

THEIRWORLD
(a charitable company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

**Company Number 4422413
Charity Number 1092312**

THEIRWORLD

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2016

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THEIRWORLD

LEGAL AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 30 NOVEMBER 2016

Trustees

D J Boutcher
A Weir
L Doughty
S J Brown
I Laing

Secretary and registered address

D. J. Boutcher, The Broadgate Tower, 20 Primrose
Street, London, EC2A 2RS

Company number:

4422413

Charity number:

1092312

Auditors

haysmacintyre
26 Red Lion Square
London WC1R 4AG

Bankers

Lloyds Bank
City Office Branch
P O Box 1000, BX1 1LT

Solicitors

Farrer & Co
66 Lincolns Inn Fields
London
WC2A 3LH

The Trustees have pleasure in presenting their report and audited financial statements of the Charity and group for the year ended 30 November 2016. The financial statements have been prepared in accordance with the accounting policies set out on pages 11 and 12 and comply with the current statutory requirements, the Memorandum and Articles of Association and 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 Charities Act 2011.

Structure, governance and management

The company was incorporated on 23 April 2002. It is registered with the Charity Commission under the Charities Act 2011 and received its charitable status on 31 May 2002.

Management of the Charity is by a Board of Directors ("Trustees"). The Trustees, who have served during the year and since the year end, are set out in this report.

The Trustees are appointed by invitation on to the Board by existing Trustees. On appointment, an induction is given by an existing Trustee explaining the grant making processes and procedures as well as an overview of the administrative procedures employed by the Charity. In addition all new Trustees are given a copy of the Code of Conduct for a Trustee, explaining in detail their role and responsibilities.

Trustees

The following were on the Board of Trustees during the year ended 30 November 2016 and to the date of this report unless as otherwise stated:

The Lord Paul of Marylebone (resigned 10 December 2015)
D J Boutcher
A Weir
L Doughty
S J Brown
I Laing (appointed 10 December 2015)

Objectives and activities

The governing document of the Charity is its Memorandum and Articles of Association dated 22 April 2002. This sets out the objects of the charity which are principally the relief of poor or infirm children and young people and the advancement of the education of children and young people. The Trustees continue to support fundraising for an awareness of some of the most exciting and innovative charity ventures for children.

Grant making policy

During the year ended 30 November 2016 the Trustees adopted a grants policy pursuant to which the Charity will prioritise projects relating to the health, education and welfare of children and young people.

Activities and performance for the public benefit

The Charity continues to support the Jennifer Brown Research Laboratory, under the Scientific Directorship of Dr James Boardman with the support of an expert Advisory Board at the University of Edinburgh. With the investment in the new MRI Scanner at the Queen's Medical Research Institute, the Laboratory's work continues to flourish as does the early stages of the Theirworld Edinburgh Birth Cohort, the new longitudinal study of premature babies led by Dr Boardman. The work of the Laboratory continues to feature in prestigious scientific publications and presentations at national and international meetings.

THEIRWORLD

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 30 NOVEMBER 2016

Activities and performance for the public benefit *(continued)*

Theirworld's work to support global education continues with its own high level advocacy campaigns for Safe Schools, Education in Emergencies and to support Early Childhood Development via the Best Start initiative. Our campaign work has focused on the World Humanitarian Summit held in May 2016 in Istanbul at which Theirworld was a lead NGO sponsor with high visibility. We have successfully steered our campaign for the creation of the new Education Cannot Wait Fund. We also spoke at the Syria Pledging conference in London (February 2016) and the follow-up meeting held at the United Nations (September 2016), and launched a new campaign for International Women's Day called 'Rewriting the Code' (March 2016).

Our pilot programmes to highlight and measure best practice and test new innovations for learning and safe schools took place in Lebanon, Turkey, Kenya, Uganda and Nigeria working with local partners as well as in Nepal for a one off initiative following the earthquake.

Investment has continued in our Global Youth Ambassador programme, and we have a dedicated cohort of young campaigners supporting our work around the globe. We have invested further in the Theirworld website with a successful news programme, email newsletter and mobile versions.

