

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

**Annual Report and
Financial Statements**

31 March 2018

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

Charity Registration Number
1143848

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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 2018. These have been prepared in accordance with the accounting policies set out on pages 16 to 19 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 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 the 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 was re-elected to 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 2017, February 2018 and July 2018. 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 early 2016 to consider IM's risks, security and mitigation strategy. The R&C met in June 2017, January 2018 and July 2018. 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.

Structure, governance and management (continued)

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

The Trustees who served throughout the year were:

Dennis Stevenson
Michael Hatchard
Lyse Doucet
Jasmine Zerini
Eamonn McGrath
Sebastian Roberts

There were no appointments to or resignations from the Board during the period.

The Board spent time this year considering the recently released Charity Governance Code. The senior management team undertook an initial assessment of Inter Mediate's performance based on the best practice approaches defined within the code. This was then discussed at a full meeting of the Board and will lead to a Board memo recording our conclusions and any changes we will make in response.

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 continue to be: 1) risk to personnel undertaking work in the field; 2) risks to internal stability and planning arising from a restricted portfolio of funding sources; 3) risk to continuity of operations should our Chief Executive be incapacitated for any reason; and 4) risk to security, reputation and freedom of action from adverse publicity.

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 and, when required, Board 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.

Risk Management (continued)

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 three 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 appropriate 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.

The final area of risk relates to our ability to operate discretely which is necessary to undertake the key work with interlocutors who are engaging with the concept of negotiations but not in a position to do so publicly. We manage this by refusing the majority of requests for interviews, not commenting on our involvement in a particular context publicly and actively seeking to manage the exposure of our staff when travelling to project countries.

The Board is assisted by the 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;

Objectives and Activities (continued)

- ◆ prepare parties for effective participation in negotiations through promoting best practice, training and sharing lessons learned; and
- ◆ 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 2017-18, Inter Mediate continued to expand our portfolio of work and deepen our relationships with existing parties. Requests for Inter Mediate's support continued to be received. We continue to work proactively to connect with NGO and Government actors around the world. This enables us to enhance our work and increase awareness of our provision within circles most likely to wish to access it.

Projects and partnerships

During the course of the year, Inter Mediate ran eight funded projects in the Americas, Africa, the Middle East, and Asia. Most 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 its objectives 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.

In 2017-18, 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.

Achievements, performance and future plans (continued)

Donors and fundraising

Inter Mediate's project funding base remained stable throughout the year.

The Board remains focused on maintaining a strong balance sheet, and so the charity continued to engage private donors and foundations with a view to raising more unrestricted funds in the future. We secured a repeat grant from a European charitable foundation that had supported us in the prior financial year. This grant is to be applied to the whole project portfolio.

We also secured a restricted grant from a new private foundation.

Inter Mediate renewed a framework agreement with one funder for the two years from April 2017.

The independent, tax-exempt non-profit organisation in the US, "Friends of Inter Mediate" continued to function with the pro bono support of Skadden Arps.

The charity does actively solicit donations from the general public and therefore is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice or engage with third party fundraising organisations. When donations from individuals are received, their privacy and any personal data are respected. The charity has received no complaints about fundraising activities

Staff matters

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.

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 seventh year of operations and has successfully implemented a controlled approach to growth of its internal staff team. We have added to the staff team 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.

Financial review

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

During 2017-18, Inter Mediate had total income of £1,622,803 (2017 - £2,079,995) comprising unrestricted private donations of £227,048 (2017 - £120,458), grants of £1,395,365 (2017 - £1,959,010) and investment income of £390 (2017 - £437). 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, £1,598,157 (2017 - £1,915,172) was spent on restricted projects across Africa, Asia, the Middle East and the Americas. In addition, the charity spent £4,384 (2017 - £21,361) on its fundraising effort.

Total funds of the charity at 31 March 2018 were £765,041 (2017 - £744,779), comprising restricted funds of £24,346 (2017 - £227,138) and unrestricted funds of £740,659 (2017 - £517,641). These funds are represented by tangible fixed assets with a net book value of £6,688 (2017 - £4,844) and net current assets of £758,353 (2017 - £739,935).

