

Company number: 06527022

Charity number: 1173827

# International NGO Charter of Accountability Ltd

Report and financial statements

For the year ended 31 December 2018

# International NGO Charter of Accountability Ltd

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### For the year ended 31 December 2018

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# International NGO Charter of Accountability Ltd

## Reference and administrative information

For the year ended 31 December 2018

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**Company number** 06527022

**Charity number** 1173827

**Registered office and operational address** Amnesty International  
International Secretariat  
1 Easton Street  
London  
WC1X 0DW

**Country of registration** England & Wales

**Country of incorporation** United Kingdom

**Operational address** International Civil Society Centre gGmbH  
Agricolastraße 26  
10555 Berlin  
Germany

**Trading name** Accountable Now

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Sir Paul Brendan Gormley  
Caroline Harper  
Bettie van Straaten  
Elie Gasagara  
Janet Naumi Mawiyoo  
Janet Dalziell (resigned 4 May 2018)  
Rosa Inés Ospina  
Perry Maddox (resigned 7 March 2019)  
Colm O’Cuanachain (appointed 4 May 2018)  
Jose Maria Faura (appointed 4 May 2018)  
Alex Sardar (appointed 4 May 2018)  
Betty Su-Chiou Ho (appointed 4 May 2018)

**Key management Personnel** Rocío Moreno Lopez Executive Director  
(appointed 29 January 2018)

## International NGO Charter of Accountability Ltd

### Reference and administrative information

For the year ended 31 December 2018

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**Bankers**

GLS Bank  
Christstr. 9  
44789 Bochum  
Germany

**Auditor**

Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House  
108-114 Golden Lane  
LONDON  
EC1Y 0TL

*The trustees present their report and the audited financial statements for the year ended 31 December 2018.*

*Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.*

## **Message from the Chair of the Board**

*2018 threw some considerable challenges our way. To mention but a few, our sector faced the safeguarding crisis, continued growth of populism all over the world alongside increased scrutiny, government control and restricted freedoms for CSOs. It is in this context that we have striven to work on advancing the Dynamic Accountability approach – a concept of accountability practice that has become increasingly important – and 2018 proved to be a great year in mainstreaming the concept alongside our members.*

*This year we learned that it was essential to move away from the tick-box exercise of accountability to processes that involve and prove openness, transparency, responsiveness which in turn demonstrate how our members are engaging with continuous dialogue that brings people to the heart of the work we are doing. This is what we at Accountable Now spent 2018 on developing and we are looking forward to continuing the process into 2019 with you, our members.*

*It's time to use all we have learnt in 2018 at our AGM, Annual Workshop and webinar series and develop our knowledge on Dynamic Accountability further. Our recently approved Beyond 2018 strategy puts the Dynamic Accountability approach at its core and 2019 looks to be a busy yet rewarding year: we want to provide more support to our members when it comes to their accountability practices; we want to bridge the gap between the feedback that members receive from our Independent Review Panel. To do so, we will launch the 100-day Challenge with the purpose of working with members to strengthen their complaints mechanisms. Importantly, we will also use this opportunity to strengthen Accountable Now's own mechanisms so that we too ensure we practice what we preach. In addition, we have planned a new webinar series that explores different ways of working towards complying with our 12 Commitments.*

*As part of the Global Standard, we are developing tool kits for organisations that wish to begin engaging with the network and we have also commissioned the development of a document that will explore the Dynamic Accountability concept and its implementation. This is just a little glimpse of what lies ahead for 2019 and we look forward to working with our members on advancing accountability practices in CSOs.*

*Thank you for helping make 2018 an insightful and vibrant year.*

**Brendan Gormley, Chair of the Board & Rocio Moreno Lopez, Executive Director**

## Objectives and activities

The Charity aims to promote the efficiency and effectiveness of charities and the effective use of charitable resources including without limitation on the part of charities working in international development, aid, relief, environmental protection, anti-corruption or any related fields by:

- ▶ The development and promotion of operating standards and methodologies for testing accountability, transparency and impact;
- ▶ Developing and publishing support resources to promote and encourage the adoption of such standards.

The Charity further aims to advance the education of the public including without limitation in subjects relating to the accountability, transparency and impact of charities, non-governmental or other organisations working in international development, aid, relief, environmental protection, anti-corruption or any related fields and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large,

## Purposes and aims

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Accountable Now is a global platform that supports civil society organisations (CSOs) to be transparent, responsive to stakeholders and focused on delivering impact. Our Members are internationally operating CSOs who drive this agenda together with us.

Accountable Now was founded in 2008 under the name International NGO Charter of Accountability by 10 leading CSOs, including development, humanitarian, environmental, rights-based and advocacy organisations. As Membership and global collaboration increase, our collective voice is strengthened. Today, we have 27 Member Organisations which are active in more than 150 countries and impact stakeholders all over the world.

## Improving CSO impact through Dynamic Accountability

Civil society organisations (CSOs) are an essential part of democracy and sustainable development. In order to be effective and enhance people's trust, CSOs need to mainstream an accountability approach that is more dynamic. This dynamic approach continues to promote openness and transparency but it also encourages organisations to have a more proactive, feedback-driven approach where their stakeholders – people, donors, staff, among others – have an active role in shaping the organisation's policies and the activities they undertake and that have an impact on people's lives. It is through this process that organisations will strengthen their day-to-day operations and thus achieve greater impact.

Accountable Now wishes to work with its member organisations and other stakeholders to go beyond the usual accountability exercise that focuses on reporting, to a more sustainable and long-term approach where Dynamic Accountability is embedded in CSO culture and people are at the heart of the decision-making process.

### To do so, Accountable Now will provide support so that:

- ▶ Civil Society Organisations adopt strong Dynamic Accountability practices to enhance public trust
- ▶ Civil Society Organisations and other stakeholders mainstream Dynamic Accountability practices in their day-to-day operation so that they achieve greater impact
- ▶ We foster international exchange on accountability tools and practices to enhance knowledge

### 1. Encourage the adoption of strong Dynamic Accountability practices to enhance trust

Accountable Now's set of 12 accountability commitments, adopted from the Global Standard for CSO Accountability, are a tool for Dynamic Accountability. Dynamic Accountability is an approach driven by a two-way feedback stream. Through a continuous dialogue with our stakeholders – especially the people we work for and with – and by including their voices in the organisation's decision-making processes, stakeholders take an active role in shaping the CSO policies and activities that impact their lives.

Reporting on activities, policies and outcomes is only one activity that CSOs should be undertaking to be truly accountable. CSOs need to move away from top-down accountability mechanisms to an approach where information flows in different directions and not only top-down or bottom-up. It is through this approach that organisations will be able to enhance trust, strengthen their legitimacy and become more effective.