Our Theirworld Advisory Board continues to meet three times per year and its high level members are engaged in substantially supporting our work.

The Global Business Coalition for Education (GBC-Education), a US registered corporation with exemption from Federal Income Tax under section 501(C)(3) of the Internal Revenue Code, is now in its fifth year. Theirworld is the founding and sole member. GBC-Education has established itself as a central driver and coordinator for the business community to progress the delivery of Early Childhood Development, quality education and skills for the world's children and youth. Our taskforces, which support sharing evidence from pilot projects, research and analysis, and advocacy for additional funding and action, focussed on Safe Schools (Education in Emergencies), Early Childhood Development and Girls' Education, so as to support sharing evidence from pilot projects, research and analysis, and advocating for additional funding and action. We have hosted events this year at Davos, Washington DC (during the World Bank Spring meetings), Istanbul (at the launch event with UN Secretary General at the World Humanitarian Summit) and New York (during UNGA). We have launched an innovative in-kind database to build over \$100million of business pledges for education in emergencies.

The Trustees would like to thank the Office of Gordon and Sarah Brown and Reed Smith for their continued support of our work. As in previous years, Theirworld entered a team in the fourth Prudential RideLondon-Surrey 100-mile cycle sportive, in July 2016; and a team of runners also took part in the 2016 Great North Run; all raising funds for our work and showing the commitment of our community based fundraisers.

The Trustees would like to thank fellow Trustee and President, Sarah Brown for her continued support and leadership of Theirworld, as well as Gil McNeill, Director, Konrad Caulkett, Grants and Finance Director, Ben Hewitt, Campaigns and Communications Director, Justin van Fleet, Senior Education Consultant, Christianne Cavaliere, Senior Projects and Partnerships Consultant, and Tom Fletcher, Senior Global Strategy Consultant for all their hard work during the course of the year, for which the Trustees are extremely grateful.

The Trustees would like to thank the members of the Theirworld Advisory Board for their support: Marc Adelman, Bec Astley-Clarke, Lisa Belzberg, Tamara Box, Lorraine Candy, Nigel Chapman, Torie Chilcott, Louise Court, Nick Eagleton, Emma Freud, Tania Littlehales, Mark Lucas, Andrew Miller, Lord O'Neill of Gatley; Jim Prior, Chris Robichaud, Scott Thomspson, Mel Varley, and Karen Wagner.

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TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 30 NOVEMBER 2016

The Trustees would also like to thank the following organisations who have generously supported our work; The Dangote Foundation, Dubai Cares, The Dutch Postcode Lottery, The Leona M. and Harry B. Helmsley Charitable Trust, Conrad N. Hilton Foundation, The Players of the People's Postcode Lottery, Postcode Africa's Trust and The People's Postcode Lottery Global Trust.

Plans for the Future

Our strategy for the year ahead centres around a continuation of existing themes and priorities to include:

1. Support for the Theirworld Edinburgh Birth Cohort with a number of high value donor and community fundraising activities
2. Safe Schools and our effective campaign around 'Promises' to track delivery of pledges and donor promises, project work in Lebanon, Jordan and Turkey as well as Kenya and Nigeria
3. #5for5 – a year-long global campaign for Early Childhood Development with a particular emphasis on Kenya for tracking delivery
4. Girls and women – expanding our code clubs and continuing our 'rewriting the code' initiative for International Women's Day

We will also continue our various programmes of work in Lebanon and Turkey for Syrian refugee education, and we will expand our pilot projects in Africa. We will also focus on building our Best Start campaign to raise the profile of Early Childhood Development and the importance of early years' development and learning in 0-5 year olds pre-school.

Theirworld will also continue the development of partnerships with private sector and non-profit organisations to support fundraising, campaigning, youth engagement and skill sharing activities. We are looking for new opportunities to support a global communications campaign with the UN Common Ground initiative. We will also continue to develop the GBC-Education team in New York to best serve the corporate membership and continue to develop ways for the private sector to play its part in bringing education and learning opportunity for every child and young person.

