

**IM01 Limited
(trading as Inter Mediate)**

**Annual Report and
Financial Statements**

31 March 2016

Company Limited by Guarantee
Registration Number
07583904 (England and Wales)

Charity Registration Number
1143848

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The following pages do not form part of the statutory financial statements:

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Reference and administrative information

Trustees	Dennis Stevenson (chair) Michael Hatchard Lyse Doucet Jasmine Zerini Eamonn McGrath Sebastian Roberts
Chief Executive	Jonathan Powell
Charity registration number	1143848
Company registration number	07583904 (England and Wales)
Registered Address	3 Dean Trench Street London SW1P 3HB
Independent Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Banker	Coutts & Co 440 Strand London WC2R 0QS

The Trustees present their report and the independently audited financial statements of IM01 Limited (operating as "Inter Mediate") for the year ended 31 March 2016. These have been prepared in accordance with the accounting policies set out on pages 14 to 17 and comply with the charitable company's memorandum and articles of association, applicable laws 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and also constitutes a directors' report as required by section 418 of the Companies Act of 2006.

Structure, governance and management

Inter Mediate is registered with Companies House (on 30 March 2011) and the Charity Commission (on 19 September 2011). The constitution of Inter Mediate is filed with Companies House and provides inter alia for the appointment and removal of the trustees who constitute directors of the charity for the purposes of Companies Act 2006.

The charity is a company limited by guarantee governed by a board comprised of its trustees that may consist of between 3-8 members. There are currently six trustees. On the anniversary of incorporation, at least one third of the trustees retires by rotation, and may be eligible for re-election. During the course of the year one trustee retired, one trustee was re-elected, and one new trustee joined the board. A trustee may serve for a period of up to eight years in total. The chairman is elected from the board of trustees. Inter alia the trustees set the policy and strategy of the charity, and review its progress. They hold at least two meetings per year, and additional meetings can be arranged as required.

The composition of the board of trustees, both in regards to numbers and the mix of skills and experience, is kept under review. When circumstances justify or vacancies arise, individuals with appropriate qualifications are invited to become trustees and are elected by existing trustees or otherwise as the constitution provides. All trustees are unpaid.

The Inter Mediate board has two committees with delegated responsibility for oversight of key areas of Inter Mediate's work. The Finance & Audit (F&A) committee met in July 2015 and February 2016. The Chair of the F&A also meets quarterly with IM's management team to review the management accounts, budgets and cashflow. A Risk & Crisis Management (R&C) Committee was established in February 2016 to consider IM's risks, security and mitigation strategy. The R&C held its first meeting in June 2016. Both Committees report to the full Board.

Inter Mediate has in place a set of principles which are applied for identifying transactions and decisions in which individuals may have a personal interest, and a process for managing potential conflicts of interest. These principles apply to individuals at all levels in the decision making process, including trustees, employees and external advisors.

Day-to-day management of Inter Mediate is delegated to the Chief Executive, who works with his staff and external specialists and mediators.

Structure, governance and management (continued)

The Trustees who served throughout the year, except where stated, were:

Trustees	Appointed/Resigned
Dennis Stevenson	
Christopher James	Retired 25 March 2016
Michael Hatchard	
Lyse Doucet	
Jasmine Zerini	
Eamonn McGrath	
Sebastian Roberts	Appointed 25 February 2016

Key management personnel

The Trustees consider that they, together with the Chief Executive and senior management team comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The remuneration of key management personnel is set and approved by the Trustees. Remuneration is set in the context of market rates and industry benchmarks and is reviewed annually.

Risk Management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, and its donations and finances. The key areas of risk have been identified as: 1) risk to personnel undertaking work in the field; 2) risks to internal stability and planning arising from a restricted portfolio of funding sources; and 3) risk to continuity of operations should our Chief Executive be incapacitated for any reason.

The first area of risk is mitigated by rigorous security and risk assessment undertaken around staff travel. The charity has developed good sources of up to the minute security intelligence from multiple sources. Detailed risk assessment procedures are followed and involve senior management input and approval. Proper preparation, including regular access to hostile environment training, is undertaken with staff prior to travel and strict communication plans are put in place for trip durations.