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For the year ended 31 December 2018

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**Provide tailored support to members and other civil society organisations to embed strong Dynamic Accountability practices.**

- Based on members' needs and shortcomings in regard to their accountability practices, provide ad-hoc support so that they can comply with our minimum requirements and reach the goals established by our 12 accountability commitments.
- Facilitate discussions on the main principles and characteristics of the Dynamic Accountability approach so that these can be adopted in external and internal accountability mechanisms.

**To define and promote accountability benchmarks that seek to advance a more dynamic approach.**

- With the help of Accountable Now's Independent Review Panel, we will develop a model report that includes benchmarks and examples of good practices taken from our members' reports. This will be a useful guide for Members and other organisations on how to draft their reports. This exercise will also inform the provision of in-depth feedback which is consistent across the board whilst taking into account each Member's unique context.
- Our webinars, working groups, workshops and peer advice groups (PAGs) will target members' needs and challenges. We will not only facilitate the PAGs, but will actively organise them and provide guidance and useful resources based on identified areas for improvement amongst our membership.
- The best practice section of the website will be widely disseminated and best practices will be chosen on the basis of the benchmarks in the model report.

**To encourage continuous improvement.**

- Continuously improve our reporting and vetting system to drive organisational developments in CSOs towards better accountability practices.
- Foster active exchange of expertise among Accountable Now partners.
- Develop a State of the Sector Report to identify key trends and opportunities for our members.

**To foster a meaningful conversation with the wider public on our Members' and other CSOs' accountability efforts by disseminating their reports and good practices.**

- Disseminate reports and good practices via our newsletter, social media and other relevant fora.
- Strengthen our best practice library as explained above in point 2.
- Work with members to improve their own efforts to disseminate reports and other relevant information.
- Work with members to explore how reports and other relevant information can be translated into a simple and easy to read format that is useful for the people they work with.

## 2. Promote a culture of Dynamic Accountability

Accountable Now's 12 commitments have the purpose of not only providing a guide for organisations to reflect on their outcomes and impact but also on how these were achieved, and to transform the way organisations operate. In this sense, it is really about making sure that accountability is not another box-ticking exercise, but more a transformative process where organisations become more accountable internally and externally. To do so, this not only requires buy-in and support from CSOs but also from other key stakeholders such as donors.

### **To monitor, learn, document and disseminate cases of effective Dynamic Accountability practices and tools.**

Accountable Now will produce case studies on good practices from members and other organisations that are implementing different Dynamic Accountability practices to learn from these and identify successful approaches by context, type of organisation and approaches. The documented information will be widely disseminated and discussed with the wider CSO community through webinars, workshops, conferences and tools. Evidence based research will be taken from:

- The Global Standard for CSO Accountability
- People-powered decision-making pilots
- The Development Alternative
- Resilient Roots
- Members' accountability reports

### **To encourage the donor community and other stakeholders –e.g. regulatory institutions- to adopt, promote and support a culture of Dynamic Accountability among the CSO sector.**

1. Use the case studies and other relevant evidence-based research to inform the donor community to the Dynamic Accountability approach, its principles and benefits for CSOs.
2. Engage and collaborate with donors so that they support, implement and promote the approach with their grantees.
3. Inform the discussions on due diligence, legal and regulatory requirements and any other mechanism that serves as an accountability mechanism so that these are not "another tick-box exercise".

## 3. Foster international exchange on accountability tools and practices to enhance knowledge

When it comes to accountability, there are many initiatives around the world that have their own codes and standards. Furthermore, each donor has its own reporting framework. Whilst acknowledging the importance that each framework has, accountability has become a costly and time-consuming effort for many organisations. With the purpose of exploring collaboration, complementarity and alignment, Accountable Now will:

- Collaborate with other accountability initiatives -code and standard holders- to explore opportunities for collaboration, cross reporting and minimise multiple reporting requirements.

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- Engage with the donor community and other relevant stakeholders – such as regulatory bodies – to identify how our reporting framework is useful for their own due diligence processes.
- Foster a strategic relationship with other initiatives and platforms that have accountability tools to learn and exchange lessons learned.

## Achievements and performance – Dynamic Accountability in Action

The charity's main activities and who it tries to help are described below. All its charitable activities focus on 2018 and are undertaken to further International NGO Charter of Accountability Ltd's charitable purposes for the public benefit.

### 1. The Global Standard for CSO Accountability

The [Global Standard for CSO Accountability](#) is an initiative of nine well-established civil society accountability networks from around the world. Accountable Now has been the driving force in developing this project and is one of the nine Project Partners. The overarching aim is to strengthen the effectiveness of CSOs worldwide by devising a collective Global Standard on CSO Accountability. The networks have, over the past two years, cooperated to learn from each other, gain a truly global view on CSO accountability, improve their codes and reduce transaction costs. The Global Standard is built from the bottom up, carving out the significant existing overlap on core parameters for CSO accountability in all participating codes. It will be used as a key reference standard for the nine networks and serve as a global point of orientation for CSO accountability globally. The Global Standard is written in a succinct language and serves as a collective base for CSOs from the North and South to engage from.

Accountable Now, as Secretariat of the Global Standard, is working closely with Project Partners to advance the project into a fully-fledged community of civil society networks that promote Dynamic Accountability. 2018 proved to be a year of progress and new experiences, where Project Partners closely collaborated to expand the presence of the Global Standard around the world.

#### Highlights:

##### *Participation to the International Civic Forum (October 2018)*

Accountable Now participated in the International Civic Forum, an activity of the Securing Civic Rights project also funded through the Sida project but coordinated by the International Civil Society Centre, with the objective of promoting CSO accountability as a way to become more resilient to shrinking civic space. Our participation strengthens the collaboration between both projects through the exchange of ideas between AN and the Civic Charter members. Furthermore, it allowed expanding our outreach efforts to new CSOs, donors and international organisations.

##### *Dynamic Accountability Week (November 2018)*

In the framework of the Global Accountability Week, the Global Secretariat hosted by us since April last year, organised the Dynamic Accountability Week. With the purpose of position the Global Standard for CSO Accountability and the Dynamic Accountability approach, a series of parallel events/activities/actions were organised within this week (DAW). Every Global Standard Project

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**For the year ended 31 December 2018**

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Partners carried out a variety of activities, promoting the discussion on Dynamic Accountability globally and in their regions.

*Donor meeting (November 2018)*

Accountable Now hosted a meeting to discuss the Global Standard and the Dynamic Accountability approach with donors based in London. We had an insightful discussion with donors –such as Open Society Foundations and the Blgrave Trust- who were practicing elements of dynamic accountability in their grant-making already who are seeking to be more involved with their partners' work on the ground.