Financial review

Total income for the year was £3,770,105 (2015 - £3,503,715) with total expenditure of £3,865,842 (2015 - £3,053,539). Funds held decreased by £68,282 (2015 – increase of £477,235).

Unrestricted funds held are £979,261 (2015 - £764,837) with restricted funds at £1,304,962 (2015 - £1,587,668) - this figure includes £1,234,835 (2015 - £1,471,796) for the Global Education campaign, and £70,123 (2015 - £115,872) for the Global Business Coalition for Education.

Theirworld is reliant on voluntary donations received and receipts from fundraising events, as well as grants made by Trusts and Foundations. These funds are held in bank deposit accounts so as to obtain the best available rates of interest and mitigate investment risk.

The fundraising events during the year generated funds of £12,243 (2015 - £20,799), which have been treated as unrestricted income in the financial statements. The Trustees are not aware of any restrictions placed on this income but are mindful that certain individual donors may have considered that their donation would be used to support the Jennifer Brown Research Laboratory or Global Education projects. As stated in the Reserves Policy note below, in considering future grants to the University of Edinburgh Development Trust for the Jennifer Brown Research Laboratory or for Global Education, the Trustees will have access to the excess unrestricted funds.

Reserves policy

The Trustees aim to keep reserves to a minimum in excess of ongoing grant commitments, in order to ensure that most of the income generated is distributed. The Charity operates on minimal overheads with some services and facilities provided by volunteers. A reserve will be maintained to cover unforeseen costs. Total reserves at 30 November 2016 amounted to £2,284,223 (2015: £2,325,505) of which £1,304,962 are restricted (2015: £1,587,668) and £13,297 held in fixed assets (2015: £12,416).

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TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 30 NOVEMBER 2016

The Trustees continue to review the level of free reserves held and, to the extent that they exceed the levels considered necessary for Theirworld to operate, intend to donate a significant proportion of this excess to the University of Edinburgh Development Trust for the benefit of the Jennifer Brown Research Laboratory and to ongoing Global Education campaigning and project work.

Pay Policy

The Trustees consider the Board of Trustees and the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses, which are nil, and related party transactions are disclosed in note 9 to the accounts.

The pay of the directors and all staff are reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the charity benchmark against pay levels in similar charities. The remuneration bench-mark is the mid-point of the range paid for similar roles in similar charities and sizes.

Risk management

A risk assessment has previously been undertaken and the principal risks associated with the Charity's activities have been identified and assessed. The Trustees are satisfied that adequate reporting structures and procedures are in place to manage the risks associated with the Charity's activities. An assessment of these risks is undertaken each year. The principal risks and uncertainties identified are ongoing fundraising challenges and effective monitoring and evaluation of local partners who work on overseas projects.

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

THEIRWORLD

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 30 NOVEMBER 2016

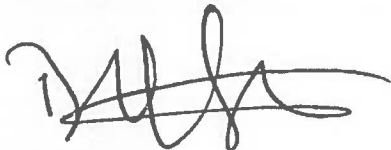
Auditors

All of the current Trustees have taken all steps that they ought to have taken to make themselves aware of any information needed by the Charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant information of which the auditors are unaware.

Following a review process, haysmacintyre were appointed as auditors. haysmacintyre have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this Trustee's report advantage has been taken of the small companies' exemption from preparing a strategic report.

On behalf of the Board



D J Boutcher
Trustee

Date: 20th July 2017

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THEIRWORLD

We have audited the financial statements of Theirworld for the year ended 30 November 2016 which comprise the Group Statement of Financial Activities, the group and charity Balance Sheets, the Group Statement of Cash Flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 5), the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 30 November 2016 and of the group and parent charitable company's net movement in funds, including the group's income and expenditure, for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- the charitable company and group have not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report incorporating the Strategic Report.