The trustees are keen to encourage 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.

As a result, the trustees have concluded that the company should maintain a reserve with the objective 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 as cash at bank so that they are available for use to meet the charity's obligations and commitments, should the necessity arise.

The unrestricted fund of £740,695 consists of tangible fixed assets of £6,688 and free reserves of £734,007. 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 section 418 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 26 July 2018 and signed on their behalf by:



Dennis Stevenson

Chairman

Independent auditor's report to the members of IM01 Limited (trading as Inter Mediate)

Opinion

We have audited the financial statements of Inter Mediate (the 'charitable company') for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

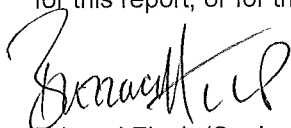
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



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

5 October 2018

Statement of financial activities for the year to 31 March 2018
(including Income and Expenditure Account)

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	1	227,048	—	227,048	120,548
Charitable activities	2	—	1,395,365	1,395,365	1,959,010
Investments	3	390	—	390	437
Total income		227,439	1,395,365	1,622,803	2,079,995
Expenditure on:					
Raising funds	4	4,384	—	4,384	21,361
Charitable activities	5	—	1,598,157	1,598,157	1,915,172
Total expenditure		4,384	1,598,157	1,602,541	1,936,533
Net income /(expenditure) and movement in funds		223,054	(202,792)	20,262	143,462
Fund balances brought forward at 1 April 2017		517,641	227,138	744,779	601,317
Funds balances carried forward at 31 March 2018		740,695	24,346	765,041	744,779

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 Notes to the financial statements on pages 20 to 28 form part of these financial statements.

Balance sheet at 31 March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	8		<u>6,688</u>		<u>4,844</u>
Current assets					
Debtors due within one year	9	197,902		351,229	
Cash at bank and in hand		<u>694,525</u>		<u>646,852</u>	
		868,047		998,081	
Current liabilities					
Creditors: amounts falling due within one year	10	<u>(134,074)</u>		<u>(258,146)</u>	
Net current assets			<u>758,353</u>		<u>739,935</u>
Net assets	12		<u>765,041</u>		<u>744,779</u>
Funds					
Unrestricted funds:					
. General fund			740,695		517,641
Restricted funds			<u>24,346</u>		<u>227,138</u>
Total funds	13		<u>765,041</u>		<u>744,779</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: 26/9/18

Statement of cash flows year to 31 March 2018

	2018 £	2018 £	2017 £	2017 £
Cash flow from operating activities				
Net income / (expenditure)	20,262		143,462	
Adjustments for:				
. Depreciation	2,768		2,332	
. Decrease (increase) in debtors	153,327		(279,204)	
. Increase in creditors	<u>(124,072)</u>		<u>1,717</u>	
Net cash provided by operating activities		52,285		(131,693)
Cash flow from investing activities				
. Purchase of tangible fixed assets	<u>(4,612)</u>		<u>(6,459)</u>	
Net cash (used in) investing activities		(4,612)		(6,459)
Change in cash and cash equivalents in the year		47,673		(138,152)
Cash and cash equivalents at the beginning of the year		646,852		785,004
Cash and cash equivalents at the end of the year		694,525		646,852

Principal accounting policies year to 31 March 2018

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 2018.

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.

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

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 2019, 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).

Principal accounting policies year to 31 March 2018

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.
- ◆ 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.

Principal accounting policies year to 31 March 2018

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.

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.

Principal accounting policies year to 31 March 2018

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 2018

1 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Current Year			
Donations receivable	227,048	—	227,048
Prior Year			
Donations receivable	120,548	—	120,548

Donations receivable includes gift aid of £nil (2017: £2,200).