[Webinar: Dynamic Accountability: a people-powered approach](#)

An introduction to the concept of Dynamic Accountability and how it is transforming accountability processes into an ongoing dialogue that drives learning and change, develops empowerment and trust and enhances the legitimacy and credibility of CSOs.

[Webinar: Dynamic Accountability: how to start \(co-hosted with Rendir Cuentas\)](#)

A practical application of Dynamic Accountability, demonstrating how the Global Standard has used alignment and self-assessment tools to become dynamically accountable.

## **2. Resilient Roots**

### **History**

Accountable Now's participation in the initiative and how the initiative is providing useful insight into the effectiveness of Dynamic Accountability

Coordinated by CIVICUS and funded by the Ford Foundation with support provided by Keystone Accountability and Accountable Now, the Resilient Roots initiative tests whether organisation's who are more accountable and responsive to their roots - namely, their primary constituents - are more resilient against external threats.

We are currently working with 15 CSOs around the world to help them design and rollout year-long accountability projects. We have created mechanisms and tools for ongoing peer-learning between the pilot projects where pilots are exchanging progress and learnings with each other as well as partaking in webinars and peer advice calls based on common needs, challenges and provide advice to each other. Additionally, we are coordinating the community of practice so that every participating CSO can share their experiences and learn from each other. By collating lessons learned in various blog posts, this has enabled the production of resources that support other organisation's to develop and adopt their own constituent accountability approaches, to achieve scale far beyond the original pilots.

### **What we will do in 2019**

We will be producing more detailed learnings that our pilots are having while implementing their pilot projects and how they approached the feedback loop process from start to closing in a variety of different contexts all over the world. We will also have more updates on what we learn about the link between PC accountability and resilience.

[More details on the Resilient Roots webpage.](#)

### 3. Development Alternative

#### History

A new and exciting project, the Development Alternative, has kicked off with a programme that is designing solutions to bridge the imbalance of power between the people, organisations and decision makers involved in development work.

The Development Alternative consortium will build a model for change in partnership with young people, southern CSOs and development partners with the aim to build a fully tested model that can be replicated at scale and applied to big development challenges, whether tackling maternal and child deaths, responding to the impact of rapid urbanisation across the African continent or ensuring all young women and girls can access an education.

At Accountable Now we are looking forward to bringing our expertise on Dynamic Accountability to the table. With our wide network of ICOSOs and involvement in projects with local CSOs we will be providing the project a means to access and work together with organisations from around the world and begin to do development differently.

#### Coming up in 2019

Once the co-creation phase is over in 2019, we will host a webinar for the Accountable Now network to present lessons learned from the unique way of working in the consortia.

We are further using various communications mechanisms and events to disseminate lessons learned. This includes our AGM in May 2019 and our annual workshop in October 2019. We will also use the lessons learned in further discussions with other donors via a donor round table.

Internally we are discussing key takeaways with the whole team to make sure the learnings from the Development Alternative are streamlined into all aspects of Accountable Now's work.

### 4. The 12 Accountability Commitments

Strong accountability principles and practices are essential for civil society organisations' legitimacy, the quality of our work and to maintain the trust we depend on.

Accountable Now's [Accountability Commitments](#), derived from the Global Standard, are at the core of what we regard as good practice in CSO accountability and form the value basis of Accountable Now. All Members have signed these 12 Accountability Commitments and seek to respect and promote them.

#### History

Accountable Now initially had ten commitments as a voluntary code of conduct. These were initiated in 2005 by 11 international CSOs. In 2008, Accountable Now (previously INGO Accountability Charter) was founded as an organisation to assure compliance and to further improve international civil society standards. In 2014, the Commitments were fully revised by a working group of Accountable Now Member Organisations. In June 2017, Accountable Now's Members unanimously

## Trustees' annual report

### For the year ended 31 December 2018

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agreed to adopt the 12 Accountability Commitments of the Global Standard for CSO Accountability to replace the Charter commitments, thus aligning with eight other CSO accountability networks around the world.

### **The Purpose of the 12 Accountability Commitments**

The 12 Accountability Commitments outline our common commitment to transparency and accountability as being essential to good governance, whether by governments, businesses or civil society. Wherever we operate, we seek to ensure that the high standards which we demand of others are also respected in our own organisations.

The Commitments complement and supplement existing laws. They are voluntary and draw on a range of existing codes, norms, standards and guidelines. Their adoption does not prevent Members from supporting or using other tools to promote transparency and accountability.

### **5. New Reporting Framework**

Accountable Now Members are required to report annually against the [12 Accountability Commitments](#). A comprehensive reporting framework allows us to assess if these promises are being delivered. An independent review mechanism ensures integrity and credibility.

### **Reporting and Assessment Framework**

With the [Global Standard for CSO Accountability](#), we have developed globally accepted key criteria for what makes a good civil society organisation (CSO). The Global Standard's 12 Accountability Commitments have replaced our Charter of 10 Accountability Commitments, after being adopted by our [Members](#) at our 2017 annual general meeting (AGM). This naturally called for a review of the reporting guidelines and assessment criteria.

In 2018 Accountable Now began its work with its members on using the new reporting framework in light of changing member needs. Furthermore, we held a face to face meeting with the Independent Review Panel so that they fully understood the particularities of the framework and how they sought to document how our members were implementing a dynamic approach to accountability.

### **Reporting Framework changes:**

During 2017 Accountable Now adopted a new reporting framework and 2018 saw the first set of members use these [new questions](#) in their reporting rounds. With members giving feedback on their experience with the new framework, together the IRP and Secretariat discussed improvements and changes that needed to be made to make the reporting experience as streamlined for members as possible.

What can be expected from the [new reporting framework](#)?

- o Clearer emphasis on safeguarding processes and policies
- o Stronger link to Dynamic Accountability
- o Strengthened involvement of members CEOs in the reporting process with a more detailed opening statement
- o Follow-up calls to discuss the Panel's feedback

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To help members through our new reporting process we have developed a [guidance document](#), providing minimum expectations for each question, aspirational practices, examples of good practice from members' reports and links to further resources – all to help members get a clearer idea of what we are looking for in accountability reports.

We hope these changes will make our reporting mechanism increasingly useful for our members. As we continue to strengthen the focus on Dynamic Accountability our new reporting framework should help your organisation focus on process, impact and stakeholder engagement much more than before.

### Reporting Process

The review process itself is laid out in the [Reporting and Assessment Framework](#). New Accountable Now Members have to submit their first accountability report no later than 18 months after the end of their financial year in which they joined Accountable Now. In the following reports, members have to report annually, no later than 6 months after the end of their financial year. Members with an exceptional track record and high standard of reporting are eligible to report in full every two years.