Anna Bennett (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

.....20 July..... 2017

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THEIRWORLD

GROUP STATEMENT OF FINANCIAL ACTIVITIES (Incorporating income and expenditure account)

FOR THE YEAR ENDED 30 NOVEMBER 2016

	Note	Unrestricted funds £	Restricted funds £	2016 £	Restated 2015 £
Income from:					
Donations	3	1,051,839	2,700,944	3,752,783	3,479,685
Other trading activities and fundraising events	3	12,898	-	12,898	20,799
Investments		4,424	-	4,424	3,231
Total income		1,069,160	2,700,944	3,770,105	3,503,715
Expenditure on:					
Cost of raising funds					
Cost of raising donations	4	1,994	-	1,994	2,770
Fundraising trading: cost of goods sold and other costs	4	2,249	-	2,249	1,257
Charitable activities	5	923,696	2,937,901	3,861,598	3,049,512
Total expenditure		927,941	2,937,901	3,865,842	3,053,539
Net income		141,220	(236,957)	(95,737)	450,176
Transfers	16	45,749	(45,749)	-	-
Exchange gains arising on consolidation		27,455	-	27,455	27,059
Net movement in funds		214,414	(282,706)	(68,282)	477,235
Fund balances brought forward		764,837	1,587,668	2,352,505	1,875,270
Fund balances carried forward		979,261	1,304,962	2,284,223	2,352,505

All the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above. The notes set out on pages 11 to 22 form an integral part of these financial statements. A comparative Statement of Financial Activities is included at note 19.

Prior year restatement

Following the 2016 year end, it was identified that Theirworld had not been advised that reverse charge liabilities were required by VAT legislation. As soon as this issue was identified, the charity took appropriate professional advice to quantify the effect of the liability to the charity and to review the structure of its future arrangements. The impact of reverse charges in prior periods is material and therefore, as required by FRS 102, a prior year restatement has been included within the accounts. The charity is seeking to recover this amount.

In addition, the prior year income and expenditure has been restated for the inclusion of donated services and facilities. There is no impact on the balance sheet in relation to this change. Details of the prior year adjustments are as follows:

	As previously stated £	As restated £
Opening funds at 1 December 2014	1,952,437	1,875,270
Net movement in funds	551,737	477,235
Closing funds at 30 November 2015	<u>2,504,174</u>	<u>2,352,505</u>

THEIRWORLD

BALANCE SHEET

FOR THE YEAR ENDED 30 NOVEMBER 2016

Company number: 4422413

	Note	Group 2016 £	Group 2015 Restated £	Charity 2016 £	Charity 2015 Restated £
Fixed assets					
Tangible fixed assets	12	13,927	12,416	13,927	12,416
Investments	13	56	56	57	57
		<u>13,983</u>	<u>12,472</u>	<u>13,984</u>	<u>12,473</u>
Current assets					
Debtors	14	13,827	736,098	85,985	777,195
Cash at bank		3,047,836	2,322,513	2,506,923	1,828,130
		<u>3,061,663</u>	<u>3,058,611</u>	<u>2,592,908</u>	<u>2,605,325</u>
Creditors: amounts falling due within one year	15	791,423	718,578	657,275	648,067
		<u>791,423</u>	<u>718,578</u>	<u>657,275</u>	<u>648,067</u>
Net current assets		<u>2,270,240</u>	<u>2,340,033</u>	<u>1,935,633</u>	<u>1,957,258</u>
Total assets less current liabilities		<u>2,284,223</u>	<u>2,352,505</u>	<u>1,949,617</u>	<u>1,969,731</u>
Accumulated funds					
Restricted funds	16	1,304,962	1,587,668	1,234,839	1,471,796
Unrestricted funds		979,261	764,837	714,778	497,935
		<u>2,284,223</u>	<u>2,352,505</u>	<u>1,949,617</u>	<u>1,969,731</u>

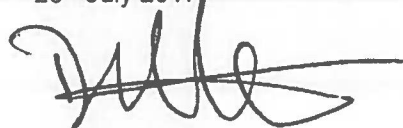
A separate statement of financial activities (SOFA) and income and expenditure account are not presented for the charity itself following the exemption afforded by section 408 of the Companies Act 2006.