The second area of risk is mitigated by strong financial planning and review procedures. The board consider a financial report at every meeting and are consulted outside meetings where necessary. A full budget for the year is agreed by the board with particular attention paid to spread of funders and new donor relationship development. Over the last two years the charity has instituted a pricing model designed to produce full cost recovery. This has proved a successful approach and positions the charity with the optimal resources to be able to respond to opportunities as they arise.

The third area of risk is partially managed through the procedures we have in place around travel risk and security and through steps taken to leverage and support the role of the current Chief Executive. The senior staff aim to undertake a monthly review of his travel and other commitments with a view to reducing these wherever possible.

Risk Management (continued)

The board has decided to institute a new Risk and Crisis Management committee. The purpose of the committee is to dedicate board level expertise, resource and support to the senior staff team on risk issues. The committee undertakes ongoing review of the risk register, considers overall security and risk procedures and is available during crisis management as necessary.

Public benefit

The trustees consider that they have complied with Section 4 of the Charities Act 2011 with regard to the guidance on public benefit published by the Charity Commission. The paragraphs below demonstrate the public benefit arising through the charity's activities, namely to create the conditions for the lasting resolution of violent conflict, the advancement of conflict resolution and reconciliation through dialogue and mediation.

Objectives and Activities

As a neutral and non-partisan organisation the charity's objective is to help create the conditions for the lasting resolution of violent conflict, the advancement of conflict resolution and reconciliation through dialogue and mediation.

The four main strategic objectives are to:

- ◆ build trust between parties to a conflict by helping build the relationships that will underpin a channel of communication between the sides;
- ◆ open sustainable and effective channels of communication between parties by acting as a mediator or intermediary or advisor to the relevant parties;
- ◆ prepare parties for effective participation in negotiations through promoting best practice, training and sharing lessons learned;
- ◆ initiate effective negotiations between parties by engaging in sustained, low-profile, in-country engagement to support the emergence of lasting peace settlements.

To this end Inter Mediate has carried out the activities described below:

Achievements, performance and future plans

Overview

In 2015-16, Inter Mediate continued to expand our portfolio of work and deepen our relationships with existing parties. The amount of requests for Inter Mediate's support continued to increase. One new government donor came on board during the year. Our staff and network of specialists continued to be approached directly as parties to conflict. NGO actors and donor governments around the world have become increasingly aware of the unique offering that is our advice, mediation and negotiation support.

Projects and partnerships

During the course of the year, Inter Mediate set up and ran eleven funded projects in the Americas, Africa, the Middle East, and Asia. Many of these will continue into next year. Inter Mediate staff provided strategic guidance, negotiation training and technical assistance to governments and opposition groups. Working with an expanding network of negotiation, conflict resolution and country specialists, Inter Mediate effectively leveraged the experience of its staff to maximise our reach and impact. Inter Mediate has also maintained very high standards of discretion and confidentiality. Appropriate information management and the protection of politically sensitive discussions are at the core of the organisation's ability to operate effectively.

Inter Mediate has also dedicated significant efforts toward scoping and assessment work in support of new project development. This due diligence activity, which is critical to establishing relationships and identifying opportunities for engagement, underpins the organisation's ability to then raise government funding for longer-term projects.

As before, Inter Mediate will continue to pursue the work begun around the world. We will also explore additional opportunities to engage in existing and new regions particularly in situations where no dialogue between the sides exists or where Inter Mediate's expertise can add significant value to current efforts.

The Chief Executive continues via Inter Mediate to act as the Prime Minister's Special Envoy on Libya.

With the assistance of external evaluators, Inter Mediate carried out an evaluation of one large project to ensure we remain apprised of the effectiveness and impact of our work. In common with other organisations in our field, it is a challenge to gather data to support objective measurement of impact overall. Inter Mediate continues to refine its monitoring and evaluation practice to respond to this challenge. These efforts will help us ensure concentrate the charity's effort on the most effective approaches within projects.

In 2015-16, Inter Mediate continued to develop partnership arrangements with other NGO/ inter-government organisations. These partnerships have allowed the charity to maximise its impact through engagement with other professionals who bring complementary expertise and experience to bear on the projects.

