



# Annual Report and Financial Statements

For The Year Ended  
31 March 2012



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# Chair and Chief Executive's introduction

**The continuing global economic uncertainty makes it a challenging environment for us all – our partners, our donors and, most of all, poor and marginalised people across the countries in which we work, whose life chances diminish most in times of austerity and crisis.**

Nevertheless, in our 54th year of bringing people together to overcome poverty, we have much to celebrate and be proud of. We're proud that over 3.8 million children have benefited from VSO-supported education services. We're proud to have provided training and capacity building to 6,495 health practitioners and reached over 2.6 million men and women with quality HIV and AIDS services. Thanks to the collaborative work between VSO and over 120 partners we are proud that more than 1.2 million of the most marginalised men and women in the world have accessed quality secure livelihood services. And we are proud that across nine countries we have supported 48 partner organisations to help over 67,000 people with disabilities access a range of basic services.

## Putting People First

But no matter how many lives we've changed, we're always committed to becoming better. This year saw the coming to life of our global strategy *People First*. Through a quality participative process, we have reviewed every country strategy, ensuring it puts the people we serve firmly at the heart of our planning. Each strategy is different and relevant to the local context, yet each one also builds on our unique approach, transforming lives through a wide range of volunteering interventions. Our responsive approach is demonstrated by our new programme in the world's newest nation, South Sudan, where we placed the first of 17 volunteers within one month of the country's independence.

Delivering *People First* has also broadened the support we offer our partners. Working with over 300 partners we've increased our support for national volunteering, demonstrating the importance that any individual can make in their local, regional or national community. We are also diversifying our short-term placements, which are of interest to corporate sector partners as well as to senior executives and parliamentarians.

Our work with young people continues to grow significantly. Following a successful pilot, the VSO-led International Citizen Service (ICS) consortium won the UK government-funded ICS contract, worth £55 million over three and a half years. You will see more about this youth programme on page 24.

54th  
year of working

Around  
800  
dedicated VSO  
employees



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### Inspiring new strategies

These achievements have been made at a time of change in the governance of VSO. Sir Suma Chakrabarti handed over the role of Chair of the Board of Trustees in November 2011 to Mari Simonen. We would like to pay tribute to Suma who, during his tenure as Chair, led VSO in establishing and implementing an inspiring new strategy and in broadening its governance to become truly global in perspective. We are delighted to welcome our new Chair, Mari Simonen. Originally from Finland, Mari has had a distinguished career within the United Nations. We are privileged to have her experience and skill to guide us as we move forward.

Mari leads a new International Board, supported by a new federation agreement. We are delighted to have the most diverse board in our history, bringing a range of unique skills and perspectives, with a 50-50 gender split and 5 out of 12 of our trustees from the global south.

### New partnerships that drive volunteering

Looking ahead, more than ever before we are working to advocate the power and benefits volunteering can bring to fighting poverty in a sustainable way. As the world moves towards establishing a global framework to succeed the Millennium Development Goals (MDGs), we believe the time is right to ensure that volunteering is a significant aspect of that framework. Our newly signed partnerships with United Nations Volunteers (UNV) and Peace Corps enable us to join forces to advocate the value of volunteering and to bring the voice of our partners and beneficiaries, the world's most disadvantaged, to the centre stage of all policy-making.

To all our donors, supporters, partners and volunteers – Thank You. Your generosity and time has enabled us to achieve the successes outlined in this report and allowed us to invest in future programmes. We are enormously grateful.



*Mari Simonen*

**Mari Simonen**  
VSO Chair



*Marg Mayne*

**Marg Mayne**  
Chief Executive

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# About VSO: People First

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**We bring people together to fight poverty.**

VSO is the world's leading independent international development agency working for change through volunteers.

Change is needed now more than ever, because the shocking truth is that today more than 1.4 billion people are struggling to survive on under \$1.25 a day, and rising food and energy costs are moving a staggering two billion people perilously close to the poverty line.

This level of poverty is simply not acceptable in our world. But what can we do about it?

Of course sending money and resources can help people in the short term – but at VSO we approach poverty differently. There is a better way to create a lasting longer-term solution – and that solution is **people**.

We supported

**1,011**

partners

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## Creating the catalyst of long-lasting change

By bringing skilled volunteers into developing countries to inspire and train the world's most vulnerable and marginalised people, volunteers act as catalysts who create lasting change, which can be sustained long after they leave.