2 Charitable activities

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

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Current Year			
Africa	—	256,002	256,002
Asia	—	561,798	561,798
Middle East	—	100,321	100,321
Americas	—	393,715	393,715
Non region specific	—	83,528	59,146
	—	1,395,365	1,370,983
Prior Year			
Africa	—	298,299	298,299
Asia	—	1,108,427	1,108,427
Middle East	—	265,661	265,661
Americas	—	177,111	177,111
Non region specific	—	109,512	109,512
	—	1,959,010	1,959,010

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; Foreign & Commonwealth Office (FCO), UK; Federal Department of Foreign Affairs (FDFA), Switzerland; Ministry of Foreign Affairs (MFA), Sweden; Ministry of Foreign Affairs (MFA), The Netherlands.

3 Income from investments

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Current Year			
Income from investments	390	—	390
	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Prior Year			
Income from investments	418	19	437

4 Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Current Year			
Staff related costs	2,382	—	2,382
Other costs	44	—	44
Reallocation of support (see note 6)	1,958	—	1,958
	4,384	—	4,384
	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Prior Year			
Staff related costs	12,791	—	12,791
Other costs	—	—	—
Reallocation of support (see note 6)	8,570	—	8,570
	21,361	—	21,361

5 Expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Current Year			
Staff related costs	—	459,829	459,829
Mediation activity related:			
Consultants and advisors	—	205,513	205,513
Travel	—	428,625	428,625
Meeting costs	—	81,299	81,299
Professional services	—	34,393	34,393
Premises costs	—	—	—
IT & communications	—	5,848	5,848
Other office costs	—	4,622	4,622
Reallocation of support (see note 6)	—	378,029	378,029
	—	1,598,157	1,598,157

	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Prior Year			
Staff related costs	—	475,823	475,823
Mediation activity related:			
Consultants and advisors	—	488,089	488,089
Travel	—	476,319	476,319
Meeting costs	—	106,112	106,112
Professional services	—	28,771	28,771
Premises costs	—	3,725	3,725
IT & communications	—	11,151	11,151
Other office costs	—	6,358	6,358
Reallocation of support (see note 6)	—	318,824	318,824
	—	1,915,172	1,915,172

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 2018 £
Current Year			
Africa	—	186,420	186,420
Asia	—	477,089	477,089
Middle East	—	52,320	52,320
Americas	—	335,597	335,597
Non region specific	—	546,731	546,731
	—	1,598,157	1,598,157

Notes to the financial statements year to 31 March 2018

5 Expenditure (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Prior Year			
Africa	—	210,645	210,645
Asia	—	1,049,945	1,049,945
Middle East	—	153,207	153,207
Americas	—	128,092	128,092
Non region specific	—	373,283	373,283
	—	1,915,172	1,915,172

6 Support costs

	Raising Funds £	Charitable Activities £	Total 2018 £
Current Year			
<u>Governance costs</u>			
Staff related costs	51	9,870	9,921
Audit fees	42	8,237	8,280
Trustee costs	3	503	506
<u>Other support costs</u>			
Staff related costs	996	192,314	193,310
Professional services	134	25,777	25,911
Premises costs	464	89,536	90,000
IT & communications	101	19,477	19,578
Other office costs	167	32,314	32,482
	1,958	378,029	379,987

	Raising Funds £	Charitable Activities £	Total 2017 £
Prior Year			
<u>Governance costs</u>			
Staff related costs	224	8,342	8,566
Audit fees	253	9,407	9,660
Trustee costs	1	47	48
<u>Other support costs</u>			
Staff related costs	4,173	155,245	159,418
Professional services	410	15,238	15,648
Premises costs	2,235	83,140	85,375
IT & communications	482	17,943	18,425
Other office costs	792	29,462	30,254
	8,570	318,824	327,394

7 Analysis of staff costs

Staff costs during the period were:

	2018 £	2017 £
Wages and salaries	562,490	556,601
Social security costs	60,272	60,257
Pension costs	27,016	25,153
	<u>649,778</u>	<u>642,011</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:

	2018 £	2017 £
£60,001 - £70,000	1	1
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-

During the year, the average number of staff was 10 (2017: 11).

