
INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 5
Independent examiner's report	6 - 7
Statement of financial activities	8
Balance sheet	9 - 10
Notes to the financial statements	11 - 21

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2014**

Trustees

Joanna Stokes
Michael Norton
Christopher Underhill, Chair
Amoné Gbedemah
Simon Myers, Treasurer
Neil Marshall
Kate Wareing

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

Company secretary

Joanna Stokes

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 2014

The Board of Trustees, who are also directors of the Company for the purposes of the Companies Act, and trustees for the company for charity law purposes, submit their annual report and the financial statements of International Center for Social Franchising (ICSF) for the year ending 30 June 2014. The Board of Trustees confirms that the annual report and the financial statements of the Company comply with current statutory requirements, the requirements of the Company's governing documents and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities (revised 2005)'.

INTRODUCTION

ICSF was conceived in 2011, became operational in 2012 and has since become the leading expert globally on social replication and franchising. As a registered charity that specialises in helping socially focused organisations systematically scale their impact through replication, ICSF meets the public benefit reporting requirements by:

Complying with the Commission's general guidance on public benefit, describing its significant activities to further its charitable purposes for the public benefit.

This reporting narrative demonstrates that the charity is established for purposes which are for the public benefit and explains how the trustees have operated the charity in furtherance of these purposes.

HIGHLIGHTS

The core of ICSF's social impact is delivered through partnering with proven social ventures. It is this work with partners that we are most proud of. This year partnership projects include:

- Working with PSI, a global healthcare charity, by running a 12 month franchise improvement programme for franchise networks in El Salvador, Nicaragua, Myanmar, Malawi and Tanzania. This programme has not only transformed the way PSI runs its franchise networks in these countries, but also impacted positively on the global network.

"ICSF is a go-to organisation. Thinktank and research, strategy and execution. They helped our organization understand social franchising. And their strong, structured logical business approach is very useful. They have no prefab solutions, rather they listen, really get what we're trying to do, and then we brainstorm solutions together."

Julie McBride, Head of Social Franchising, PSI

- Delivering research into the scale up of primary care in the developing world by bringing together a number of high profile funders, including GSK, Gates Foundation, Merck, Merck Sorono, Save the Children and Novo Nordisk. The research will be published at the end of 2014 and the group plans to take joint action on the recommendations, working together to dramatically increase access to primary healthcare across the developing world.
- Working with the NSPCC to design a social franchise that works with vulnerable parents before and after birth to help them develop healthy relationships with their child. The ambition is that the programme will scale from its 7 current sites to ensure that vulnerable parents have access to these critical services across the UK.
- Creating and delivering the world's first social franchise accelerator in South Africa with the Bertha Centre for Social Entrepreneurship and Franchising Plus, funded by Rockefeller Foundation. Training for 10 social ventures has been delivered and 4 ventures have been selected for in depth consultancy.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2014

"As a whole, the programme was incredibly interesting... It allowed us to gain a clear understanding of the way forward with regards to scaling."

A Social Franchising Accelerator training participant

- Designing a grant strategy to invest in the replication of successful grantees with UK Community Foundations and then delivering training to embed the recommendations in the organisation. Although the project is less than a year old we are delighted that out of the 10 funded organisations there are already 23 new replications and over 500% finance has been leveraged in from other sources.
- Tender Arts who we helped design a franchising strategy and systemize their processes are now rapidly expanding with two new franchisees signed up and more in the pipeline.

In addition to working with individual partners, ICSF has been focused on developing core operations to better achieve our impact targets. In early 2014 we established an office in San Francisco, USA, and licensed an existing consultancy to represent us in Melbourne, Australia. ICSF ran a conference in China in November 2013 and ICSF co-founder Michael Norton is developing strong relationships there as well as translating ICSF resources into Mandarin.

To achieve this international growth has required us to develop a highly specialised team of 5 consultants in the UK and a number of associates acting as subject matter experts where necessary. All of these undertakings are opening new routes for ICSF Global to achieve its social impact targets.