Once Members have handed in their [Accountability Reports](#), the Secretariat pre-screens the reports before they are forwarded to the [Independent Review Panel](#) for in-depth and individual feedback. Recommended areas for progress are summarised by the Panel in an enclosed Improvement Analysis. The Panel consists of internationally-recognised experts from around the globe, with backgrounds in development, human rights, business and academia. It is an honorary appointment, which ensures the credibility and integrity of the reporting process.

All Members are invited to comment on the Panel's feedback to the report. These comments are published on Accountable Now's website along with the Accountability Report and the Panel's feedback letter. [Click here to view all Members' reports, which have been reviewed by the Panel since 2009.](#)

## Annual Workshop 2018

20 representatives of 17 CSOs, both members and non-members of Accountable Now, joined our workshop in Berlin to discuss Dynamic Accountability in relation to advancing the SDGs.

During the workshop participants worked on understanding and defining Dynamic Accountability and understanding how to begin adopting the concept into organisational and project work: "Dynamic Accountability" or people-powered accountability entails a new approach to accountability where the exchange of information goes two ways. Organisations are not only transparent about their actions but they also actively seek feedback from their stakeholders. This feedback informs organisation's decisions so that they can both continuously strengthen their performance and build trusted relationships. It transforms accountability processes into an ongoing dialogue which drives learning and change, develops trust and enhances the legitimacy and credibility of Civil Society Organisations (CSOs). All of this is critically important to adjust everyday work on projects and programmes so they truly consider and contribute to the SDGs. [Access full workshop outcome.](#)

## Webinars

Webinars are a way to strengthen exchange among Accountable Now Members, share expertise and discuss critical aspects of accountability. Webinars are exclusively organised for Accountable Now Members and free of charge.

Last year we launched our webinar series, *An Opportunity in Disguise*: addressing the topic of failures. The series was composed of four webinars where we had the purpose of seeing failures as an opportunity for CSOs to learn where and how they can improve. Our aims for this webinar series was to introduce members to accountability tools and mechanisms that other organisations have used to deal with their failures as well as cover how to report sensitive issues transparently.

### **Webinar 1: Professional failures - How to own up to achieve successes with Pepe Villatoro, FuckUp Nights**

FuckUp Nights is a global movement and event series where individuals can share stories of professional failures. We explored why openly admitting our failures is so important for our own success and the success of the organisation we work for and invited our members for a refreshing failure-sharing session.

### **Webinar 2: Organisational culture - How to address failures and spark a cultural shift in your organisation, with Sarah Crass, World Vision**

Failure is the f-word in international development, yet a reality we all must face. Civil society Organisations often work in failed environments and yet we expect success 100% of the time. But if you read our project reports, we have "uneven successes", "lessons learned", and every other euphemism we can imagine just to keep from saying one simple word: failure.

In 2016 World Vision launched its first Partnership-wide 'Fail Fest: Celebrating Learning Champions', a virtual event that involved all parts of the organisation and enabled open sharing of failure as basis for learning. This becoming an annual event is contributing to the cultural shifts in World Vision's strategy of being more humble in their need to learn and more honest in sharing those learnings with their colleagues. Sarah Crass is organising these events within World Vision and she shared her experiences on how cultural shifts can be sparked.

[Recording and more information on our website](#)

### **Webinar 3: The donor's perspective: How to work with grantees to report transparently on failures with Michael Jarvis, Transparency and Accountability Initiative and Jed Miller, 3 Bridges**

Following up on the conversations in our previous webinars where we talked about how organisations can implement processes to better learn from their failures internally, we used this webinar to explore what donors think about this approach and how grantees can have this conversations with their donors more openly.

[Recording and more information on our website](#)

**Webinar 4: Equity, diversity, and inclusion – How to identify areas of risk in your organisation with Natalia Kirytopouloiu, Senior Consultant, Keystone Accountability**

Our final webinar of the series discussed Keystone Accountability's survey that enables organisations to see where safeguarding and whistleblowing policies are not effective at unearthing systemic issues relating to equity, diversity and inclusion. This survey provides data on the perceptions and experiences of colleagues as well as highlights their suggestions for strengthening working culture. Disaggregation of the results allows there to be understanding on which groups feel most vulnerable, when particular issues are most likely to arise, and where people feel safe, valued, and productive.

[Recording and more information on our website](#)

## Peer Advice Group

Receiving feedback from stakeholders and turning this process into a meaningful conversation is at the heart of every Accountable Now member's work. However, putting theory into practice can be difficult and confronts implementers with many expected but also unforeseen challenges. Having a complaints mechanism is a minimum requirement for Accountable Now's members and receiving feedback should be at the heart of every member's work. Yet we are still observing that several members' mechanisms have room for improvement.

For this reason, we launched a 100-day PAG challenge where we are creating a space for members to address this collectively. This was launched in December 2018 and will culminate in the AGM in May 2019. Monthly calls will take place in addition to constant communication through an online platform, Workplace. In Accountable Now's PAGs we will enable our members to address these issues collectively and learn from each other.

### Aim

The aim of the group is to create a space for sharing experience and best practice on setting up and managing feedback and complaints mechanisms. Discussions should generate ideas for making existing feedback mechanisms more effective, and deal with issues for consideration when setting up new feedback mechanisms.

### The 100-day challenge approach:

The participants of the "Feedback and Complaints Mechanism Challenge" will come together as a peer advice team facilitated by Accountable Now. The team will work together for 100 days and run through the 100-day Master the Challenge Cycle while adhering to the Dynamic Accountability principle:

**1. Refine the "100-day" team goal:** To master the first step towards the challenge the group needs to be more than individual organisations working together. They need to build an entity that refines the suggested "100-day goal" and clearly assigns responsibilities amongst them.

**2. Set your individual objective:** Within reaching the "100-day" goal, each member of the challenge team will come with their own individual objective that they want to explore in order to improve their organisation's feedback and complaints mechanism. Setting your objective will depend on

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analysing and diagnosing weaknesses and where your individual organisation can improve. This could be done by using for example the DFID organisational learning tool.

**3. Co-create the road to success:** Considering each member's individual objective while also keeping the team's "100-day" goal in mind, a timeline to accomplish the Challenge will be designed. In the design we will also discuss how to include the Dynamic Accountability principle in the process. Depending on the individual objectives of the team members, we will outline who needs to be involved in which conversation and form smaller groups for similar objectives. We will also pair up team members who diagnosed a certain weakness with the ones who are already more advanced in that particular area. This will allow us to explore different formats of exchange and make the group as flexible and effective as possible.