The unconsolidated surplus / (deficit) of the parent charity was (£20,114) (2015: surplus of £578,609). The change year on year principally relates to the timing of grant income recognised.

The financial statements are prepared in accordance with part 15 of the Companies Act 2006 in regards to small companies. These financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.

These financial statements were approved by the board, signed on their behalf by and authorised for issue on

20th July 2017



D J Boutcher
Trustee

The notes set out on pages 11 to 22 form an integral part of these financial statements.

THEIRWORLD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2016

	2016 £	2015 Restated £
Cash flows from operating activities	<u>699,394</u>	<u>334,828</u>
Cash flows from investing activities		
Interest income	4,424	3,231
Purchase of tangible fixed assets	<u>(5,950)</u>	<u>(13,136)</u>
Cash provided by (used in) investing activities	(1,526)	(9,905)
Change in cash and cash equivalents in the reporting period	697,868	324,923
Cash and cash equivalents at the beginning of the year	2,322,513	1,970,531
Change in cash and cash equivalents due to exchange rate movements	27,455	27,059
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>3,047,836</u>	<u>2,322,513</u>
RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net income for the year	(95,737)	450,176
Add back depreciation charge	4,438	721
Deduct interest income shown in investing activities	(4,423)	(3,231)
Decrease (increase) in debtors	722,272	(505,002)
Increase (decrease) in creditors	72,844	392,164
Net cash generated by operating activities	<u>699,394</u>	<u>334,828</u>

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Theirworld 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 note(s).

Reconciliation with previous Generally Accepted Accounting Practice

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

No restatement has been required in making the transition to FRS 102 and the Charities SORP FRS 102.

Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charities accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, Theirworld Projects Limited and Global Business Coalition for Education, Inc, on a line by line basis.

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2016

1 Accounting policies (continued)

Income

In line with the requirements of the SORP, income is recognised when there is entitlement to the income, receipt is probable and the amount concerned can be accurately measured.

Voluntary income arises as follows: -

- Donations and grants receivable which are included in unrestricted income when these are receivable, except as follows:
 - When donors specify that donations or grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
 - When donors specify that donations or grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in income of restricted funds when receivable.
 - Membership fees received by Global Business Coalition for Education, Inc. are recognised on an accruals basis.
- Trading income is recognised in the period in which the goods are delivered or the service provided.
- Donated services and facilities have been included in the accounts within voluntary income to the extent that they are material in the context of the accounts. Donated services and facilities are included within the accounts at an assessment of the value to the charity, which reflects the value that the charity ascribes to the service or an appropriate alternative which would be purchased in the absence of the donated service.

Expenditure

Expenditure is accounted for on an accruals basis.

Grants payable are recognised as expenditure in the year in which a binding commitment to make payments is entered into.

Support costs represent the cost of providing general management, human resources, financing and other services to the charity. They are set out in note 5 and they have been allocated on the basis of the level of grant and direct expenditure incurred.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. Governance costs are shown as a component of support costs.

Fixed asset investments

Listed investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Foreign currency translation

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the statement of financial activities.

Results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences which arise from the translation of the opening net assets and results of foreign subsidiary undertakings are taken to the statement of financial activities.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

2 Charitable company status

Theirworld is a charitable company limited by guarantee and registered in England and Wales. Its registered address is The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS. The charitable company does not have a share capital and the liabilities of its members are limited to the guarantee of up to a maximum of £1 each.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2016

3 Income

	Unrestricted funds £	Restricted funds £	2016 £	Restated 2015 £
Donations	1,008,832	2,693,951	3,702,783	3,479,685
Donated office space	50,000	-	50,000	50,000
Fundraising events	12,243	-	12,243	20,799
	<u>1,071,075</u>	<u>2,693,951</u>	<u>3,765,026</u>	<u>3,550,484</u>

4 Cost of raising income

	Unrestricted funds £	Restricted funds £	2016 £	2015 £
Cost of raising donations	1,994	-	1,994	2,770
Trading subsidiary expenditure	2,249	-	2,249	1,257
	<u>4,243</u>	<u>-</u>	<u>4,243</u>	<u>4,027</u>