It's simple to picture: one midwife can train ten local midwives who, in turn, can save a thousand babies and mothers over the coming years. One engineer can help ten engineers start businesses, helping their local economy to flourish. All this is achieved because of the help of VSO volunteers – people working together with the shared goal to combat the effects of poverty.

## Changing people's lives from the ground up

This is how VSO changes lives – from the ground up. We work locally and regionally to support better quality health and education services, develop economic opportunities and increase the participation of communities traditionally excluded from power; and nationally to support and encourage equitable and pro-poor policies.

Working at all levels within a country can be complex, but our work is always grounded in straightforward values:

- People are the best agents of change.
- Knowledge is our most powerful tool.
- Progress is only possible through working together.
- By thinking globally we can change the world.

Put these values together and we have a clear and realistic vision and mission: bringing people together to fight poverty.

We couldn't do this without a global network of around 800 dedicated VSO employees. Each employee has a voice, which is heard throughout the management structure by surveys and feedback options on our intranet. It is fitting that, as an organisation with people at the centre, we have maintained an excellent employee engagement score above other comparable organisations. With the support and confidence of all of us across VSO, working together to end poverty is a reality we believe in – and you can too.

For over 50 years VSO has helped people to help others and create a long-lasting change, which is now felt across the globe.

## Where we work

VSO works in countries where we can make the biggest impact against poverty; we are working more and more in fragile states and less developed countries. Our global federation structure brings members together in a network of shared excellence and expertise. Our federation members, along with six other recruitment countries, recruit volunteers and raise funds so that in 2011/12 we could deliver innovative programmes in over 40 countries across the world – in Africa, Asia, the Pacific, Latin America and the Caribbean.

## Charitable objects

VSO's objects, for which it was established for the public benefit, are to:

- advance education and to aid in the relief of poverty in any part of the world
- promote the effective use of resources for the purposes of advancing education or relieving poverty in any part of the world
- promote the voluntary sector.

# 20,322

expectant mothers and their partners were tested for HIV

Helped over

# 67,000

people with disabilities access basic services.

# Activities, achievements and performance

## Highlights of the year



### South Sudan

South Sudan is the world's youngest country – it's also one of the poorest. VSO started working in South Sudan as soon as it became independent in July 2011. The challenges are immense: decades of civil war have ravaged the country, leaving it with a literacy rate of around 27% and one of the world's highest infant mortality rates. In response to these problems VSO is working to improve health and education services; 17 international volunteers had taken up placements in the country by the end of March 2012.

### Improving health services

VSO works to support disadvantaged people in fulfilling their rights to physical, mental and social wellbeing, and to offer good-quality essential health services. More than six million people benefitted from the provision of VSO-supported health services in 2011/12, over two-thirds of them women. VSO is committed to addressing gender inequality as women are often left behind in development.



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### International Citizen Service

In March 2012 we won our biggest ever contract, worth £55 million. Over the next three and a half years we will lead a consortium of nine agencies to deliver 14,000 youth volunteers. Building on our experience in youth programming, ICS will develop a network of young volunteers from across the globe, showing in practice how young global citizens can take an active role in fighting poverty and have a real sustainable impact in their community. It is a fantastic opportunity for VSO to ensure that young people are an integral part of our future strategy.



©VSO/Simon Rawlins



## Improving economic inclusion

Through partners in 18 countries we reached over one million disadvantaged people through secure livelihood services. This strengthened their ability to access sufficient food and income, and to have more control over how and when they access these essential lifelines. Economic empowerment is also a force for gender equality. In Kenya a project supporting female entrepreneurs to improve and diversify their income has seen the standing of women increase and led to them becoming positive role models within their communities.



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## Partnership with Peace Corps

This year, VSO and Peace Corps signed a partnership agreement allowing both organisations to share best practices and work more effectively. The partnership was first announced during President Barack Obama's state visit to the UK in May 2011. The agreement will help to ensure volunteers from both organisations can continue to fight poverty and create sustainable solutions to the challenges faced by local communities around the world.

## Working with diaspora communities

This year, we successfully completed a major three-year grant-making programme, the Diaspora Volunteering Programme (DVP). It successfully supported 15 diaspora organisations to provide 631 high-quality volunteering placements in 12 countries across Africa and Asia. It benefited 16,000 people directly and over five million indirectly, contributing to all eight MDGs. In its final evaluation of the programme the Department for International Development (DFID) awarded it the highest possible score for overseas development impact.