**4. Share, discuss, implement and review:** With the support of Accountable Now, members will now share, discuss and implement ideas to improve their feedback and complaints mechanisms. Based on the objective of each individual (that defines the particular aspect each member is interested in), not everyone will be part of each discussion. Members will join in the discussions they are best able to contribute to or also the ones they have special knowledge about. Progress will be regularly checked against the "100-day" goal and individual objectives to ensure we stay on track.

**5. Learn, adapt & document:** Based on what we learn throughout the project each member will lay out a plan on how to adapt their internal and external feedback and complaints mechanism. Accountable Now will compile best practices. 6. Master the first step towards the challenge In the end the team will have achieved the set "100-day" goal as well as their individual objectives.

## Looking Ahead

### Financial review

For the year to 31 December 2018, Accountable Now achieved a surplus of €112,431 (2017: surplus €22,906). The surplus relating to general unrestricted funds totaled €950 (2017: surplus €17,184). Membership fees were lower than expected as €4,000 fees were not received from Solidarity Now and this bad debt was written off in the year.

From January to December 2018, Accountable Now total income will close at around €526,232. This income is 43% higher than our 2017 income.

Accountable Now's income was composed as follows:

	2018	2017
Membership fees	53%	74%
Global Standard	38%	13%
Digital Accountability	8%	12%
Workshop fees	1%	1%

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### For the year ended 31 December 2018

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As can be seen, our Members' fees continue to be Accountable Now's largest source of income; however, external restricted funds are becoming significantly important, providing 46% (2017:25%) of our operation income.

#### Expenses

In 2018, Accountable Now spent €413,801, 20% more than what was spent in 2017. The expenses were composed as follows:

Staff costs	58%
Overhead costs	17%
Programmatic costs (GS, DA)	12%
Accountable Now core events (AGM, Board meeting, workshop, IRP)	4.7%
Legal and Finance	4%
Unforeseen expenses	3%
Outreach and Fundraising	1%

Programmatic costs were mostly related to organizing or attending events and other strategic events. With regards to restricted funds, we underspent €5,993 in the Digital Accountability fund due to a late start of the Development Alternative project. With regards to the Global Standard, we underspent €130,936 from the total amount of resources that were allocated to spend in this period. Underspending can be explained by the fact that most activities will take place in 2019.

In contrast, there are four line items where we overspent.

- Legal and Finances (€3,029): additional costs enquired when hiring the support from an external accountant and costs linked to hiring a lawyer to advice on registration in Germany.
- Unforeseen expenses (€9,327): costs related to search for a Chair.
- Meetings (€1,776): IRP meeting was more expensive than foreseen.
- Higher secretariat costs due to 2 new staff members that will be working for the Global Standard.

## Reserves policy and going concern

Operational reserves are held to ensure that Accountable Now operates effectively and is financially sustainable. They act as a safety margin and allow for flexibility in managing Accountable Now's resources. The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle.

#### Risk assessment

Risks associated with income different from that originally budgeted include:

- ▶ loss of Accountable Now Members (however, operations can be adjusted in time due to the withdrawal deadline of 01 September for the coming year);

## Trustees' annual report

### For the year ended 31 December 2018

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- ▶ Members not paying their Membership fees without officially leaving Accountable Now (however, it is unlikely that a substantial number of Members will collectively risk the reputation damage of non-compliance with their Membership fee obligations);
- ▶ termination of agreements by donors. Unforeseen or unusual expenditures include fees for legal advice or representation, maternity leave and sickness cover.

#### Statutory reserves

As a company limited under UK law and according to Accountable Now's Articles of Association (5. Liability of Members), Accountable Now is required to hold minimum statutory reserves of £1 per Member. This amount must be available immediately in any given moment. As Accountable Now currently has 27 Members, this means approximately 31 €. Each new Member will add £1 to the statutory reserves and these should be kept at the level of 50 € to allow for new Members.

#### Operational reserves

Accountable Now's obligations as administrator of the Membership and in accordance to the service and cooperation contracts with the International Civil Society Centre should be covered by appropriate reserves. Generally, the operational reserves should cover six months of operating costs. Accordingly, **the most appropriate level of reserves should be adapted annually to be kept at a minimum level of 50% of the total amount budgeted to cover the Secretariat's basic costs.** These costs include salaries and overheads (equipment, office space, lighting, internet and any other related operating costs)..

#### Investment of reserves

Accountable Now's overall motive for making investments is financial returns on its savings and reserves. Sustainability of possible investments and the adherence to ethical benchmarks need to be secured and maintained through agreed and sector standard disqualification criteria.

#### Monitoring

Accountable Now's level of reserves is monitored by Accountable Now's Secretariat and the Treasurer on a quarterly basis, reported to the Board on a yearly basis, and presented within the audited annual financial statements of the organisation. The desired levels of reserves will be achieved in a 3-year period. Once achieved, should projections indicate that the reserves might fall **below 50% of the total amount budgeted to cover the Secretariat's basic costs**, Accountable Now's Secretariat will notify the Board of Trustees for consultation.

## Structure, governance and management

### Trustees' powers and responsibilities – general (7.1 Articles of Association)

The Trustees are responsible for the management of the Charity's business, for which purpose they may exercise all the powers of the Charity. In particular, the Trustees shall have the power, without limitation, to:

- ▶ appoint (and remove) any person to act as secretary to the Charity in accordance with the Companies Acts (the "**Secretary**");
- ▶ appoint a Chair, Treasurer and other honorary officers from among their number;
- ▶ establish and manage a Secretariat to provide administrative support to the Charity; and

**Trustees' annual report**

**For the year ended 31 December 2018**

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- ▶ establish the systems and procedures described in Article 7.1(b) for the handling of complaints.

The Trustees shall establish, and may amend from time to time, a procedure for the handling of complaints by any party against any Member(s) or the Charity regarding compliance with the Accountability Commitments (the "**Complaints-Handling Procedure**").

The Trustees may delegate any of the powers which are conferred on them under the Articles:

- ▶ to such person or committee;
- ▶ by such means (including by power of attorney);
- ▶ to such an extent;
- ▶ in relation to such matters or territories; and
- ▶ on such terms and conditions;

as they think fit.

If the Trustees so specify, any such delegation may authorise further delegation of the Trustees' powers by any person to whom they are delegated.

The Trustees may revoke any delegation in whole or part, or alter its terms and conditions.

