJECTIVES AND ACTIVITIES

a. Policies And Objectives

Our focus is on one specific issue: scaling social impact. We believe that solutions with proven social impact need to operate at a much greater scale to truly address our most significant social problems.

We know solutions with proven social impact are out there; what they need is a broader, bigger reach, while maintaining depth of impact. We believe transformational change will be achieved by building on what already works, rather than reinventing the wheel.

As such, we partner with organisations that have demonstrated their models' tangible impact to expand their reach and realise their aspirations. We believe many of these models have the potential to end some of the world's greatest issues.

In setting its programme each year, due regard is given to the Charity Commission's general guidance on public benefit.

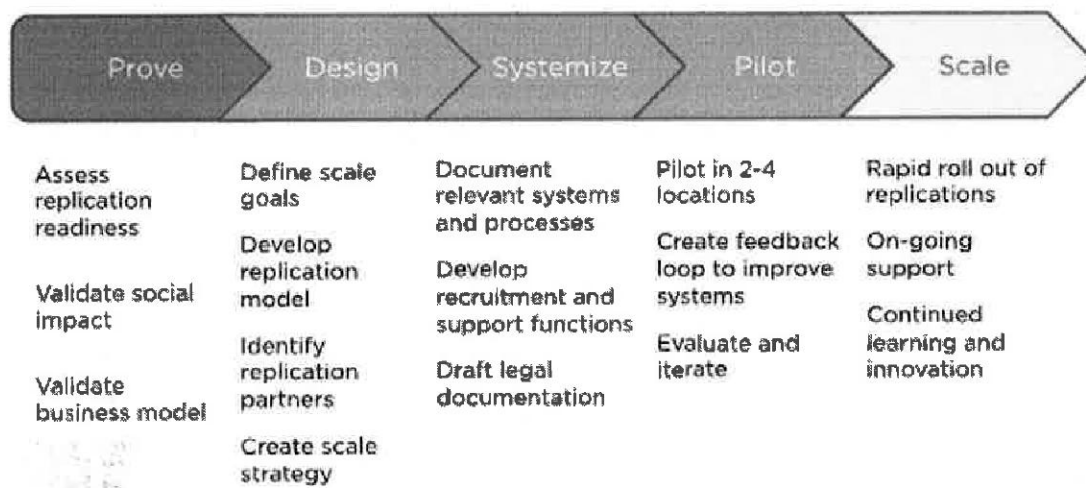
b. Activities For Achieving Objectives

We have pioneered a framework to unpack and demystify the complex area of scaling social impact. There are a number of routes to scaling social impact; our specific focus is on replication. Replication refers broadly to taking your organisation, programme or set of core principles to new locations.

Our systematic 5-stage methodology, detailed in our open source toolkit, is designed to enable organisations to identify, design and implement the right model to achieve their impact at a much larger scale. We meet our clients wherever they are on their journey to scale, whether it be proving their readiness to scale (stage one) or helping get their pilot off the ground (stage four) and beyond.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016



Our formula:

- **Strategic and practical.** We challenge clients to set ambitious social targets, and then help them develop pragmatic strategies to achieve them.
- **Commercial and social.** Our team brings both commercial and social expertise from working with some of the world's most impactful purpose organisations and our own research. We are a not-for-profit social enterprise ourselves, investing any surplus back into our social mission, so we 'get' the sector.
- **Rigorous process.** Scaling is challenging, but not impossible. It requires careful design of a system that works, monitoring, and improvement, backed by solid systems and process which we help design and implement.
- **Connected.** We help facilitate the links needed for clients to implement their strategies, from funding to service providers.
- **Successful.** We only count our work as a success if our clients create genuine and lasting social impact.

Our central value is to strive to create, scale and sustain the maximum social impact, working towards our impact goal to assist 10 solutions to social issues to replicate to achieve scale by 2018.

We carry out three main activities to work towards our charitable mission:

Consultancy: We deliver consultancy through our five-stage process, helping our clients to achieve their social mission by scaling their impact through replication. This consultancy is delivered through workshops, field visits, staff meetings and report and financial model development. Where clients have already reached scale, we help them review their existing network to consider how it can be strengthened to better help them work towards their organisational goals.

Research: We contribute towards the global knowledge base on scale up and replication, recognising areas where there are gaps in existing sector knowledge. We are currently updating our well-regarded, open source Toolkit (<http://toolkit.the-icsf.org/Home>) with fresh knowledge and research.