Donors and fundraising

Inter Mediate continued to expand its project funding base and reached agreement on funding from one new government donor.

The private unrestricted funds raised in 2012-13 continued to support our work in 2015-16. Nevertheless, the board remains focused on maintaining a sound balance sheet, and so the charity continued to engage private donors and foundations with a view to raising more unrestricted funds in the future. This will be an important way of enabling the charity to remain independent of governments and able to act quickly in situations which require rapid response – something government donors are not always able to support.

Donors and fundraising (continued)

Inter Mediate concluded its second year of framework funding with two donors. This support is vital to the charity's ability to plan for project implementation and anticipate future fundraising requirements.

The work to establish an independent, tax-exempt non-profit organisation in the US, "Friends of Inter Mediate" continued with the pro bono support of Skadden Arps. Five Board members have been appointed and the first board meeting was held in November 2015.

Future plans

Inter Mediate continues to research, evaluate and respond to conflict situations around the world, identifying situations in which the charity can play a useful role. IM has reached its fifth year of operations and has successfully implemented a controlled approach to growth of its internal staff team. We are aiming to add to the staff team in the coming year to enable good management of the workload. We will continue to consolidate our staff team, aiming to offer good development prospects and thereby cement longevity and expertise.

The charity has encouraged staff to use the training budget to avail themselves of courses supporting continuing professional development and will continue to do so.

Inter Mediate continues to run a successful six-month paid internship programme, and receives a high number of applications from strong candidates.

Financial Review

The charity is entirely dependent on grant and private donation funding.

During 2015-16, Inter Mediate had total income of £1,504,044 (2015 - £1,685,887) comprising unrestricted private donations of £81,918 (2015 - £11,000), grants of £1,421,393 (2015 - £1,674,201) and investment income of £733 (2015 - £686). The grant funding was restricted to specific purposes and subject to donor imposed conditions. Details of these restricted funds can be found in note 2 to the financial statements.

During the year, £1,592,361 (2015 - £1,499,989) was spent on restricted projects across Africa, Asia, the Middle East and the Americas. In addition, the charity spent £16,474 (2015 - £8,670) on its fundraising effort.

Total funds of the charity at 31 March 2016 were £601,317 (2015 - £706,108), comprising restricted funds of £176,491 (2015 - £336,390) and unrestricted funds of £424,826 (2015 - £369,718). These funds are represented by tangible fixed assets with a net book value of £717 (2015 - £1,434) and net current assets of £600,600 (2015 - £704,674).

The trustees are keen to ensure the company's efficient running, to remain confident of meeting its forward commitments, and to provide assurance to its staff, partners and beneficiaries about its stability in the event of any significant delay in receipt of, reduction in, or cancellation of grant income.

Financial Review (continued)

As a result, the trustees have concluded that the company should maintain a reserve to ensure that it has sufficient unrestricted funds to enable it to meet its anticipated operating costs for at least the following four months. The minimum level of free reserves required for this purpose is currently set at £320,000. All such reserves are to be held on bank deposit.

The unrestricted fund of £424,826 consists of tangible fixed assets of £717 and free reserves of £424,109. The free reserves are higher than the minimum level of free reserves set by the trustees, which will provide capacity for developing new programmes and will provide additional flexibility in situations where donors pay in arrears and/or between government funding cycles.

All committed liabilities are covered either in reserve or by available resources.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Inter Mediate for the purposes of company law) are responsible for preparing the trustees' report and 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 income and expenditure of the charitable company for that period. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITORS

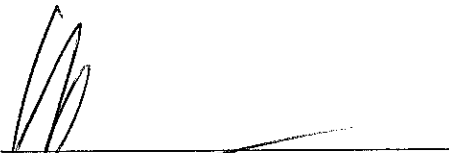
Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

In preparing the Trustees' report advantage has been taken of the small companies' regime.

This report was approved by the board of trustees on 28 July 2016 and signed on their behalf by:



Dennis Stevenson
Chairman

Independent auditor's report to the members of IM01 Limited

We have audited the financial statements of Inter Mediate for the year ended 31 March 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies 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), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Annual Report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 charitable 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 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 31 March 2016 and of 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.