## **Appointment of Trustees**

### **(9.1 Articles of Association)**

a) Unless otherwise determined by the Trustees, the Board shall be made up of up of a minimum of five Trustees. At least 60% of Trustees must be Authorised Representatives of Members.

b) Trustees who are Authorised Representatives of Members or organisations formally associated to the Accountability Commitments must be appointed as Trustees by ordinary resolution of the Charity. Independent Non-Member Trustees may be appointed by the other Trustees Board. No Member or organisation formally associated to the Accountability Commitments may have more than one Authorised Representative appointed as a Trustee.

c) Each Trustee shall be appointed to serve for a term of three years commencing at the AGM at which s/he is appointed. Any Trustee may be re-appointed once at the end of his/her three-year term, but may not serve more than two terms consecutively. The Trustees may unanimously resolve that, due to exceptional circumstances, a Trustee should continue to hold office for a maximum additional period of one year.

Thereafter, a Trustee may not serve for a period of one full term, at the end of which they may be re-nominated as a Trustee. While there is no limit as to the overall number of terms a Trustee may serve, no Trustee may serve more than two terms consecutively.

For the purposes of this Article, a term shall commence:

- in the case of Trustees who are Authorised Representatives, on the date of the AGM at which they are appointed; or
- in the case of Independent Non-Member Trustees, on the date of the first AGM following their appointment by the other Trustees Board; and in the case of all Trustees, shall end on the date of the third AGM following that at which they are appointed.

Trustees' annual report

For the year ended 31 December 2018

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d) The Trustees may appoint a person who is willing to act to be a Trustee, and would not be disqualified from acting under the provisions of Article 10(a), either to fill a vacancy or as an additional Trustee and in either case whether or not for a fixed term. Irrespective of the terms of his appointment, a Trustee so appointed shall hold office only until the first AGM after his appointment and shall not be taken into account in determining the Trustees who are to retire by rotation at the meeting. If not re-appointed at such AGM, he shall vacate office at its conclusion

e) No person may be appointed as a Trustee unless he or she has reached the age of 16 years.

The organisation is a charitable company limited by guarantee, incorporated on 07 March 2008 and registered as a charity on 14 July 2017.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note **5** to the accounts.

## Related parties and relationships with other organisations

Accountable Now's Secretariat is hosted by the [International Civil Society Centre](#) in Berlin, Germany. The Centre is a global action platform for ICSSOs focused on leadership support, identifying future trends in civil society and facilitating cooperation. While the International Civil Society Centre and Accountable Now share a lot of Members and have successfully joined forces on many projects, they remain two separate legal organisations. More detailed information can be found in the Service and Cooperation Contracts between the Centre and Accountable Now in note **7** to the accounts.

For information on other organisations who are related parties, please visit our [Members'](#), our [Global Standard Project Partners'](#) and other [Project Partners'](#) pages on our website.

## Statement of responsibilities of the trustees

The trustees (who are also directors of International NGO Charter of Accountability Ltd for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 Charities SORP
- ▶ Make judgements and estimates that are reasonable and prudent
- ▶ State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that 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.

In so far as the trustees are aware:

- ▶ There is no relevant audit information of which the charitable company's auditor is unaware
- ▶ The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2018 was 27 (2017: 25). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

**Trustees' annual report**

**For the year ended 31 December 2018**

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## Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the strategic report has been approved by the trustees on 23 May 2019 and signed on their behalf by

Sir Paul Brendan Gormley  
Board Chair

## Independent auditor's report

### To the members of

#### International NGO Charter of Accountability Ltd

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##### Opinion

We have audited the financial statements of International NGO Charter of Accountability Limited (the 'charitable company') for the year ended 31 December 2018 which comprise the statement of financial activities, balance sheet and notes to the financial statements, including a summary of significant accounting policies. 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 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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.

## Independent auditor's report

### To the members of

#### International NGO Charter of Accountability Ltd

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##### Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual 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' annual 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' annual report and from the requirement to prepare a strategic report.

## Independent auditor's report

### To the members of

#### International NGO Charter of Accountability Ltd

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##### Responsibilities of trustees

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

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.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

## Independent auditor's report

### To the members of

#### International NGO Charter of Accountability Ltd

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exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### 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.

Jonathan Orchard (Senior statutory auditor)

**DATE**

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

International NGO Charter of Accountability Ltd

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2018

	Note	Unrestricted €	Restricted €	2018 Total €	Unrestricted €	Restricted €	2017 Total €
<b>Income from:</b>							
Charitable activities							
Membership		281,000	-	281,000	269,875	-	269,875
Global Standards		-	200,014	200,014	-	47,503	47,503
Digital Accountability		-	41,977	41,977	-	45,002	45,002
Other trading activities	2	3,200	-	3,200	4,050	-	4,050
Other		41	-	41	-	-	-
<b>Total income</b>		<b>284,241</b>	<b>241,991</b>	<b>526,232</b>	<b>273,925</b>	<b>92,505</b>	<b>366,430</b>
<b>Expenditure on:</b>							
Raising funds		22,663	-	22,663	20,958	-	20,958
Charitable activities							
Membership		155,811	-	155,811	140,980	-	140,980
Global Standards		56,658	93,442	150,100	51,245	42,865	94,109
Digital Accountability		48,159	37,068	85,227	43,558	43,919	87,477
<b>Total expenditure</b>	3	<b>283,291</b>	<b>130,510</b>	<b>413,801</b>	<b>256,741</b>	<b>86,783</b>	<b>343,524</b>
<b>Net income / (expenditure) for the year</b>	4	<b>950</b>	<b>111,481</b>	<b>112,431</b>	<b>17,184</b>	<b>5,722</b>	<b>22,906</b>
Transfers between funds		-	-	-	-	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>950</b>	<b>111,481</b>	<b>112,431</b>	<b>17,184</b>	<b>5,722</b>	<b>22,906</b>
<b>Net movement in funds</b>		<b>950</b>	<b>111,481</b>	<b>112,431</b>	<b>17,184</b>	<b>5,722</b>	<b>22,906</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		149,366	25,448	174,814	132,182	19,726	151,908
<b>Total funds carried forward</b>		<b>150,316</b>	<b>136,929</b>	<b>287,245</b>	<b>149,366</b>	<b>25,448</b>	<b>174,814</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14a to the financial statements.

## Balance sheet

Company no. 06527022

As at 31 December 2018

	Note	€	2018 €	€	2017 €
<b>Fixed assets:</b>					
Intangible assets	9	7,810		-	
Tangible assets	10	1121		-	
		<u>8,931</u>		<u>-</u>	
<b>Current assets:</b>					
Debtors	11	27,792		-	
Cash at bank and in hand		362,163		226,155	
		<u>389,955</u>		<u>226,155</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	12	(111,641)		(51,341)	
<b>Net current assets</b>			<u>278,314</u>		174,814
<b>Total net assets</b>			<u><u>287,245</u></u>		<u><u>174,814</u></u>
<b>The funds of the charity:</b>	14a				
Restricted income funds			136,929		25,448
Unrestricted income funds:					
General funds		150,316		149,366	
Total unrestricted funds		<u>150,316</u>		<u>149,366</u>	
<b>Total charity funds</b>			<u><u>287,245</u></u>		<u><u>174,814</u></u>

The opinion of the directors is that the company is entitled to the exemptions conferred by section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge the following responsibilities:

- (i) the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006;
- (ii) the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006;

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 23 May 2019 and signed on their behalf by

Sir Paul Brendan Gormley  
Board Chair

**1 Accounting policies**

**a) Statutory information**

The registered office address is Amnesty International, 1 Easton Street, London, WC1X 0DW and the principal place of business is International Civil Society Centre GmbH, Agricolastraße 26, 10555 Berlin, Germany.