Advocacy work to encourage more social ventures to replicate what works rather than reinvent the wheel remains high on the agenda. We have continued to shape dialog on this topic through speaking at conferences such as SoCap, ANDE and with UnLtd, Young Foundation and On Purpose as well as blogs and articles in the Stanford Social Innovation Review, the Guardian and others.

Financially ICSF has grown to revenue of £491,000 on a consolidated basis including its trading subsidiary, ICSF (Trading) Ltd, a 53% increase on last year and once again created a small end of year surplus which will be invested straight back into working with more proven partners.

Working alongside dedicated volunteers, ICSF has recently finalised a detailed framework for measuring its own social impact as the organisation grows, which we are now implementing. Monitoring of impact serves two purposes, firstly to prove that the work we are doing is creating the desired positive change in the world and secondly to improve the service we offer to our partners.

The coming year is set to be a big one; we already have partnerships in the pipeline that are more ambitious than ever before and thanks to Bertelsmann Foundation we are also able to take the time to write up all the lessons that we have learnt in a social replication toolkit. This toolkit will be for the benefit of social ventures globally and which will be published in February 2015.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2014

ACTIVITIES

ICSF's activities have 3 key components:

1. Consultancy: Work with partners to help them achieve their social mission by scaling their impact through replication. The bulk of this work is to deliver replication and development consultancy through our 5-stage process such as work with Tender Arts, a UK charity that develop healthy relationships for young people which aims to scale up their programme across the UK. We also deliver a number of workshops to develop scale-up strategy options. For example, recently we worked with Sunny Money to help them create a plan to eradicate the kerosene lamp from Africa by 2020, replacing it with solar lights. Finally we work with existing networks to strengthen their ability to deliver social impact such as the work with PSI across the developing world.
2. Research: Contribute towards the global knowledge-base on scale up and replication. For example, the creation of the social replication toolkit and our work with Big Lottery fund to investigate how to realise the potential of social replication in the UK is leading towards the unlocking of resources to help more proven ventures scale.
3. Advocacy: Promote sector-wide awareness and understanding of the reasons for scaling social impact. Build eco-systems that support an organisation's social replication journey. To do this we regularly speak at conferences globally, write articles in leading publications and deliver training courses.

OBJECTS

The main objects as stated in the Articles of Association are: -

1. The promotion of the efficiency and effectiveness of charities and the effective use of charitable resources through
 - a) The provision of services, including but not limited to, research, advice and consultancy services to individuals, charities and/or other organisations, and
 - b) The promotion of the replication, systemisation and increased efficiency and reach of successful charitable projects
2. 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 company's governing instruments are its Memorandum and Articles of Association.

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

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2014

TRADING SUBSIDIARY

The ICSF works with charities and voluntary organisations carrying out charitable projects. Any services performed for other organisations 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.

FINANCIAL REVIEW

We have generated a surplus of almost £50,000 of which approximately £18,000 is unrestricted. This is an indicator that we have a sound strategy in place, executed efficiently. Some of this surplus will be used to bolster reserves to agreed levels and some will be invested straight back into working with more partners.

The charity's income has grown by 37% since the prior period. Expenditure on project travel and external consultants for ICSF contracts have risen at a similar rate, however personnel costs have nearly doubled, reflecting the new hires who helped us build and deliver on new partnerships.

We incurred costs of around £24,000 during the year building a presence in the United States ("US") and seeking to establish a legal entity in San Francisco. During this time we have been identifying potential US source grants and partnerships with US organisations. We expect to see the fruits of this investment in the next financial year.

Our trading subsidiary, ICSF (Trading) Ltd, has seen a reduction in income compared to the prior year and there have been significant external consultants fees and travel costs incurred in delivering the trading subsidiary projects. There is therefore no donation from the subsidiary reflected in this year's charity accounts.