Advocacy: We promote sector-wide awareness and understanding of social replication as a method to systematically scale social impact. To do this we speak at conferences globally, write articles and deliver training courses and seminars.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016

ACHIEVEMENTS AND PERFORMANCE

Overall

- We worked directly with over 40 clients, in 14 countries around the world, with engagements ranging from one-day workshops to on-going partnerships. Across the board we received positive client satisfaction surveys for our work, with 100% saying they would recommend ICSF to others.
- We grew our total organisational revenue, by over 80% compared to the previous financial year, giving us greater security and enabling us to flexibly consider how best to invest surplus to strengthen the organisation and work towards our mission.
- We continued to grow our team, in both the UK and US offices, including the hire of ICSF's first dedicated Communications Manager, supporting us with our wider advocacy activities.
- We identified seven ICSF projects with high potential to be part of the '10': ICSF's impact goal to help 10 projects successfully replicated by 2018. We are providing on-going support to these projects as they progress on their journey to scale. A further 20 were also identified who we feel have some potential to be part of the 10 but are at an earlier stage. We will continue to monitor these.
- We continued to promote social replication more broadly across the sector, hoping to inspire others to consider a systematic replication approach when thinking about scale. Our toolkit has been downloaded over 1000 times, and we continued to receive positive feedback about how it is being used. We delivered training to over 30 Impact Hub participants, in London and Athens. We spoke at several conferences, including SOCAP and Unite for Sight Global Health.

UK Office - Highlights

Scale Accelerator UK

We completed our largest and most ambitious programme to date. Scale Accelerator brought together nine of the UK's largest Trust and Foundations to support eleven of their most promising grantees to scale up. Over a ten-month period, each participant was provided with a bespoke package of group training and consultancy to define a clear strategy and robust plan to scale up their impact.

Scale Accelerator was evaluated externally by The Social Innovation Partnership and the Tavistock Institute. The overall results of the evaluation were extremely positive. On completing the programme, all of our participants rated their confidence in their organisation's ability to successfully recruit, manage and support a replicated network as 4.0 out of 5.0, compared to before the programme where the average score amongst the cohort was 2.3. Scale Accelerator supported the achievement of our overall impact goal by identifying organisations who we believe will scale their impact by 2018.

NSPCC Baby Steps

We worked with NSPCC in 2014 to develop the design of a social franchise model for their Baby Steps programme, a perinatal programme for vulnerable parents. The recommended model was an innovative public sector and civil society partnership, with NSPCC transitioning from direct provider to overseeing and supporting implementation by local mainstream organisations. The programme is now in operation in 11 different locations across the UK. NSPCC has plans to grow the programme further over the coming year, and is continuing to work with ICSF to refine the social franchise model in order to do so.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016

Impact Hub Training

We worked with Impact Hub London and Impact Hub Athens, supporting their Scaling Programme. The aim of the programme is to help social entrepreneurs scale and increase their impact. We delivered a series of training workshops in both London and Athens to a group of overall 20 social entrepreneurs from across Europe. The training was well received by participants, with participants from the London sessions rating the overall course an average 4.7 out of 5.0. Working with the Impact Hub was an important project for us as it built our understanding of how we could take our existing frameworks and methodologies and share these with a broader group of organisations than we would typically work with through our bespoke consultancy offer. We are exploring potential opportunities with Impact Hub to scale this training across a broader cohort in 2017

International Projects

The UK office has worked on a range of international projects over the last year, in countries including Madagascar, Jordan, South Africa, Pakistan and India. One example is World Health Partners, an NGO based in Delhi who use telemedicine to connect those living in rural areas with qualified primary care Doctors. Through support from Merck 4 Mothers, ICSF worked with World Health Partners in early 2015 to consider how best to refine their model to prepare for further scale, with a particular focus on sustainability. ICSF has now signed a two-year partnership agreement with World Health Partners to continue to support them on this journey.

United States ("US") Office

Projects managed during the period by the US entity International Centre for Social Franchising Incorporated (ICSF Inc) include:

Designing a replication model for the Foundation for Ecological Security's Prakriti Karyashala

Based in India, FES work towards the conservation of natural resources through community action. ICSF is working with FES to help design a replication model to support them to scale nationally. ICSF has been working with FES to further build out and refine aspects of the strategy and the selected branch model for replicating the rural college training program. ICSF is in the process of finalizing their model recommendations.