**b) Basis of preparation**

The financial statements are prepared in Euros. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015/March 2018) and the Companies Act 2006/Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

As a smaller charity, in accordance with SORP Update Bulletin 1, a Statement of Cash Flows is not required.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

**c) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g) Interest receivable**

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

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

**1 Accounting policies (continued)**

**i) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- |                          |     |
|--------------------------|-----|
| ● Raising funds          | 8%  |
| ● Membership             | 55% |
| ● Global Standards       | 20% |
| ● Digital Accountability | 17% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**k) Tangible assets**

Items of equipment are capitalised where the purchase price exceeds €500. Tangible assets comprise of computer equipment which have been depreciated on a straight line basis over 5 years.

**l) Intangible assets**

Intangible assets comprise of the logo and website that were purchased as part of the Global Standards agreement and have a useful economic life of 14 months.

**m) Debtors**

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

**n) Cash at bank and in hand**

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

**o) Creditors and provisions**

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

**p) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2 Income from other trading activities**

	Unrestricted €	Restricted €	2018 Total €	Unrestricted €	Restricted €	2017 Total €
Workshop fees	3,200	–	<b>3,200</b>	4,050	–	4,050
	<u>3,200</u>	<u>–</u>	<u><b>3,200</b></u>	<u>4,050</u>	<u>–</u>	<u>4,050</u>

3 Analysis of expenditure (current year)

	Charitable activities						2018 Total €	2017 Total €
	Raising funds €	Membership €	Global Standards €	Digital Accountability €	Governance costs €	Support costs €		
Interim Executive Director costs (Note 6)	-	-	-	-	-	-	-	43,262
Fundraising	-	-	-	-	-	-	-	460
Direct project costs	-	-	79,932	34,587	-	4,249	<b>118,768</b>	86,784
Workshop costs	-	-	-	2,470	-	1,938	<b>4,408</b>	1,694
Branding and Communication	-	-	-	-	-	802	<b>802</b>	5,820
Administration/Secretariat	-	-	5,845	-	-	239,069	<b>244,914</b>	180,195
Professional fees	-	-	7,526	11	10,901	6,034	<b>24,472</b>	15,867
Trustee, AGM and meeting costs	-	-	-	-	-	7,645	<b>7,645</b>	8,924
Charity registration in Germany	-	-	-	-	-	3,047	<b>3,047</b>	-
Chair recruitment costs	-	-	-	-	-	9,327	<b>9,327</b>	-
Other	-	-	139	-	-	279	<b>418</b>	518
	-	-	93,442	37,068	10,901	272,390	413,801	343,524
Support costs	21,791	149,815	54,478	46,306	-	(272,390)	-	-
Governance costs	872	5,996	2,180	1,853	(10,901)	-	-	-
<b>Total expenditure 2018</b>	<b>22,663</b>	<b>155,811</b>	<b>150,100</b>	<b>85,227</b>	<b>-</b>	<b>-</b>	<b>413,801</b>	
Total expenditure 2017	20,958	140,980	94,109	87,477	-	-		343,524

3 Analysis of expenditure (prior year)

	Charitable activities						2017 Total €	2016 Total €
	Raising funds €	Membership €	Global Standards €	Digital Accountability €	Governance costs €	Support costs €		
Interim Executive Director costs (Note 6)	-	-	-	-	-	43,262	<b>43,262</b>	-
Fundraising	460	-	-	-	-	-	<b>460</b>	825
Direct project costs	-	-	42,865	43,919	-	-	<b>86,784</b>	75,030
Workshop costs	-	-	-	-	-	1,694	<b>1,694</b>	2,708
Branding and Communication	-	58	-	-	-	5,762	<b>5,820</b>	26,941
Administration/Secretariat	-	-	-	-	-	180,195	<b>180,195</b>	189,375
Professional fees	-	-	-	-	13,354	2,513	<b>15,867</b>	29,047
Trustee, AGM and meeting costs	-	-	-	-	-	8,924	<b>8,924</b>	5,512
Other	-	-	-	-	-	518	<b>518</b>	1,692
	<b>460</b>	<b>58</b>	<b>42,865</b>	<b>43,919</b>	<b>13,354</b>	<b>242,868</b>	<b>343,524</b>	<b>331,130</b>
Support costs	19,429	133,577	48,574	41,288	-	(242,868)	-	-
Governance costs	1,068	7,345	2,671	2,270	(13,354)	-	-	-
<b>Total expenditure 2017</b>	<b>20,958</b>	<b>140,980</b>	<b>94,109</b>	<b>87,477</b>	<b>-</b>	<b>-</b>	<b>343,524</b>	
Total expenditure 2016	21,087	139,451	89,529	81,063	-	-		331,130

## Notes to the financial statements

## For the year ended 31 December 2018

**4 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	2018	2017
	€	€
Depreciation	148	-
Amortisation	5,845	-
Auditor's remuneration (excluding VAT):		
Audit	6,258	6,597
Taxation	693	675
Donor audit	4,594	-
Accounts preparation	1,788	2,198
	<u>1,788</u>	<u>2,198</u>

**5 Analysis of trustee remuneration and expenses, and the cost of key management personnel**

In 2018, the costs for the Executive Director, who meets the definition of key management personnel, totalled €68,763 and were paid as part of the management costs to the International Civil Society Centre. In 2017, the total fees of the key management personnel were €43,262 for the Interim Executive Director.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2017: €nil). No charity trustee received payment for professional or other services supplied to the charity (2017: €nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling €4,632 (2017: €2,563) incurred by 4 (2017: 5) members relating to attendance at meetings of the trustees.

**6 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 0 (2017: 0). In 2017, the interim Executive Director, included in Note 5 key management personnel, was employed on a contract basis and did not meet the definition of an employee.

**7 Related party transactions**

During the year, the charitable company paid the International Civil Society Centre (formerly the Berlin Civil Society Center) €307,713 (2017: €215,108) for management and administrative services.