5 Charitable activities

	Grant payments £	Direct Charitable Expenditure £	Support costs £	Total 2016 £	Restated Total 2015 £
Children's health and welfare	95,000	-	4,585	99,585	365,400
Global Education	169,895	3,418,919	173,199	3,762,013	2,609,610
	<u>264,895</u>	<u>3,418,919</u>	<u>177,784</u>	<u>3,861,598</u>	<u>2,975,010</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2016

6 Grants payable

	2016 Number	2016 £	2015 Number	2015 £
Payable to Institutions	<u>5</u>	<u>264,895</u>	<u>8</u>	<u>369,074</u>
The following grants to Institutions were made:			2016 £	2015 £
Restricted funds:				
Jennifer Brown Research Fund				
The University of Edinburgh Development Trust			4,324	4,200
IBC			135,916	-
Maya Foundation			33,979	-
Total grants funded by restricted funds			<u>174,219</u>	<u>4,200</u>
Unrestricted funds:				
Art Against Knives			-	5,000
Chance UK			10,000	12,000
Girls' Network			-	3,000
Liam Fairhurst Foundation			-	-
Place 2B			-	-
Mentoring Works			10,000	10,000
The University of Edinburgh Development Trust			80,676	325,800
Idara-e- Takeem-O-Aagahi(ITA Pakistan) - Child Marriage Free Zone			-	5,400
Safe Schools fund (made by Global Business Coalition for Education, Inc)			-	2,617
Other			-	1,057
Amounts written back in relation to previous years			(10,000)	-
Total unrestricted grants payable			<u>90,676</u>	<u>364,874</u>
Total grants payable			<u>264,895</u>	<u>369,074</u>

7 Support costs

	2016 £	2015 £
Support costs comprise:		
Salaries and national insurance	49,254	51,000
Insurance	-	1,233
Professional fees	26,052	16,401
Travel and subsistence	89	4,116
Office, administration and sundry expenses	34,376	12,220
Bank and card charges	3,263	5,634
Governance costs	14,750	28,490
Facilities	50,000	50,000
	<u>177,784</u>	<u>169,094</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2016

8 Governance costs

Governance costs relate to auditors' remuneration of £14,750 (2015 - £28,490). Of this, £10,000 related to the audit of the charity and £1,750 to audit of the UK subsidiary. In addition non-audit remuneration of £3,000 is included for the Group.

9 Trustees

The Trustees neither received nor waived any emoluments during the year or the prior year, nor were they reimbursed any expenses for their role as Trustee. During the course of the year the group arranged travel and accommodation in respect of 1 Trustee where the cost amounted to £977 (2015: £13,759 – 1 Trustee). This was in respect of work that the Trustee undertook to help the group fulfil its charitable objectives and is separate to their role as a Trustee. Total donations received directly from Trustees amounted to £254,111 (2015: £200,210).

10 Staff costs

	2016 £	2015 £
Wages and salaries	1,168,517	1,092,312
Social security costs	98,689	109,056
Termination payments	22,119	-
	<u>1,289,325</u>	<u>1,201,368</u>

The average number of employees during the year was 28 (2015 - 25).

4 employees earned more than £60,000 during the year (2015 - 3). These employees emoluments fell into the bands:

	2016 Number	2015 Number
£60,000 - £69,999	-	1
£70,001 - £80,000	2	-
£90,000 - £99,999	-	2
£100,001 - £110,000	1	-
£110,001 – £110,120	1	-

The total remuneration of key management personnel of the group amounted to £375,557 (2015: £309,846).

11 Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Similar tax exemptions apply to the US subsidiary charity.

The UK subsidiary company makes qualifying donations of all taxable profits to Theirworld. No corporation tax liability on the subsidiary arises in the accounts.