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## The impact of VSO's work

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VSO continues to work with and support partner organisations at every level of society, from government organisations at the national level to health and education facilities at the local. In 2011/12 we supported 1,011 partners across our six development goal areas of education, HIV and AIDS, health, secure livelihoods, participation and governance and disability. This was achieved through a range of interventions including international volunteers, national volunteers, youth volunteers, small grants and international study tours. We are pleased to be able to share the aims, achievements and plans for each of our goals.

# Impact Education

VSO works with

# 216

education partners

## Our aim was...

**That marginalised people have good access to quality education services**

## Achievements of the year

Globally, VSO works with 216 education partners in 17 countries in Africa, Asia and the Pacific. Partners include national, provincial and district level government organisations, teacher training institutes and civil society organisations (CSOs).

VSO supported the training of education practitioners including teachers, teacher trainers and government education officers. VSO volunteers trained teachers on making resources, multi-grade teaching and using learner-centred teaching strategies such as group discussion, games, peer support, effective seating arrangements and working with children with special needs and/or learning difficulties.

Education managers were trained in school leadership, accountability, planning and budgeting, and how to engage communities in school activities. In Tanzania, a quality education assessment tool was developed and used by head teachers to review their school's performance against governance, budgets, the role of senior management teams, quality of teaching and learning, curriculum delivery and inclusion.

In Rwanda over 175 schools, including 10 special schools, increased their quality of teaching and learning through partnerships with the UK Global School Partnerships programme. The highly acclaimed programme has now finished after nine years, having enabled tens of thousands of young people, in more than 4,000 UK-south school partnerships, to become active global citizens, learn about global poverty and contribute to their own communities' education and development.

Partner organisations also received VSO's support to build their capacity in research, advocacy and policy engagement. In Cambodia and Ethiopia civil society partners successfully used the evidence from VSO supported Valuing Teachers' research to bring about positive changes in policies and practices. The Cambodia Independent Teacher Association and the National Education Partnership lobbied their government to

improve teachers' salaries. The Ethiopian Teachers Association lobbied its government to improve housing conditions for teachers, which led to the introduction of housing allowances in several regions.

**Through the provision of quality VSO-supported education services from 117 of our partners over 3.8 million children were reached.**

## And in the next 12 months...

VSO will focus on implementing new education strategies, which emphasise the need for quality primary and basic education and community engagement for girls' enrolment and retention. We will strengthen cooperation with other development agencies and CSOs to increase influence on education policies and their implementation. Programmes will continue to scale up work on improving teaching and education management, so more quality education services are available for the most disadvantaged.

Sweetbert Mujemula is an English and science teacher at Katebenga Primary School in Tanzania and was selected to become a mentor in both subjects. He believes that the participatory teaching methods he learnt from James and Sue, VSO volunteers, revitalised his enjoyment of teaching: "Before I was a little bit sleepy," he says. "Now I'm awake."

In Sweetbert's lessons, pupils can often be found playing bingo and other games, and he firmly believes that they learn more because they're having fun:

“

**They feel I have something new. They [the teachers he now trains] listen to me. They are thirsty to hear new ways of teaching.**

**Sweetbert Mujemula:** VSO-trained teacher mentor who's now passing on his experience to a new generation of staff and pupils.

”



**Case study:**  
**Raising standards for primary school children in Tanzania**

Children in the Bukoba district of Tanzania face severe obstacles to learning at primary school: classes are large and teachers often under-trained. Text books are scarce and most schools do not have electricity. Pass rates for the end of primary school tests have halved since 2007.

VSO is working with local teachers and school managers to raise standards in 30 primary schools in Bukoba. Teachers attend seminars to identify their schools' strengths and weaknesses, and agree action plans. Something as simple as creating an attractive display of students' work, or holding separate teacher meetings for each academic subject, can lead to big improvements.

Teachers set targets for their school, such as reducing truancy, improving communication with parents or creating re-usable teaching aids. At the first review of these targets, schools scored on average 3.8 out of 5, showing that good progress is being made.

Two of the most able teachers in each school now act as mentors, learning teaching techniques that they can pass on to others. Bukoba now has 58 English mentors and 20 science mentors.

Burkoba Rural Council's efforts, with support from VSO, has helped schools develop their own assessment tool to review progress and continue improvement. Together, their support for girls has been recognised as a national model of good practice.