Supporting Four Colombian Social Projects to Scale up their Impact

ICSF brought a group of five leading nonprofits in Colombia together to provide scale up knowledge and tools. Additionally, ICSF has been working with each nonprofit on an individual specific model for replicating their impact across the country and beyond. The five organizations focus on early childhood development, building sustainable communities for the underserved, developing youth peace builders, transferring life-skills to underserved youth, and helping children learn to read and write who have fallen behind.

Scaling Up Lava Mae through Branching

Lava Mae is a nonprofit focused on radical hospitality for the homeless by providing showers and hygiene services via retrofitted buses throughout San Francisco. To date, Lava Mae's buses have delivered over 14,000 showers. ICSF is working with Lava Mae to help develop and systemize their branch model to replicate to two other cities in California in the short term: San Jose and Los Angeles. ICSF is close to finalizing the model design and key systems and processes for the branch before Lava Mae pilots in late 2016.

Rapidly Reaching Rural Communities Internationally: Replicating Sistema Biobolsa to Scale

Sistema Biobolsa is a social enterprise that sells biodigesters, a product that helps transform waste into an energy source and with high quality fertilizer as the byproduct, to small farmers in Mexico. ICSF has helped Sistema Biobolsa design a scale up strategy to help the organization replicate to 12 countries in the next five years. Additionally, ICSF has helped design the specific partnership replication model for replicating Sistema Biobolsa to Nicaragua. To date Sistema Biobolsa has delivered the benefits of biogas to over 22,000 users, with over 3000 units installed.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016

Replicating Success For All's Tutoring Program in the United States

Success for All (SFA) is a nonprofit that provides comprehensive school reform for the highest-need communities across the U.S. and Canada. ICSF is working with Success for All to help replicate one highly effective component of their model, tutoring, as a standalone product. ICSF is wrapping up the design of their scale model for short term and long-term replication and are in the process of finalizing key systems and processes with the organization.

Scaling Teen-Centered Reproductive Health Services: Replicating the Diva Center

Marie Stopes Zambia (MSZ) is an affiliate of Marie Stopes International, an NGO providing family planning and reproductive healthcare to the most vulnerable in Zambia. ICSF is being funded by the Hewlett Foundation to work with MSZ to scale up their learnings from MSZ's work with the human centered design approach to impact more adolescents. ICSF's work is focusing on helping MSZ scale their adolescent sexual and reproductive health work through the public sector via a new partnership with the Zambian Ministry of Health.

Developing the Yaajeende Social Franchise

Yaajeende is a pioneering, USAID-funded agricultural project in Senegal that's dramatically improving people's diets and warding off famine by connecting suppliers of quality products to farmers and communities through a network of local and socially conscious entrepreneurs. ICSF has completed the development of the social franchise with the Yaajeende leadership, branded as CultiVert. CultiVert is in the early stages of piloting the social franchise with an initial group of 10+ franchisees in Matam and Bakel.

Australia

ICSF is represented in Australia under a licensing agreement with Community Works Associates Pty. Ltd., a consulting company based in Melbourne that has a long-standing commitment to replication and scaling. During 2016 highlights include:

Scaling up mental health provision for Prahlan Mission

For Prahlan Mission, we conducted a review of the first phase of an existing expansion program for a peer-led mental health program. The underlying aim of the scaling is to increase access for people with mental health conditions living in rural areas to services that are initiated in cities. ICSF compared the existing approach with others from our experience, identified elements of good practice and benchmarks that could be applied to Prahlan Mission's future replication work and provided and advice on practical and realistic improvements.

Kicking off the scaling process with Holyoake

With Holyoake, ICSF has completed a first phase of an international scaling process for its DRUMBEAT program. DRUMBEAT is the world's first structured learning program using music, psychology and neurobiology. The acronym stands for Discovering Relationships Using Music, Beliefs, Emotions, Attitudes, and Thoughts. Beneficiaries of the program tend to be people seeking to improve their relationships and it has wide application in schools, mental health services, aged care and prisons. The work we have done aligns with Stage 1 (Prove) and Stage 2 (Design) of ICSF's replication process.

PLANS FOR FUTURE PERIODS

We have been able to work with a range of inspiring and impactful organisations over the last year, and are excited to be able to continue to do so in the next year.