RESERVES POLICY

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

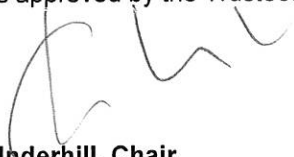
- its core structure and activities for a minimum period of 3 months. Longer term, the intention is to increase this to 6 Months
- its existing commitments to charitable projects

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 and is formally presented at each Trustee meeting, together with a cash flow forecast.

RISK POLICY

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

This report was approved by the Trustees on 24 October 2014 and signed on their behalf by:



Christopher Underhill, Chair
Trustee

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

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF INTERNATIONAL CENTRE FOR SOCIAL FRANCHISING

I report on the financial statements of the company for the year ended 30 June 2014 which are set out on pages 8 to 21.

This report is made solely to the company's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The Trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the ICAEW.

Having satisfied myself that the company is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

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

INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2014

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Dated:

29 October 2014

Ian Rosmarin FCA

CALDER & CO

Chartered Accountants
16 Charles II Street
London
SW1Y 4NW

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

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	46,120	78,821	124,941	38,790
Donation from subsidiary	3	-	-	-	76,033
Resource sharing agreement		24,227	-	24,227	30,114
Bank interest receivable		574	-	574	14
Incoming resources from charitable activities:					
Consultancy	4	251,668	-	251,668	76,761
Other incoming resources	5	-	-	-	70,042
TOTAL INCOMING RESOURCES		322,589	78,821	401,410	291,754
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating funds	6	47,156	-	47,156	22,926
Charitable activities:					
Consultancy		229,448	46,420	275,868	151,554
Advocacy		15,433	-	15,433	19,069
Research		7,445	-	7,445	11,056
Governance costs	8	4,532	-	4,532	3,787
TOTAL RESOURCES EXPENDED	10	304,014	46,420	350,434	208,392
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME FOR THE YEAR		18,575	32,401	50,976	83,362
<i>Total funds at 1 July 2013</i>		<i>83,362</i>	<i>-</i>	<i>83,362</i>	<i>-</i>
TOTAL FUNDS AT 30 JUNE 2014		101,937	32,401	134,338	83,362

The notes on pages 11 to 21 form part of these financial statements.

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

BALANCE SHEET
AS AT 30 JUNE 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	15		2,292		2,410
Investments	16		1		1
			<u>2,293</u>		<u>2,411</u>
CURRENT ASSETS					
Debtors	17	179,529		86,962	
Cash at bank		19,098		14,349	
		<u>198,627</u>		<u>101,311</u>	
CREDITORS: amounts falling due within one year	18	(56,582)		(20,360)	
NET CURRENT ASSETS			<u>142,045</u>		<u>80,951</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>144,338</u>		<u>83,362</u>
CREDITORS: amounts falling due after more than one year	19		(10,000)		-
NET ASSETS			<u>134,338</u>		<u>83,362</u>
FUNDS					
Restricted funds	20		32,401		-
Unrestricted funds	20		101,937		83,362
TOTAL FUNDS			<u>134,338</u>		<u>83,362</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

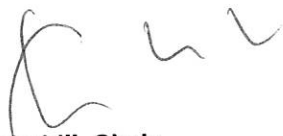
The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 June 2014 and of its net incoming resources for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

BALANCE SHEET (continued)
AS AT 30 JUNE 2014

The financial statements were approved by the Trustees on 24 October 2014 and signed on their behalf, by:



Christopher Underhill, Chair



Simon Myers, Treasurer

The notes on pages 11 to 21 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 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.

1.3 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.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

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 2014

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

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.

1.6 Tangible fixed assets and depreciation

All assets costing more than £400 are capitalised.