# Impact HIV and AIDS

VSO works with

# 162

HIV and AIDS partners  
in 16 countries

## Our aim was...

That marginalised people have good access to quality HIV and AIDS services

## Achievements of the year

Globally VSO works with 162 HIV and AIDS partners in 16 countries across Africa, Asia and the Pacific. Partners include CSOs, government agencies and health service delivery facilities.

In Zambia VSO doctors placed at Thandizane Home Based Care and at Minge, Lumezi and Monze Mission Hospitals were able to significantly improve the efficiency of their prevention of mother to child transmission and anti-retroviral treatment (ART) services. Across the four organisations:

- 20,322 expectant mothers and their partners were tested for HIV.
- 4,514 pregnant women who tested positive were placed on anti-retroviral prophylaxis.
- 737 new born babies exposed to HIV infection were put on prophylaxis.
- 2,588 new patients were placed on ART.

VSO continues to develop and build the capacity of partners in policy engagement and advocacy. Examples of pro-poor policies introduced include VSO volunteers playing a critical role in the development, writing and roll-out of the national HIV and sexually transmitted infections voluntary counselling and testing policy in Vanuatu. The VSO Regional AIDS Initiative of Southern Africa (RAISA) programme provided training and exposure visits for parliamentarians, resulting in three national draft policies. These will realise and protect the rights of care providers of people living with HIV and AIDS (PLWHA) in Malawi, South Africa and Zimbabwe.

**Through the provision of quality HIV and AIDS services, 57 of our partners across nine countries reached over 2.6 million men, women and children.**



## And in the next 12 months...

VSO will work to improve and provide more accessible holistic services for PLWHA in recognition of their entitlement to a livelihood, appropriate healthcare and access to education and justice. Efforts to advocate for policy change that recognises the rights of those living with and affected by the virus, including orphans, vulnerable children and other key groups, will continue.

“

**We are really proud of the community volunteers. They have brought a lot of change. Without these volunteers, a lot of people would be dying.**

A Zambian traditional leader shows appreciation of the VSO/Thandizane-supported project Men Taking Action (community-based HIV prevention) in Zambia

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© VSO/Simon Rawles

**Case study:**  
**Challenging the stigma  
of HIV and AIDS in Vietnam**

Ben Nguyen's son was not allowed to play with the other boys and girls in kindergarten. He had to sit on a chair, apart from the rest of the children, because his mother was HIV positive.

In Vietnam, where 0.5% of the population lives with HIV and AIDS, people like Ben and her son are routinely shunned and ignored – leading to poverty and terrible isolation.

Fortunately, attitudes are slowly shifting, thanks to new self-help groups like Hoa Sua, which Ben attends. Hoa Sua has 54 members, mostly women. It provides support, care, treatment and advice to people like Ben who have nowhere else to turn.

VSO volunteer David Graham supports Hoa Sua and several other HIV and AIDS self-help groups in Vietnam. His background in health promotion is invaluable. He helps with funding applications, training and awareness-raising events to lift the stigma of HIV and AIDS.

Hoa Sua is already benefitting. One recent awareness-raising event attracted 200 people. "When the group's founder disclosed her status, she got people from the audience to come up and shake her hand," says David. "It was the first time many had met somebody prepared to disclose they were HIV positive."

"Discrimination has reduced since we joined the Hoa Sua Group," says Ben. "Before, people thought HIV positive people were bad. Now attitudes are changing."

# Impact Health

VSO works with

# 149

health partners

## Our aim was...

That marginalised people have good access to quality health services

## Achievements of the year

Globally VSO works with 149 health partners in 18 countries across Africa, Asia and the Pacific. Partners come from across all levels of the national health system and include community health centres, district and central hospitals, training colleges, health ministries, professional associations and NGOs.

In Malawi, VSO volunteers provided training and capacity building to 1,853 practitioners (959 women, 894 men) by giving:

- clinical training to a range of health professionals, including doctors, clinical officers, nurses and midwives
- training to officers in the new national human resource management information system, which was developed collaboratively by the Ministry of Health and VSO volunteers
- management and technical training to community nurses and environmental health officers, enabling them to strengthen their management of health surveillance assistants and village health committees under their jurisdiction, resulting in improved primary healthcare delivery

The Malawi health programme reached 317,000 women and 242,000 men through 36 volunteers working in clinical training, service provision, management and primary health care across four district hospitals, two central hospitals and four medical training schools.