Our primary focus for the period July 2016 to June 2017 will be the achievement of our overall impact goal of supporting 10 organisations to have scaled their impact by July 2018. To achieve this goal we will be carrying out the following activities:

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016

Delivering Flagship Programmes

ICSF will continue to lead delivery of Scale Accelerator and plans to support two cohorts of participants in 2016-2017. We are keen to explore how the Scale Accelerator could be replicated outside the UK and within specific sectors.

Bespoke support for high potential organisations

We will continue to support the organisations identified with potential to successfully replicate by 2018, and that will therefore help us reach our impact goal. For the seven high potential projects in the UK this support will be developed through group events, peer to peer support and direct coaching and advice from ICSF.

Re-brand

We are embarking on a re-branding process, including a change of name and logo. We believe that this will strengthen our presence in the market place.

Strategic Planning

As we near the end of the timeframe we set out for our impact goal, we will be starting a strategic review to set the strategy for the organisation over the next three years. We expect that through this process we will look to diversify our offering to support organisations to achieve scale through other routes beyond replication.

Improving our Monitoring and Evaluation Capability

ICSF will be working with an evaluation expert to refine our monitoring and evaluation processes to be better able to assess our progress against our impact goal

FINANCIAL REVIEW

a. Financial Risk Management Objectives And Policies

The charity's income of £1,075,000 and surplus of £133,000 reflect ICSF's continued growth and sound management. The surplus helps us meet our long-term reserves target and supports our continued expansion, enabling us to work with more social replication projects.

The principal funding sources of the charity in the reporting period were £248,000 of grants and £826,000 of contract income for our work on social replication projects

Grants recognised in the period include £67,000 from US charitable foundations prior to US ICSF Inc being awarded official US non-profit status. The grants were restricted to the activities of US entity ICSF Inc and were awarded to the UK following an Equivalency Determination process, which concluded that the UK ICSF was equivalent to a U.S. public charity. This funding was passed by UK ICSF as a grant to US ICSF Inc during the period.

This year ICSF Inc was awarded non-profit status by the US Internal Revenue Service and over the accounting period to 30 June 2016 it made a surplus of £38,000 on income of £344,000 and we forecast significant growth in revenue.

We hired new staff over the period to deliver on projects and help us develop new partnerships and hired a communications manager to ensure we enhance our presence in the market and increase our market share.

The charity's trading subsidiary made a small surplus during the year, which was donated to the charity.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016

b. Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

c. Principal Risks And Uncertainties

In accordance with the recommendations of the Statement of Recommended Practice the trustees confirm that they have reviewed the major risks to which the charity might be exposed and identified plans and strategies to mitigate those risks.

The principal risk is around loss of key staff. This risk is mitigated by our Remuneration Policy noted below and an internal "Systemise" project which is underway to ensure that all internal processes and our approach to delivering client assignments are clearly documented.

An indemnity policy is in place to cover the negligence or default of trustees or employees

d. Reserves Policy

ICSF's ongoing Reserves Policy is to ensure that a level of resources is always retained to continue funding:

- its core structure and activities for a minimum period of 3 months. Longer term, the intention is to increase this to 6 Months
- its existing commitments to charitable projects

The Reserves Policy is reviewed at least annually in the light of the Charity's changing circumstances. The ongoing situation is monitored by the Treasurer and Chief Executive Officer (CEO) and is formally presented at each Trustee meeting, together with a cash flow forecast.

Our unrestricted net current assets at year-end were £362,000 which met our short term aim to cover our core structure and activities for at least a three month period.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The charity is registered as a charitable company limited by guarantee number 1153130 and constituted under a Memorandum of Association.

The principal objects of the charity are:

- The promotion of the efficiency and effectiveness of charities and the effective use of charitable-resources through:
 - o The provision of services, including but not limited to, research, advice and consultancy services -to individuals, charities and/or other organisations, and
 - o The promotion of the replication, systemisation and increased efficiency and reach of successful charitable projects
- Such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Trustees may from time to time determine.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016

b. Method Of Appointment Or Election Of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

c. Organisation Structure And Decision Making

Legal control of the charity is in the hands of the Board of Trustees. Every trustee has been appointed a director of the company. Trustees are either the original subscribers to the company's Memorandum of Association or join the Board by election at Trustee meetings or by written resolution signed by all Trustees.

The Board of Trustees works with the charity's CEO on strategic development and policy implementation.