12 Fixed assets

	Furniture Fixture and Fittings £	Office Equipment £	Total £
Group and charity			
Cost			
At 30 November 2015	-	13,136	13,136
Additions	135	5,815	5,950
Disposals	-	-	-
Balance at 30 November 2016	<u>135</u>	<u>18,951</u>	<u>19,086</u>
Accumulated depreciation			
At 30 November 2015	-	721	721
Charge for the year	14	4,424	4,438
Disposals	-	-	-
Balance at 30 November 2016	<u>14</u>	<u>5,145</u>	<u>5,159</u>
Net Book Value			
Carried forward at 30 November	121	13,806	13,927
Brought forward at 1 December	-	12,416	12,416

13 Fixed asset investments

	Shares in subsidiary undertaking £	Listed Investments £	Total £
Group			
<i>Cost or valuation</i>			
At 1 December 2015	-	56	56
Market value at 30 November 2016	-	56	56
Historical cost at 30 November 2016	<u>1</u>	<u>1,073</u>	<u>1,074</u>
Historical cost at 30 November 2015	<u>-</u>	<u>1,073</u>	<u>1,073</u>
Charity			
<i>Cost or valuation</i>			
At 1 December 2015	1	56	57
Market value at 30 November 2016	-	56	56
Historical cost at 30 November 2016	<u>1</u>	<u>1,073</u>	<u>1,074</u>
Historical cost at 30 November 2015	<u>1</u>	<u>1,073</u>	<u>1,074</u>

UK listed investments are represented by equity shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2016

13 Fixed asset investments (continued)**Subsidiary undertakings****Theirworld Projects Limited**

The wholly-owned trading subsidiary, Theirworld Projects Limited (company number: 04326134), which is incorporated in the United Kingdom. Theirworld Projects Limited's principal activities are all the commercial trading operations carried on by Theirworld. The charity owns the entire issued share capital of 1 ordinary share of £1 each. A summary of the trading results to 30 November 2016 is shown below.

Summary profit and loss account	2016 £	2015 £
Turnover	117	1,155
Cost of sales	(2,249)	(1,257)
Administrative expenses	(94,663)	(62,013)
Other operating income	97,557	63,000
Interest receivable	125	79
	<u>887</u>	<u>964</u>
Net profit	887	964
Donation to Theirworld	(887)	(152)
	<u>-</u>	<u>812</u>
Retained in the subsidiary	-	812
The assets and liabilities of the subsidiary were:		
Current assets	109,711	94,615
Creditors: amounts falling due within one year	(107,235)	(92,139)
	<u>2,476</u>	<u>2,476</u>
Total net assets	2,476	2,476
Aggregate share capital and reserves	2,476	2,476

Global Business Coalition for Education, Inc

The wholly-owned charitable subsidiary, the Global Business Coalition for Education, Inc. is a corporation which has exemption under section 501(C)(3) of the Internal Revenue Code from Federal income tax in the US, and is incorporated under the laws of Delaware, USA. GBC-Education was created to act as a business voice for making education a global priority.

A summary of the operating results to 30 November 2016 is shown below.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2016

13 Fixed asset investments (continued)

Summary profit and loss account	2016 £	2015 £
Income	335,074	721,469
Expenditure	<u>649,897</u>	<u>941,216</u>
Net income retained by the subsidiary	<u>(314,823)</u>	<u>(219,747)</u>
The assets and liabilities of the subsidiary were:		
Current assets	485,797	831,834
Creditors: amounts falling due within one year	<u>(153,665)</u>	<u>(128,446)</u>
Aggregate reserves	<u>332,132</u>	<u>703,388</u>

14 Debtors

	2016 Group £	2015 Group £	2016 Charity £	2015 Charity £
Amount due from subsidiary undertakings	-	-	82,696	48,255
Other debtors	10,538	23,364	-	16,206
Prepayments and accrued income	<u>3,289</u>	<u>712,734</u>	<u>3,289</u>	<u>712,734</u>
	<u>13,827</u>	<u>736,098</u>	<u>85,985</u>	<u>777,195</u>

All amounts shown under debtors fall due for payment within one year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2016