The International Civil Society Centre took over the secretariat in July 2010. The Centre is co-owned by several organisations, including the following members of the Charter: Amnesty International, CBM, Islamic Relief Worldwide, Oxfam International, Plan International, Sightsavers, SOS Children's Villages International, Transparency International and World Vision International. There were no amounts outstanding at 31 December 2018 (2017: nil).

During the year the charitable company received €200,014 (2017: €47,503) from International Civil Society Centre on behalf of SIDA for the Global Standards project.

During the year the charity received €41,977 for the Digital Accountability project (which comprised €29,775 from CIVICUS/Resilient Roots and €12,202 from Restless Development). In 2017, the charity received €45,002 for the Digital Accountability project from Global Giving (which comprised of €45,002 from CIVICUS, €8,868 from Rockefeller and €313 from FeedbackLabs). CIVICUS is a member of the charity and took part in the pilot project for Digital Accountability in 2017.

The trustee Mr Perry Maddox is Chief Executive Officer of Restless Development, which provided grant funding to the charity in 2018. The trustee Mr Alex Sardar is Chief Innovation Officer at CIVICUS which has provided grant funding to the charity in 2018.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

## Notes to the financial statements

For the year ended 31 December 2018

**8 Taxation**

The company became a UK registered charity in July 2017. The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The service and cooperation contracts with the International Civil Society Centre include 19% and 7% VAT in line with German tax regulations.

**9 Intangible fixed assets**

	GS Website £	Total £
<b>Cost</b>		
At the start of the year	-	-
Additions in year	13,655	13,655
Disposals in year	-	-
	<hr/>	<hr/>
At the end of the year	13,655	13,655
	<hr/>	<hr/>
<b>Amortisation</b>		
At the start of the year	-	-
Charge for the year	5,845	5,845
Eliminated on disposal	-	-
	<hr/>	<hr/>
At the end of the year	5,845	5,845
	<hr/>	<hr/>
<b>Net book value</b>		
<b>At the end of the year</b>	7,810	7,810
	<hr/> <hr/>	<hr/> <hr/>
At the start of the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

**10 Tangible fixed assets**

	Computer equipment £	Total £
<b>Cost</b>		
At the start of the year	-	-
Additions in year	1,269	1,269
Disposals in year	-	-
	<hr/>	<hr/>
At the end of the year	1,269	1,269
	<hr/>	<hr/>
<b>Depreciation</b>		
At the start of the year	-	-
Charge for the year	148	148
Eliminated on disposal	-	-
	<hr/>	<hr/>
At the end of the year	148	148
	<hr/>	<hr/>
<b>Net book value</b>		
<b>At the end of the year</b>	1,121	1,121
	<hr/> <hr/>	<hr/> <hr/>
At the start of the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the financial statements

For the year ended 31 December 2018

## 11 Debtors

	2018 €	2017 €
Trade and other debtors	27,792	-
	<u>27,792</u>	<u>-</u>

All of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 12 below.

## 12 Creditors: amounts falling due within one year

	2018 €	2017 €
Trade creditors	4,557	14,619
Accruals	107,084	36,722
	<u>111,641</u>	<u>51,341</u>

## 13a Analysis of group net assets between funds (current year)

	General £	Restricted £	Total funds £
Fixed assets	1,121	7,810	8,931
Net current assets	149,195	129,119	278,314
	<u>150,316</u>	<u>136,929</u>	<u>287,245</u>

## 13b Analysis of group net assets between funds (prior year)

	General £	Restricted £	Total funds £
Net current assets	149,366	25,448	174,814
	<u>149,366</u>	<u>25,448</u>	<u>174,814</u>

## Notes to the financial statements

For the year ended 31 December 2018

## 14a Movements in funds (current year)

	At 1 January 2018 €	Income & gains €	Expenditure & losses €	Transfers €	At 31 December 2018 €
<b>Restricted funds:</b>					
Global Standards Fund	24,364	200,014	(93,442)	-	130,936
Digital Accountability Fund	1,084	41,977	(37,068)	-	5,993
<b>Total restricted funds</b>	<b>25,448</b>	<b>241,991</b>	<b>(130,510)</b>	<b>-</b>	<b>136,929</b>
<b>General funds</b>	<b>149,366</b>	<b>284,241</b>	<b>(283,291)</b>	<b>-</b>	<b>150,316</b>
<b>Total unrestricted funds</b>	<b>149,366</b>	<b>284,241</b>	<b>(283,291)</b>	<b>-</b>	<b>150,316</b>
<b>Total funds</b>	<b>174,814</b>	<b>526,232</b>	<b>(413,801)</b>	<b>-</b>	<b>287,245</b>

## 14b Movements in funds (prior year)

	As at 1 January 2017 €	Income & gains €	Expenditure & losses €	Transfers €	At 31 December 2017 €
<b>Restricted funds:</b>					
Global Standard fund	19,726	47,503	(42,865)	-	24,364
Digital Accountability fund	-	45,002	(43,919)	-	1,084
<b>Total restricted funds</b>	<b>19,726</b>	<b>92,505</b>	<b>(86,784)</b>	<b>-</b>	<b>25,448</b>
<b>Unrestricted funds:</b>					
<b>General funds</b>	<b>132,182</b>	<b>273,925</b>	<b>(256,740)</b>	<b>-</b>	<b>149,366</b>
<b>Total unrestricted funds</b>	<b>132,182</b>	<b>273,925</b>	<b>(256,740)</b>	<b>-</b>	<b>149,366</b>
<b>Total funds</b>	<b>151,908</b>	<b>366,430</b>	<b>(343,524)</b>	<b>-</b>	<b>174,814</b>

**Purposes of restricted funds**Global Standards Fund

*Strengthening civil society's organisations' effectiveness by developing globally aligned, strong accountability practice.*

Accountable Now is one of nine organisations cooperating over the course of three years to exchange expertise, identify the overlaps of accountability codes, and agree on shared core areas for CSO accountability. The results will be captured in a commonly accepted *Global Standards for CSO Accountability*, providing the core principles of accountability for civil society worldwide.

Digital Accountability Fund

*Prototyping collaborative work for greater impact.*

Accountable Now will further develop an emerging practice of accountability that is focused on future-orientated co-creation *with* stakeholders rather than history-orientated reporting *for* stakeholders. To support the emergence of this people-powered accountability approach, Accountable Now will, together with its partners, identify civil society organisations across the world who move in this direction, build an active community of practice, and elicit key learnings to share with a broader community.

**15 Post balance sheet events**

The charity is working towards establishing a registered charity in Germany by the end of March 2019 in response to the Brexit situation as it wishes to be able to attract new sources of funding from both within and outside the UK.

**16 Legal status of the charity**

The company became a UK registered charity on 14 July 2017. The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to €1.