**Through the provision of quality health services 64 of our partners across 11 countries reached over six million people, including over four million women.**



## And in the next 12 months...

VSO will continue to scale up its work in maternal and new born child health, sexual and reproductive health and strengthening of community healthcare systems. We will also address the key social determinants of health such as access to clean water and sanitation, nutrition, health systems governance and the effects of gender inequality.

VSO will also scale up its work with CSOs and appropriate health institutions to build their capacity to support communities to hold health service providers to account. Health advocacy is an emerging (and growing) area. In addition to this, VSO's international research and advocacy initiative Valuing Health Workers will lead to increased activity on policy development and civil society strengthening.

“

**She knows more advanced techniques than some of our locally trained doctors. If I'm well trained, I'll be able to go to my village, help my people and reduce our country's mortality rate.**

**Foday Morovia**, a trainee doctor in Sierra Leone speaking about support received from a VSO health volunteer.

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**Case study:**  
**Bringing healthcare to rural children in Sierra Leone**

When two-year-old Isama became too poorly to eat or drink, nobody in his village knew what to do. His parents had to borrow money to make the long journey to hospital because there was no clinic locally. Unfortunately by the time they arrived it was too late, and Isama died.

With just one health worker for every 5,260 people in Sierra Leone, Isama's story is shockingly common. In rural areas, an estimated 20% of children die, like Isama, before their fifth birthday.

VSO volunteer paediatrician Dr Shona Johnston is training medical students at Ola During Children's Hospital so that in future more children like Isama will get the medical care they need.

Foday Morovia is one of her students. He's learning techniques such as lumbar puncture to diagnose meningitis. "Shona's really making a lot of difference here," says Foday. "She knows more advanced techniques than some of our locally trained doctors. If I'm well trained, I'll be able to go to my village, help my people and reduce our country's mortality rate."

Once they qualify, the doctors will begin to work in clinics across Sierra Leone, including in remote rural areas like those where Isama's family lives.

# Impact

## Secure livelihoods

VSO works with

# 275

secure livelihood  
partners

### Our aim was...

**That marginalised people have good access to quality services in secure livelihoods**

### Achievements of the year

Globally VSO works with 275 secure livelihood partners in 18 countries across Africa, Asia and the Pacific. Partners include CSOs, private and social enterprises and government organisations.

In Kenya we highlight two projects. VSO's Improved Sustainable Livelihoods project supported 1,500 women and 150 men to start or expand micro-enterprises in the fruit and handicraft sectors. Consequently women were able to increase and diversify their income, access credit, send their children to private schools and create employment for other women, thereby becoming role models of economic empowerment. By taking on these trainer and mentor roles their standing in the village has also improved.

Our second project, the Kenya Diaspora Livelihoods Pilot, improved the livelihood options and food security for 90 vulnerable women affected by HIV and AIDS. In a pioneering partnership between UK diaspora organisation African Community Development Foundation and local partners, six diaspora volunteers worked alongside six national volunteers providing local women with access to microloans and training to develop their agriculture-based enterprises.

VSO's contribution to improving the capacity of our partners continues to attract recognition. In Cambodia, Richard Winterton, a volunteer with the Fisheries Administration, was awarded the Medaille du Sahametrei (officer grade) by the Royal Government of Cambodia for his significant service to its people. Working in the Ministry of Agriculture, Forestry and Fisheries, Richard supported colleagues to develop the country's 10-year Strategic Planning Framework for Fisheries, and the new Marine Aquaculture Research and Development Centre.

VSO also works with partner organisations to strengthen their advocacy capacity. In Tanzania, the VSO partner Agriculture Non State Actor Forum delivered a petition signed by 16,000 farmers to Tanzanian President Kikwete, seeking improved support and investment

for smallholder farmers. The government has now committed itself to build an enabling environment for smallholder farmers and to dedicate 10% of the country's budget to improving agriculture.

**Through the provision of quality secure livelihood services 123 of our partners reached over 1.2 million marginalised men and women.**

### And in the next 12 months...

The livelihoods portfolio is expected to grow as new and expanding programmes develop across Africa (Uganda, Ethiopia, the Gambia, Cameroon and Burkina Faso) and in Nepal. We will also expand our corporate partnerships as a way of achieving our objective of improving economic self-reliance for marginalised people.