The total fees and employee benefits including pension contributions paid to the key management personnel were £225,045 (2017: £234,720).

8 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 April 2017	17,514
Additions	4,612
At 31 March 2018	<u>22,126</u>
Depreciation	
At 1 April 2017	12,670
Charge for year	2,768
At 31 March 2018	<u>15,437</u>
Net book values	
At 31 March 2018	<u>6,688</u>
At 31 March 2017	<u>4,844</u>

9 Debtors: amounts falling due within one year

	2018 £	2017 £
Prepayments	28,724	16,535
Accrued income	59,299	242,257
Income due for grant funded projects	109,879	92,437
	<u>197,902</u>	<u>351,229</u>

10 Creditors: amounts falling due within one year

	2018 £	2017 £
Taxation and social security	21,427	15,609
Trade and other creditors	36,741	110,534
Accruals and deferred income	75,906	132,003
	<u>134,074</u>	<u>258,146</u>

11 Financial instruments

	2018 £	2017 £
Financial assets:		
. Bank and cash balances	694,525	646,852
Financial assets measured at undiscounted rate receivable		
. Accrued income	59,299	242,257
. Grant debtors	109,879	92,437
Financial liabilities measured at undiscounted rate receivable		
. Trade and other creditors	36,741	110,534
. Accruals	66,970	74,921

12 Analysis of net assets between funds

Fund balances at 31 March are represented by:	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Current Year			
Tangible fixed assets	6,688	—	6,688
Net current assets	734,007	24,346	758,353
Total net assets	<u>740,695</u>	<u>24,346</u>	<u>765,041</u>

12 Analysis of net assets between funds (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Prior Year			
Tangible fixed assets	4,844	—	4,844
Net current assets	512,797	227,138	739,935
Total net assets	517,641	227,138	744,779

13 Movements in Funds

	At the start of the period £	Income £	Expenditure £	Transfers £	At the end of the period £
Current Year					
<u>Restricted funds:</u>					
Africa	—	256,002	(186,420)	(69,582)	—
Asia	—	561,798	(477,089)	(84,709)	—
Middle East	—	100,321	(52,320)	(48,001)	—
Americas	—	393,715	(335,597)	(58,118)	—
Non Region Specific	227,138	83,528	(546,731)	260,411	24,346
Total restricted funds	227,138	1,395,365	(1,598,157)	—	24,346
<u>Unrestricted funds:</u>					
General funds	517,641	227,438	(4,384)	—	740,695
Total unrestricted funds	517,641	227,438	(4,384)	—	740,695
Total funds	744,779	1,622,803	(1,602,541)	—	765,041

13 Movements in funds (continued)

	At the start of the period £	Income £	Expenditure £	Transfers £	At the end of the period £
Prior Year					
<u>Restricted funds:</u>					
Africa	—	298,299	(210,645)	(87,654)	—
Asia	—	1,108,427	(1,049,945)	(58,482)	—
Middle East	—	265,661	(153,207)	(112,454)	—
Americas	—	177,111	(128,092)	(49,019)	—
Non Region Specific	176,491	109,531	(373,283)	314,399	227,138
Total restricted funds	176,491	1,959,029	(1,915,172)	6,790	227,138
<u>Unrestricted funds:</u>					
Designated – new project development fund					
General funds	424,826	120,966	(21,361)	(6,790)	517,641
Total unrestricted funds	424,826	120,966	(21,361)	(6,790)	517,641
Total funds	601,317	2,079,995	(1,936,533)	—	744,779

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 element 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 that element of the funding. This element has therefore been transferred into the Non Region Specific category, which is utilised in accordance with donors' requirements.

14 Trustees

No trustee received any remuneration from the charity during the year (2017: none). Trustees' reimbursed expenditure during the year totalled £448 (2017: £nil). The charity has taken out a trustee indemnity insurance policy costing £454 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 £90,000 (2017 - £86,400). 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.