Opinion on other matter prescribed by the Companies Act 2006

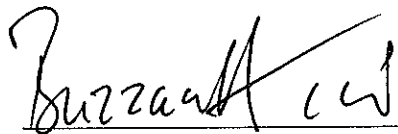
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements. Also in our opinion, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the Trustees' Annual Report.

Matters on which we are required to report by exception

The Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the 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 Strategic Report.

We have nothing to report in respect of these matters.



7 September 2016

Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities for the year to 31 March 2016
(including Income and Expenditure Account)

	Notes	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations and legacies	1	81,918	—	81,918	11,000
Charitable activities	2	—	1,421,393	1,421,393	1,674,201
Investments	3	733	—	733	686
Total income		82,651	1,421,393	1,504,044	1,685,887
Expenditure on:					
Raising funds	4	16,474	—	16,474	8,670
Charitable activities	5	—	1,592,361	1,592,361	1,590,309
Total expenditure		16,474	1,592,361	1,608,835	1,598,979
Net income /(expenditure) and movement in funds		66,177	(170,968)	(104,791)	86,908
Transfers	12	(11,069)	11,069	—	—
Fund balances brought forward at 1 April 2015		369,718	336,390	706,108	619,200
Funds balances carried forward at 31 March 2016		424,826	176,491	601,317	706,108

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the charity's activities derived from continuing operations during the above financial periods.

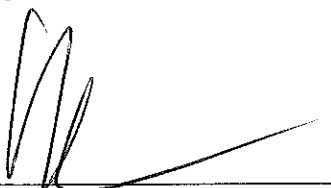
The charity has no recognised gains and losses other than those shown above.

The Notes to the financial statements on pages 18 to 26 form part of these financial statements.

Balance sheet at 31 March 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible fixed assets	8		<u>717</u>		<u>1,434</u>
Current assets					
Debtors due within one year	9	72,025		106,861	
Cash at bank and in hand		<u>785,004</u>		<u>762,003</u>	
		857,029		868,864	
Current liabilities					
Creditors: amounts falling due within one year	10	<u>(256,429)</u>		<u>(164,190)</u>	
Net current assets			<u>600,600</u>		<u>704,674</u>
Net assets	11		<u>601,317</u>		<u>706,108</u>
Funds					
Unrestricted funds:					
. Designated – new project development fund			—		27,402
. General fund			424,826		342,316
Restricted funds	12		<u>176,491</u>		<u>336,390</u>
Total funds	11		<u>601,317</u>		<u>706,108</u>

Approved by the board of trustees of IM01 Limited, Company Registration Number 07583904 (England and Wales) and signed on their behalf by:



 Dennis Stevenson
 Chairman

Approved on: 28 July 2016

Statement of cash flows year to 31 March 2016

	2016 £	2016 £	2015 £	2015 £
Cash flow from operating activities				
Net (expenditure) / income	(104,791)		8,908	
Adjustments for:				
. Depreciation	717		895	
. Decrease / (increase) in debtors	34,836		(46,905)	
. Increase in creditors	92,239		27,437	
Net cash provided by operating activities		<u>23,001</u>		<u>68,335</u>
Change in cash and cash equivalents in the year		23,001		68,335
Cash and cash equivalents at the beginning of the year		<u>762,003</u>		<u>693,668</u>
Cash and cash equivalents at the end of the year		<u>785,004</u>		<u>762,003</u>

Principal accounting policies year to 31 March 2016

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 March 2016.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

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 a restatement of comparative items was needed. Certain items on the statement of financial activities were reanalysed as part of the transition, which had no resulting impact on the fund balances brought forward or carried forward. In addition, one restatement was required for a holiday pay accrual as detailed in note 13.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and senior management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the allocation of overheads and governance costs between charitable expenditure categories; and
- ◆ estimating the useful economic life of tangible fixed assets

Principal accounting policies year to 31 March 2016

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2017, the most significant areas that affect the carrying value of the assets held by the charity are the delivery of grant funded activities and securing future funding for these activities (see the risk management section of the trustees' report for more information).