The trustees receive periodic training as a group on trustee responsibilities and are made aware of relevant training opportunities. The CEO and senior staff team carry out one-on-one inductions with new trustees.

Subsidiaries

- **ICSF (Trading) Ltd:** ICSF carries out projects where charities or voluntary organisations benefit from the work. Any other projects managed by the UK office are carried out by ICSF (Trading) Ltd, a wholly owned subsidiary of the ICSF. The trading subsidiary benefits from tax relief on profits donated to the parent charity ICSF.
- **International Centre for Social Franchising Incorporated (ICSF Inc):** The US entity ICSF Inc's by-laws state that the UK charity ICSF is a member of ICSF Inc and has powers to nominate or remove ICSF Inc board directors. ICSF Inc's articles of incorporation note that one of its purposes is to support the UK ICSF charity. ICSF Inc was awarded non-profit status by the US Internal Revenue Service on the basis that ICSF Inc is a supporting organisation of the UK ICSF charity.

International Advisory Board

This team of industry experts, run on an informal basis, volunteer their time periodically, helping generate project ideas and giving advisory support.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016

d. Remuneration Policy

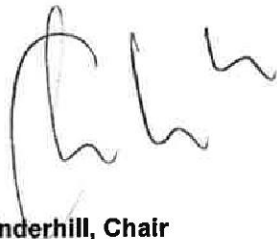
Delivery of ICSF's charitable vision and purpose is primarily dependent on our staff. Personnel costs are the largest single element of charitable expenditure.

ICSF is committed to ensuring that we pay our staff fairly and in a way that ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

ICSF has a remuneration committee which meets annually and sets the pay for all staff. It comprises the ICSF Chair of Trustees and two other trustees. The committee's responsibilities are to determine annual pay increases and benefits, taking account of salary bands, market data and Retail Price Index data.

The objective of the policy is to ensure that the Chief Executive and staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Charity.

We pay at least the London living wage for all our staff.



Christopher Underhill, Chair
Trustee

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING

We have audited the financial statements of International Centre For Social Franchising for the year ended 30 June 2016 set out on pages 13 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, section 151 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2016 and of the group'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERNATIONAL CENTRE FOR SOCIAL
FRANCHISING**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group strategic report.



Ian Rosmarin (Senior statutory auditor)

for and on behalf of

Calder & Co

Chartered Accountants
and Statutory Auditors

16 Charles II Street
London
SW1Y 4NW
18 January 2017

Calder & Co are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:					
Donations and legacies	2	19,136	229,392	248,528	57,710
Charitable activities	3	724,804	-	724,804	485,094
Trading activities		101,689	-	101,689	48,653
Investments	4	118	-	118	94
Other income		71	-	71	-
TOTAL INCOME		845,818	229,392	1,075,210	591,551
EXPENDITURE ON:					
Raising funds		155,246	-	155,246	94,219
Charitable activities:					
Other charitable activities		526,911	237,277	764,188	390,980
Governance	5	20,265	2,115	22,380	10,251
TOTAL EXPENDITURE	7	702,422	239,392	941,814	495,450
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		143,396	(10,000)	133,396	96,101
NET MOVEMENT IN FUNDS		143,396	(10,000)	133,396	96,101
RECONCILIATION OF FUNDS:					
Total funds brought forward		219,082	10,000	229,082	132,981
TOTAL FUNDS CARRIED FORWARD		362,478	-	362,478	229,082

All activities relate to continuing operations.


The notes on pages 17 to 33 form part of these financial statements.

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)
REGISTERED NUMBER: 08093052

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		5,040		1,973
CURRENT ASSETS					
Debtors	16	199,518		193,840	
Cash at bank and in hand		330,419		155,976	
		<u>529,937</u>		<u>349,816</u>	
CREDITORS: amounts falling due within one year	17	(167,499)		(117,707)	
NET CURRENT ASSETS			362,438		232,109
TOTAL ASSETS LESS CURRENT LIABILITIES			367,478		234,082
CREDITORS: amounts falling due after more than one year	18		(5,000)		(5,000)
NET ASSETS			362,478		229,082
FUNDS					
Restricted funds	19		-		10,000
Unrestricted funds	19		362,478		219,082
TOTAL FUNDS			362,478		229,082

The financial statements were approved by the Trustees on 9 January 2017 and signed on their behalf, by:


Christopher Underhill, Chair


Simon Myers, Treasurer

The notes on pages 17 to 33 form part of these financial statements.