15 Creditors: amounts falling due within one year

	2016 Group	2015 Group Restated	2016 Charity	2015 Charity Restated
	£	£	£	£
Trade creditors	68,730	83,050	53,304	40,934
Grant commitments	273,930	424,930	273,930	424,930
Other taxation and social security costs	295,727	171,524	268,534	151,689
Other creditors	-	42	-	42
Accruals and deferred income	153,036	39,032	61,507	30,492
	<u>791,423</u>	<u>718,578</u>	<u>657,275</u>	<u>648,087</u>

16 Restricted funds

	1 December 2015 £	Income £	Charitable expenditure £	Transfers £	30 November 2016 £
Jennifer Brown Research Fund	-	4,324	(4,324)	-	-
Global Education	1,471,796	2,696,620	(2,933,577)	-	1,234,839
Global Business Coalition for Education	115,872	-	-	(45,749)	70,123
	<u>1,587,668</u>	<u>2,700,944</u>	<u>(2,937,901)</u>	<u>(45,749)</u>	<u>1,304,962</u>

	1 December 2014 £	Income £	Charitable expenditure £	Transfers £	30 November 2015 £
Jennifer Brown Research Fund	-	4,200	(4,200)	-	-
Global Education	733,869	2,474,553	(1,647,053)	(89,573)	1,471,796
Global Business Coalition for Education	220,811	326,450	(417,054)	(14,335)	115,872
	<u>954,680</u>	<u>2,805,203</u>	<u>(2,068,307)</u>	<u>(103,908)</u>	<u>1,587,668</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2016

16 Restricted funds (continued)

The Jennifer Brown Research Fund was launched in February 2003 to fund a new perinatal research laboratory at the New Royal Infirmary Edinburgh. The Laboratory is carrying out research into the complications of pregnancy which affect foetal and neonatal development and premature birth. The Theirworld Edinburgh Birth Cohort, a world first in investigating the long terms effects of preterm birth, was launched in November 2015.

The Global Education fund was launched in April 2012 to fund the activities to develop and promote the campaign to enrol as many children in school as possible.

The Global Business Coalition for Education fund reflects restricted grants received within the subsidiary undertaking, Global Business Coalition for Education, Inc. less amounts released during the year to unrestricted funds.

Transfers from restricted to unrestricted funds reflects the balance of restricted funds as recorded in the locally audited accounts at 30 November 2016.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 30 November 2016 are represented by:			
Fixed assets	13,983	-	13,983
Current assets	1,756,700	1,304,962	3,061,662
Liabilities	(791,422)	-	(791,422)
Total net assets	979,261	1,304,962	2,284,223

18 Analysis of net assets between funds - 2015

	Unrestricted Funds Restated £	Restricted funds £	Total Funds Restated £
Fund balances at 30 November 2015 are represented by:			
Fixed assets	12,472	-	12,472
Current assets	1,470,943	1,587,668	3,058,611
Liabilities	(718,578)	-	(718,578)
Total net assets	764,837	1,587,668	2,352,505

THEIRWORLD

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2016

19 Comparative Statement of Financial Activities

	Unrestricted funds Restated £	Restricted funds £	2015 Restated £
Income from:			
Donations	674,482	2,805,203	3,479,685
Other trading activities	20,799	-	20,799
Investments	3,231	-	3,231
	<hr/>	<hr/>	<hr/>
Total income	698,512	2,805,203	3,503,715
	<hr/>	<hr/>	<hr/>
Expenditure on:			
Cost of raising funds:			
Cost of raising donations	2,770	-	2,770
Fundraising trading: cost of goods sold and other costs	1,257	-	1,257
	<hr/>	<hr/>	<hr/>
Charitable activities	981,205	2,068,307	3,049,512
	<hr/>	<hr/>	<hr/>
Total expenditure	985,232	2,068,307	3,053,539
	<hr/>	<hr/>	<hr/>
Net income	(286,720)	736,896	450,176
Transfers	103,908	(103,908)	-
Exchange gains arising on consolidation	27,059	-	27,059
	<hr/>	<hr/>	<hr/>
Net movement in funds	(155,753)	632,988	477,235