Income

Donations have been credited to the statement of financial activities on an accruals basis. Revenue grants are credited to the Statement of Financial Activities (SOFA) when the charity is considered to have entitlement to the assets, it is probable that the resources will be received, and the monetary value of income can be measured with sufficient reliability. Income is deferred only where the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use which have not been met at the balance sheet date (e.g. the receipt in advance of a grant for expenditure in a future accounting period).

Grants from government and other agencies have been included either as income from activities in furtherance of the charity's objectives where these amount to support for specific activities and services, or as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Restricted grants for which the main driver for the charity's entitlement to income is based on staff time delivered on the project are treated as performance related grants and the income is recognised in accordance with the underlying activity. Where funds are received in advance of activity, the income is deferred to a future accounting period

Expenditure

Expenditure has been charged to the Statement of Financial Activities on an accruals basis.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and includes irrecoverable value added tax.

Expenditure includes the following:

- ◆ The costs of generating funds represent the salaries, direct costs and overheads associated with generating income.

Principal accounting policies year to 31 March 2016

Expenditure (continued)

- ◆ The costs of charitable activities, which comprise expenditure on the charity's primary charitable purpose i.e. conflict resolution, reconciliation and peace building. These include support costs, which represent the staff costs incurred directly providing support for the charity's programmes. Support costs include general management, information technology, communications, insurance and other office support for the charity's programmes.

Allocation of support and governance costs

Support costs, represent indirect charitable expenditure. In order to carry out primary purposes of the charity it is necessary to provide support such as general management, information technology, communications, insurance and other office support. These costs are allocated between activities they are supporting on the basis of staff numbers employed during the period and the effort and time required to support that activity.

Support costs include the costs incurred in the governance of the charity and its assets.

Expenditure is allocated to the particular activity on a direct basis or by allocation based on an estimate of the time spent by each member of staff on each activity or on an estimate of the proportion of costs relating to that activity.

Foreign exchange differences

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.

Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is 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.

Tangible fixed assets and depreciation

All assets with a cost greater than £1,000 and a life expectancy exceeding one year are capitalised.

Tangible fixed assets are included at cost. Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures, fittings and equipment - 25% straight line.

Pensions

The charity is part of an occupational pension scheme, which is a defined contribution scheme. The cost of contributions payable by the charity to the scheme is charged to the income and expenditure account as incurred.

Principal accounting policies year to 31 March 2016

Unrestricted funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the funder/donor or when funds are raised for particular restricted purposes.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Notes to the financial statements year to 31 March 2016

1 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Current Year			
Donations receivable	81,918	—	81,918

	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Prior Year			
Donations receivable	11,000	—	11,000

Donations receivable includes gift aid of £10,000 (2015: £nil).

2 Charitable activities

The charity's grants receivable related to the following regions:

	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Current Year			
Africa	—	224,771	224,771
Asia	—	284,149	284,149
Middle East	—	254,641	254,641
Americas	—	436,348	436,348
Europe	—	196,518	196,518
Non region specific	—	24,966	24,966
	—	1,421,393	1,421,393

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Prior Year			
Africa	—	215,560	215,560
Asia	—	972,194	972,194
Middle East	—	356,026	356,026
Americas	—	96,329	96,329
Europe	—	33,831	33,831
Non region specific	—	261	261
	—	1,674,201	1,674,201

2 Charitable activities (continued)

We would like to acknowledge the following funders for their kind contributions towards furthering Inter Mediate objectives in these regions: Department of Foreign Affairs, Trade & Development (DFATD), Canada; Ministry of Foreign Affairs (MFA), Norway, Department for International Development (DFID), UK; Foreign & Commonwealth Office (FCO), UK; Federal Department of Foreign Affairs (FDFA), Switzerland; Ministry of Foreign Affairs (DANIDA), Denmark, Ministry of Foreign Affairs (MFA), Sweden; Ministry of Foreign Affairs (MFA), The Netherlands.