Tangible fixed assets are stated at cost less depreciation. 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

1.7 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Grants	46,000	78,821	124,821	38,790
Other income	120	-	120	-
Voluntary income	<u>46,120</u>	<u>78,821</u>	<u>124,941</u>	<u>38,790</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

3. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest receivable	574	-	574	14
Resource sharing agreement	24,227	-	24,227	30,114
Donation from subsidiary	-	-	-	76,033
	<u>24,801</u>	<u>-</u>	<u>24,801</u>	<u>106,161</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Consultancy	251,668	-	251,668	76,761
	<u>251,668</u>	<u>-</u>	<u>251,668</u>	<u>76,761</u>

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfer from CIVA	-	-	-	68,968
Other incoming resources	-	-	-	1,074
	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,042</u>

The activities of the Charity were originally undertaken through the Centre for Innovation in Voluntary Action (CIVA) (company no. 06374591, charity no. 1122095). On 31 May 2012, CIVA passed over the unexpended funds arising from those activities at that date to the charity.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Fundraising	47,156	-	47,156	22,926
	<u>47,156</u>	<u>-</u>	<u>47,156</u>	<u>22,926</u>

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Consultancy	229,448	46,420	275,868	151,554
Advocacy	15,433	-	15,433	19,069
Research	7,445	-	7,445	11,056
	<u>252,326</u>	<u>46,420</u>	<u>298,746</u>	<u>181,679</u>

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Accountancy	1,685	-	1,685	2,500
Trustee & governance costs	126	-	126	79
Payroll costs	240	-	240	-
Support costs	2,481	-	2,481	1,208
	<u>4,532</u>	<u>-</u>	<u>4,532</u>	<u>3,787</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

9. DIRECT COSTS

	Consultancy £	Advocacy £	Total 2014 £	Total 2013 £
Consultancy	59,077	-	59,077	64,671
Conferences	-	3,023	3,023	20,473
Travel and subsistence	38,086	-	38,086	-
	<u>97,163</u>	<u>3,023</u>	<u>100,186</u>	<u>85,144</u>

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2014 £	Direct costs 2014 £	Support and other costs 2014 £	Total 2014 £	Total 2013 £
Cost of generating voluntary income	33,363	-	13,793	47,156	22,926
Costs of generating funds	<u>33,363</u>	<u>-</u>	<u>13,793</u>	<u>47,156</u>	<u>22,926</u>
Consultancy	126,429	97,163	52,276	275,868	151,554
Advocacy	8,779	3,023	3,631	15,433	19,069
Research	5,267	-	2,178	7,445	11,056
Charitable activities	<u>140,475</u>	<u>100,186</u>	<u>58,085</u>	<u>298,746</u>	<u>181,679</u>
Governance	<u>1,756</u>	<u>-</u>	<u>2,776</u>	<u>4,532</u>	<u>3,787</u>
	<u>175,594</u>	<u>100,186</u>	<u>74,654</u>	<u>350,434</u>	<u>208,392</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

11. SUPPORT AND STAFF COSTS

	Consultancy	Advocacy	Research	Total 2014	Total 2013
	£	£	£	£	£
Advertising and marketing	2,035	141	85	2,261	3,352
Rent	12,973	901	541	14,415	1,766
Telephone & internet	525	36	22	583	182
Staff recruitment	1,219	85	51	1,355	250
Bad debts	-	-	-	-	3,653
Travel and subsistence	-	-	-	-	1,532
Entertainment - staff	1,044	72	43	1,159	302
Entertainment - clients	845	59	35	939	338
Consulting fees and expenses	2,520	175	105	2,800	2,361
Printing, postage and stationary	280	20	12	312	311
Insurance	3,844	267	160	4,271	1,462
General expenses	97	7	4	108	3,135
Bank charges	574	40	24	638	382
IT software and consumables	2,419	168	101	2,688	1,307
Profit/loss on foreign exchange	2,050	142	85	2,277	-
Staff training	3,369	234	140	3,743	3,378
Subscriptions	220	15	9	244	-
US Costs	17,003	1,181	708	18,892	-
Wages and salaries	111,461	7,740	4,644	123,845	61,610
National insurance	9,940	690	414	11,044	6,720
Pension cost	5,028	349	209	5,586	3,530
Depreciation	1,259	88	53	1,400	964
	<u>178,705</u>	<u>12,410</u>	<u>7,445</u>	<u>198,560</u>	<u>96,535</u>