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
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REGISTERED NUMBER: 08093052

COMPANY BALANCE SHEET
AS AT 30 JUNE 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		3,419		1,684
Investments	14		1		1
			3,420		1,685
CURRENT ASSETS					
Debtors	16	196,336		213,530	
Cash at bank		252,914		128,876	
		449,250		342,406	
CREDITORS: amounts falling due within one year	17	(130,772)		(113,112)	
NET CURRENT ASSETS			318,478		229,294
TOTAL ASSETS LESS CURRENT LIABILITIES			321,898		230,979
CREDITORS: amounts falling due after more than one year	18		(5,000)		(5,000)
NET ASSETS			316,898		225,979
CHARITY FUNDS					
Restricted funds	19		-		10,000
Unrestricted funds	19		316,898		215,979
TOTAL FUNDS			316,898		225,979

The financial statements were approved by the Trustees on 9 January 2017 and signed on their behalf, by:


Christopher Underhill, Chair


Simon Myers, Treasurer

The notes on pages 17 to 33 form part of these financial statements.

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>180,932</u>	<u>36,509</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		118	93
Purchase of tangible fixed assets		<u>(6,607)</u>	<u>(2,699)</u>
Net cash used in investing activities		<u>(6,489)</u>	<u>(2,606)</u>
Change in cash and cash equivalents in the year		174,443	33,903
Cash and cash equivalents brought forward		<u>155,976</u>	<u>122,073</u>
Cash and cash equivalents carried forward	22	<u><u>330,419</u></u>	<u><u>155,976</u></u>

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

International Centre For Social Franchising meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.4 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES (continued)

1.5 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust 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 company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company 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.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company 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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES (continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.7 Basis of consolidation

The financial statements consolidate the accounts of International Centre For Social Franchising and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.8 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.9 Tangible fixed assets and depreciation

All assets costing more than £400 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	33% straight line
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INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES (continued)

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Interest receivable

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

1.12 Debtors

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

1.13 Cash at Bank and in hand

Cash at bank and 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.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 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.

1.16 Pensions

The Charity contributes to employee personal pension schemes where provided for in the employee's contract. The pension charge represents the amounts payable by the company to the funds in respect of the year.

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2. INCOME FROM DONATIONS AND GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	19,136	-	19,136	760
Grants	-	229,392	229,392	56,950
	<u>19,136</u>	<u>229,392</u>	<u>248,528</u>	<u>57,710</u>

In 2015, of the total income from donations and legacies, £9,690 was to unrestricted funds and £48,020 was to restricted funds

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Consultancy	724,804	-	724,804	485,094
	<u>724,804</u>	<u>-</u>	<u>724,804</u>	<u>485,094</u>

In 2015, of the total income from charitable activities, £485,094 was to unrestricted funds and £NIL was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Interest received	118	-	118	94
	<u>118</u>	<u>-</u>	<u>118</u>	<u>94</u>

In 2015, of the total investment income, £94 as to unrestricted funds and £NIL was to restricted funds.

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

5. GOVERNANCE COSTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Accountancy	6,464	2,115	8,579	3,202
Trustee & governance costs	1,086	-	1,086	410
Payroll and HR costs	5,552	-	5,552	2,098
Foreign tax	310	-	310	1,142
Support costs	1,037	-	1,037	704
Staff costs	5,781	-	5,781	2,671
Depreciation	35	-	35	24
	<u>20,265</u>	<u>2,115</u>	<u>22,380</u>	<u>10,251</u>

6. DIRECT COSTS

	Consultancy £	Advocacy £	Total 2016 £	Total 2015 £
Consultancy	135,347	-	135,347	46,941
Advocacy	-	16,678	16,678	18,003
Travel and licensing costs	63,732	-	63,732	46,692
	<u>199,079</u>	<u>16,678</u>	<u>215,757</u>	<u>111,636</u>

In 2015, the company incurred the following Direct costs:

£93,633 in respect of Consultancy

£18,003 in respect of Advocacy

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2016 £	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Cost of generating charitable income	109,847	672	19,734	130,253	63,983
Cost of generating trading income	-	-	24,993	24,993	30,236
Costs of generating funds	109,847	672	44,727	155,246	94,219
Consultancy	416,265	2,549	273,854	692,668	345,042
Advocacy	28,907	177	21,871	50,955	35,463
Research	17,344	106	3,115	20,565	10,475
Charitable activities	462,516	2,832	298,840	764,188	390,980
Expenditure on governance	5,781	35	16,564	22,380	10,251
	578,144	3,539	360,131	941,814	495,450

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

8. SUPPORT AND STAFF COSTS

	Consultancy £	Advocacy £	Research £	Total 2016 £	Total 2015 £
Advertising and marketing	1,324	92	55	1,471	3,601
Rent	34,520	2,397	1,438	38,355	13,472
Telephone & internet	1,026	71	43	1,140	1,415
Staff recruitment	4,838	336	202	5,376	9,178
Bad debts	-	-	-	-	5,116
Travel and subsistence	9,919	689	413	11,021	6,699
Entertainment - staff	3,765	262	157	4,184	1,533
Entertainment - clients	1,643	114	68	1,825	1,459
Consulting fees and expenses	3,670	255	153	4,078	4,598
Printing, postage and stationary	813	56	34	903	201
Insurance	6,926	481	289	7,696	5,462
General expenses	1,403	97	58	1,558	598
Bank charges	1,492	104	62	1,658	866
IT software and consumables	15,375	1,068	641	17,084	2,567
Profit/loss on foreign exchange	(19,771)	(1,373)	(824)	(21,968)	(119)
Staff training	7,375	512	307	8,194	6,259
Subscriptions	457	32	19	508	808
Wages and salaries	361,920	25,133	15,080	402,133	188,304
National insurance	33,721	2,342	1,405	37,468	17,872
Pension cost	20,624	1,432	859	22,915	7,487
Depreciation	2,549	177	106	2,832	1,968
	<u>493,589</u>	<u>34,277</u>	<u>20,565</u>	<u>548,431</u>	<u>279,344</u>

9. TURNOVER

25.7% (2015 - 25%) of group turnover arose in the United States of America and 74.3% (2015 - 75%) arose in the United Kingdom.

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

10. NET INCOMING RESOURCES

	2016	2015
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	3,540	2,471
Accountancy costs	8,578	3,202
Pension costs	28,643	9,131

During the year, no Trustees received any remuneration (2015 - £NIL)

During the year, no Trustees received any benefits in kind (2015 - £NIL)

During the year, 2 Trustees received reimbursement of expenses totalling £476 (2015 - 2 Trustees - £730)

11. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an audit fee of £5,800 (2015 - £nil), and accountancy fees of £1,350 (2015 - £2,600). No audit was required in 2015.

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

12. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	502,667	235,380
Social security costs	46,834	22,340
Other pension costs	28,643	9,131
Total	578,144	266,851

The number of higher paid employees was:

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	0

The average number of persons employed by the company during the year was as follows:

	2016 No.	2015 No.
	12	7

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

13. TANGIBLE FIXED ASSETS

	Office equipment £
Group	
Cost	
At 1 July 2015	7,124
Additions	6,607
	13,731
At 30 June 2016	13,731
Depreciation	
At 1 July 2015	5,151
Charge for the year	3,540
	8,691
At 30 June 2016	8,691
Net book value	
At 30 June 2016	5,040
<i>At 30 June 2015</i>	1,973
	Office equipment £
Company	
Cost	
At 1 July 2015	6,547
Additions	4,069
	10,616
At 30 June 2016	10,616
Depreciation	
At 1 July 2015	4,863
Charge for the year	2,334
	7,197
At 30 June 2016	7,197
Net book value	
At 30 June 2016	3,419
<i>At 30 June 2015</i>	1,684

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

14. FIXED ASSET INVESTMENTS

Subsidiary undertakings

The following were subsidiary undertakings of the charity:

Name	Holding
ICSF (Trading) Limited	100%

The aggregate of the share capital and reserves as at 30 June 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
ICSF (Trading) Limited	1	1
		Shares in group undertakings £
Company Market value		1
At 1 July 2015 and 30 June 2016		<u>1</u>

15. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding
ICSF (Trading) UK	United Kingdom	100
International Centre for Social Franchising Incorporated	USA	0

The US entity International Centre for Social Franchising Incorporated (ICSF Inc) has been treated as subsidiary for the purposes of preparing consolidated accounts. ICSF exerts control over ICSF Inc through ICSF Inc's by-laws which state that ICSF is a member of ICSF Inc and has powers to nominate or remove ICSF Inc board directors.

16. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	88,501	68,550	49,881	68,010
Amounts owed by group undertakings	-	-	77,212	91,992
Prepayments and accrued income	111,017	125,290	69,243	53,528
	<u>199,518</u>	<u>193,840</u>	<u>196,336</u>	<u>213,530</u>

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

17. CREDITORS:

Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2016 £	2015 £	2016 £	2015 £
Other loans	2,500	5,000	2,500	5,000
Trade creditors	14,140	16,959	11,763	14,886
Corporation tax	-	107	-	-
Other taxation and social security (see below)	28,632	16,207	28,632	16,117
Accruals and deferred income	122,227	79,434	87,877	77,109
	<u>167,499</u>	<u>117,707</u>	<u>130,772</u>	<u>113,112</u>

Other taxation and social security

	<u>Group</u>		<u>Company</u>	
	2016 £	2015 £	2016 £	2015 £
PAYE/NI control	12,651	6,267	12,651	6,267
VAT control	15,981	9,940	15,981	9,850
	<u>28,632</u>	<u>16,207</u>	<u>28,632</u>	<u>16,117</u>

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

18. CREDITORS:

Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2016	2015	2016	2015
	£	£	£	£
Other loans	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

ICSF received a loan from an independent third party on 3 March 2014. The loan is being repaid in 4 equal installments of £2,500 commencing in the first quarter of 2015. There is no interest payable on the loan.

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

19. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Carried Forward £
Designated funds				
Designated Funds - all funds	1,973	6,607	(3,540)	5,040
General funds				
General Funds - all funds	217,109	839,211	(698,882)	138,357
Reserves	-	-	-	219,081
	<u>217,109</u>	<u>839,211</u>	<u>(698,882)</u>	<u>357,438</u>
Total Unrestricted funds	<u>219,082</u>	<u>845,818</u>	<u>(702,422)</u>	<u>362,478</u>
Restricted funds				
Restricted Funds - all funds	10,000	229,392	(239,392)	-
Total of funds	<u>229,082</u>	<u>1,075,210</u>	<u>(941,814)</u>	<u>362,478</u>

SUMMARY OF FUNDS

	Brought Forward £	Income £	Expenditure £	Carried Forward £
Designated funds	1,973	6,607	(3,540)	5,040
General funds	217,109	839,211	(698,882)	357,438
	<u>219,082</u>	<u>845,818</u>	<u>(702,422)</u>	<u>362,478</u>
Restricted funds	10,000	229,392	(239,392)	-
	<u>229,082</u>	<u>1,075,210</u>	<u>(941,814)</u>	<u>362,478</u>

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	5,040	-	5,040	1,973
Current assets	529,937	-	529,937	349,816
Creditors due within one year	(167,499)	-	(167,499)	(117,707)
Creditors due in more than one year	(5,000)	-	(5,000)	(5,000)
	<u>362,478</u>	<u>-</u>	<u>362,478</u>	<u>229,082</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	133,396	96,101
Adjustment for:		
Depreciation charges	3,540	2,466
Dividends, interest and rents from investments	(118)	(94)
Disposal of fixed assets	-	549
Increase in debtors	(5,679)	(20,199)
Increase/(decrease) in creditors	49,793	(42,314)
Net cash provided by operating activities	<u>180,932</u>	<u>36,509</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	330,419	155,976
Total	<u>330,419</u>	<u>155,976</u>

23. PENSION COMMITMENTS

The Charity contributes to employee personal pension schemes where provided for in the employee's contract. The pension cost charge represents contributions payable by the charity to these schemes and amounted to £28,643 (2015 - £9,131). Contributions outstanding at the year end totalled £16,325 (2015 - £4,877).

INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

24. RELATED PARTY TRANSACTIONS

ICSF (Trading) Limited, a 100% owned subsidiary, made a donation to the charity of £4,473 (2015 - £3,729) at the balance sheet date.

25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 30 June 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 July 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 July 2014	30 June 2015
		£	£
Total funds under previous UK GAAP		132,982	229,084
Total funds reported under FRS 102		<u>132,982</u>	<u>229,084</u>

Reconciliation of net income	Notes	30 June 2015
		£
Net income previously reported under UK GAAP		96,102
Net movement in funds reported under FRS 102		<u>96,102</u>