3 Income from investments

	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Current Year			
Income from investments	733	—	733
Prior Year			
Income from investments	440	246	686

4 Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Current Year			
Staff related costs	8,328	—	8,328
Other costs	2,979	—	2,979
Reallocation of support (see note 6)	5,167	—	5,167
	16,474	—	16,474
Prior Year			
Staff related costs	5,671	—	5,671
Reallocation of support (see note 6)	2,999	—	2,999
	8,670	—	8,670

5 Expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Current Year			
Staff related costs	—	446,499	446,499
Mediation activity related:			
Consultants and advisors	—	297,458	297,458
Travel	—	436,442	436,442
Meeting costs	—	82,840	82,840
Professional services	—	16,042	16,042
Premises costs	—	15,252	15,252
IT & communications	—	16,547	16,547
Other office costs	—	8,409	8,409
Reallocation of support (see note 6)	—	272,872	272,872
	—	1,592,361	1,592,361

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Prior Year			
Staff related costs	—	438,441	438,441
Mediation activity related:			
Consultants and advisors	7,407	340,350	347,757
Travel	34,350	294,452	328,802
Meeting costs	2,383	150,977	153,360
Professional services	(521)	35,779	35,258
Premises costs	—	14,949	14,949
IT & communications	3,279	11,314	14,593
Other office costs	14,675	15,443	30,118
Reallocation of support (see note 6)	28,747	198,284	227,031
	90,320	1,499,989	1,590,309

During the year the charity supported projects in the furtherance of its charitable objectives in the following regions, with the following costs:

	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Current Year			
Africa	—	144,056	144,056
Asia	—	556,595	556,595
Middle East	—	206,685	206,685
Americas	—	284,632	284,632
Europe	—	135,560	135,560
Non region specific	—	264,833	264,833
	—	1,592,361	1,592,361

Notes to the financial statements year to 31 March 2016

5 Expenditure (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Prior Year			
Africa	11,335	210,788	222,123
Asia	738	819,963	820,701
Middle East	170	312,997	313,167
Americas	14,301	122,410	136,711
Europe	—	33,831	33,831
Non region specific	63,776	—	63,776
	90,320	1,499,989	1,590,309

6 Support costs

	Raising Funds £	Charitable Activities £	Total 2016 £
Current Year			
<u>Governance costs</u>			
Staff related costs	226	11,955	12,181
Audit fees	164	8,637	8,801
Trustee costs	17	877	894
<u>Other support costs</u>			
Staff related costs	2,642	139,557	142,199
Professional services	475	25,088	25,563
Premises costs	1,188	62,760	63,948
IT & communications	218	11,502	11,720
Other office costs	237	12,496	12,733
	5,167	272,872	278,039

	Raising Funds £	Charitable Activities £	Total 2015 £
Prior Year			
<u>Governance costs</u>			
Staff related costs	227	17,157	17,384
Audit fees	119	9,020	9,139
Trustee costs	5	401	406
<u>Other support costs</u>			
Staff related costs	1,129	85,492	86,621
Professional services	283	21,433	21,716
Premises costs	801	60,649	61,450
IT & communications	183	13,885	14,068
Other office costs	252	18,994	19,246
	2,999	227,031	230,030

Notes to the financial statements year to 31 March 2016

7 Analysis of staff costs

Staff costs during the period were:

	2016 £	2015 £
Wages and salaries	514,231	472,686
Social security costs	55,825	55,828
Pension costs	21,423	8,672
	<u>591,479</u>	<u>537,186</u>

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2016 £	2015 £
£60,001 - £70,000	2	2
£150,001 - £160,000	1	1

During the year, the average number of staff was 10 (2015: 8.4).

The total fees and employee benefits including pension contributions paid to the key management personnel were £230,485 (2015: £228,646).

8 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 April 2015 and 31 March 2016	<u>11,055</u>
Depreciation	
At 1 April 2015	9,621
Charge for year	717
At 31 March 2016	<u>10,338</u>
Net book values	
At 31 March 2016	<u>717</u>
At 31 March 2015	<u>1,434</u>

Notes to the financial statements year to 31 March 2016

9 Debtors: amounts falling due within one year

	2016 £	2015 £
Prepayments	10,861	28,583
Accrued income	48,707	58,279
Income due for grant funded projects	12,457	19,999
	72,025	106,861

10 Creditors: amounts falling due within one year

	2016 £	2015 £
Taxation and social security	17,456	18,803
Trade and other creditors	97,475	80,896
Accruals and deferred income	141,498	64,491
	256,429	164,190