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014	Support and staff costs 2014	Total 2014	Total 2013
	£	£	£	£
Consultancy	97,163	178,705	275,868	151,554
Advocacy	3,023	12,410	15,433	19,069
Research	-	7,445	7,445	11,056
	<u>100,186</u>	<u>198,560</u>	<u>298,746</u>	<u>181,679</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

13. NET INCOMING RESOURCES

	2014	2013
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	1,749	1,205
Governance accountancy costs	1,685	2,500
Pension costs	6,983	4,392

During the year, no Trustees received any remuneration (2013 - £NIL)

During the year, no Trustees received any benefits in kind (2013 - £NIL)

During the year, 1 Trustee received reimbursement of expenses amounting to £81 (2013 - 1 Trustee - £66)

14. STAFF COSTS

Staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	154,806	77,070
Social security costs	13,805	8,363
Other pension costs	6,983	4,392
	175,594	89,825

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

2014	2013
No.	No.
4.0	1.6

No employee received remuneration amounting to more than £60,000 in either year.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

15. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 July 2013	3,616
Additions	1,631
At 30 June 2014	<u>5,247</u>
Depreciation	
At 1 July 2013	1,206
Charge for the year	1,749
At 30 June 2014	<u>2,955</u>
Net book value	
At 30 June 2014	<u>2,292</u>
At 30 June 2013	<u>2,410</u>

16. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 July 2013 and 30 June 2014	<u>1</u>

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 2014 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	<u>(1,356)</u>	<u>(1,357)</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

17. DEBTORS

	2014 £	2013 £
Trade debtors	66,051	11,606
Amounts owed by group undertakings	63,732	75,356
VAT repayable	2,736	-
Other debtors	46	-
Prepayments and accrued income	46,964	-
	<u>179,529</u>	<u>86,962</u>

18. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	12,827	323
Other taxation and social security (see below)	4,354	4,081
Pension fund	1,888	4,100
Accruals and deferred income	37,513	11,856
	<u>56,582</u>	<u>20,360</u>

Other taxation and social security

	2014 £	2013 £
PAYE/NI control	<u>4,354</u>	<u>4,081</u>

19. CREDITORS:
Amounts falling due after more than one year

	2014 £	2013 £
Other loans	<u>10,000</u>	<u>-</u>

ICSF received a loan from an independent third party on 3 March 2014. The loan will be repaid in 4 equal installments of £2,500 commencing in the first quarter of 2016. There is no interest payable on the loan.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Designated funds				
Designated Funds - all funds	2,411	1,631	(1,749)	2,293
General funds				
General Funds - all funds	80,951	320,958	(302,265)	16,282
Reserves	-	-	-	83,362
	80,951	320,958	(302,265)	99,644
Total Unrestricted funds	83,362	322,589	(304,014)	101,937
Restricted funds				
Restricted Funds - all funds	-	78,821	(46,420)	32,401
Total of funds	83,362	401,410	(350,434)	134,338

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	2,292	-	2,292	2,411
Fixed asset investments	1	-	1	1
Current assets	122,647	75,980	198,627	101,310
Creditors due within one year	(13,003)	(43,579)	(56,582)	(20,360)
Creditors due in more than one year	(10,000)	-	(10,000)	-
	101,937	32,401	134,338	83,362

22. 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 £6,983 (2013 - £4,392). Contributions outstanding at the year end totalled £1,888 (2013 - £4,100).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

23. US OFFICE COSTS

ICSF have incurred costs of £23,886 over the year building a presence in the United States ("US") and seeking to establish a legal entity in San Francisco. During this time they have been identifying potential US source grants and partnerships with US organisations. 78% of this expense relates to the personnel costs of the US representative.