11 Analysis of net assets between funds

Fund balances at 31 March are represented by:	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Current Year			
Tangible fixed assets	717	—	717
Net current assets	424,109	176,491	600,600
Total net assets	424,826	176,491	601,317
	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Prior Year			
Tangible fixed assets	1,434	—	1,434
Net current assets	368,284	336,390	704,674
Total net assets	369,718	336,390	706,108

Notes to the financial statements year to 31 March 2016

12 Movements in funds

	At the start of the period £	Transfers £	Income £	Expenditure £	At the end of the period £
Current Year					
<u>Restricted funds:</u>					
Africa	4,775	(85,490)	224,771	(144,056)	—
Asia	288,303	(15,857)	284,149	(556,595)	—
Middle East	43,051	(91,007)	254,641	(206,685)	—
Americas	—	(151,716)	436,348	(284,632)	—
Europe	—	(60,958)	196,518	(135,560)	—
Non Region Specific	261	416,097	24,966	(264,833)	176,491
Total restricted funds	336,390	11,069	1,421,393	(1,592,361)	176,491
<u>Unrestricted funds:</u>					
Designated – new project development fund	27,402	(27,402)	—	—	—
General funds	342,316	16,333	82,651	(16,474)	424,826
Total unrestricted funds	369,718	(11,069)	82,651	(16,474)	424,826
Total funds	706,108	—	1,504,044	(1,608,835)	601,317
Prior Year					
<u>Restricted funds:</u>					
Africa	—	—	215,563	(210,788)	4,775
Asia	135,851	—	972,415	(819,963)	288,303
Middle East	—	—	356,048	(312,997)	43,051
Americas	26,081	—	96,329	(122,410)	—
Europe	—	—	33,831	(33,831)	—
Non Region Specific	—	—	261	—	261
Total restricted funds	161,932	—	1,674,447	(1,499,989)	336,390
<u>Unrestricted funds:</u>					
Designated – new project development fund	88,972	—	—	(61,570)	27,402
General funds	368,296	—	11,400	(37,420)	342,316
Total unrestricted funds	457,268	—	11,400	(98,990)	369,718
Total funds	619,200	—	1,685,887	(1,598,979)	706,108

12 Movements in funds (continued)

The new project development fund allows us to engage with new opportunities quickly and effectively and develop such leads into project proposals for governments to fund. The funds was fully utilised during the year.

Funds are restricted to projects in specific geographical areas as detailed above. Funding agreements for these projects include a mix of funding for specific costs and funding at agreed unit rates based on staff time. For the elements of the funding that is based on staff time, the charity is not required to report directly to the funder regarding the direct costs of those elements of the funding. These elements have therefore been transferred into the Non Region Specific category, which is utilised in accordance with donors' requirements.

13 Impact of transition to FRS102 and SORP 2015

Reserves Position	2015 £	2014 £
Funds previously reported	720,154	633,246
Adjustments on transition:		
Holiday pay provision	(14,046)	(14,046)
Funds restated on transition	706,108	619,200

This is the first year that the company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 April 2014.

FRS 102 requires the charity to make an accrual for holiday pay, which was not required under the previous UK GAAP. A reconciliation of the total funds as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102 is provided above.

14 Trustees

No trustee received any remuneration from the charity during the year (2015: none). Trustees' reimbursed expenditure during the year totalled £nil (2015: £nil). The charity has taken out a trustee indemnity insurance policy costing £452 per annum which covers the trustees up to £1,000,000.

15 Related party transactions

During the year, Cloaca Maxima Limited (of which one of the trustees, Dennis Stevenson was a director until April 2013), provided rented office space to the charity at a favourable rate for the charity and received rental income of £79,200 (2015 - £76,400). During the year, Dennis Stevenson made a donation of £40,000 on which the charity was able to claim Gift Aid of £10,000. There were no other related party transactions during the year.

16 Liability of members

The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Charity in the event of it being wound up while he or she is a member or within one year after he or she ceases to be a member.

17 Contingent liabilities

The charity receives certain income under funding arrangements which may allow for audit of expenditure in later periods. Under some circumstances, income may be repayable to donors. The trustees are not aware of any current circumstances that would give rise to such repayments and accordingly no provision is made against this eventuality in these financial statements.