Sierra Leonean Gladys England turned her entrepreneurial vision and a talent for cooking into a secure livelihood for herself and others. She opened a café selling food and juices that would have otherwise gone to waste because of the lack of available markets. With the support of a VSO volunteer, she produced a detailed business plan which thoroughly explored her market, competition, customers and suppliers and included a comprehensive risk assessment of the proposed business. In just over a year she now employs ten people and is buying produce from farmers all over Sierra Leone.

“

**Knowledge of her market [is now] demonstrated through detailed business planning and the development of a marketing plan to move the business to the next level... Gladys England epitomises the entrepreneurial spirit.**

Janet Nickel of World Hope speaks about Gladys England, a finalist in VSO's Making Markets Work for the Poor Entrepreneurship Recognition Scheme, a programme supported by Accenture.

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**Case study:**  
**Better incomes for farmers in Cambodia**

“I had no real idea why my chickens died or that there was such a thing as vaccination,” says Vin Channy, who began raising chickens three years ago to supplement her family’s meagre income.

She was pleased with the number of chickens that were hatching, but dismayed that most died before they were big enough to sell. Then she went on a two-day workshop coordinated by VSO and VSO partner organisation, Aphiwat Strey, with funding from the Church of Ireland’s Bishops’ Appeal. One of the topics was chicken diseases and how to prevent or control them with vaccinations. “The day after the training I went to Battambang town and got vaccine for my chickens,” Channy said.

Persuading other chicken farmers to do the same was not so easy. Many were suspicious. It was not what they were used to. But over the next three months they changed their minds. Their chickens continued to die, whereas Channy’s remained healthy. Slowly they began to vaccinate their chickens too.

Channy now has over 60 chickens and adds over \$50 a month to her family’s income. She plans to expand her business and is active in the community promoting good farming practices and women’s literacy. She’s a successful farmer, and a respected role model promoting change in her community.

# Impact

## Participation and governance

VSO works with

# 122

participation and governance partners

### Our aim was...

To strengthen civil society where people have voice, choice and power over decisions that influence their lives; to influence government to develop and implement pro-poor policies, and increase government accountability and citizen engagement

### Achievements of the year

Globally VSO works with 122 participation and governance partners in 24 countries across Africa, Asia and the Pacific. Partners include civil society and government institutions at provincial, district and local levels.

In Cameroon VSO worked with Kumbo Council through its Institutional Development Programme resulting in 100,700 people in the area benefitting from improved council services. Also in Cameroon, Women in Action Against Gender Based Violence reached 18,000 beneficiaries through VSO's support for their advocacy work at a national level.

VSO has also worked with 317 partners globally that involve national volunteers in their organisations and programme activities to promote positive development practices and active citizenship. VSO offered volunteer management training to more than 50 civil society partners. In Cambodia the impact of this training has resulted in youth volunteers growing in confidence and representing their communities by discussing local development issues and promoting their rights with elected representatives. In Bangladesh, Ghana, India, the Philippines and Zambia, national volunteers as active citizens are being increasingly engaged in strategic planning, action research and monitoring and evaluation.

**VSO gathered evidence of the number of beneficiaries from 43 of our partners, across 11 countries. The total number of people reached was 1.7 million.**



### And in the next 12 months...

Participation and governance work will become more interlinked within our country programmes. Many countries have identified basic services as a priority, and the need for greater participation in decision-making and good governance as key elements of the change required. Active citizenship and volunteerism programmes are central to building voice, activism and engagement in people-centred development.

Many of our new holistic country programme strategies are based on a broad understanding of political and power relations analysis and the barriers to effective and equitable service delivery.

Confidence-building in abilities and potential to carry out project management roles has been important in the Bangladesh SCORE (Strengthening Communities) project. The female members of Lebukhali Union Parishad (local council) said:

“

Initially we were a bit reluctant to get involved with the project implementation committees as we didn't know our roles and responsibilities and we used to depend on our male counterpart. Now we're acting as the chairperson[s] in a number of project management committees.

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### Case study: **Empowering women in Zambia**

Traditionally only men have been allowed to farm land in the small rural community of Feni in Zambia. Women were expected to work in their husbands' fields rather than grow or sell their own crops. "We had to go on our knees to beg for money from our husbands for food for our children," explains Lifonsinua Mulauzi.

VSO volunteers have been enabling the local Chipata District Farmers' Association to have a stronger voice on issues such as local democracy, land rights and the empowerment of women.

For example, the association met local chiefs to explain the impact of their policies on women. At first, the chiefs were reluctant to allow women to farm land by themselves, but now policies are changing. Some chiefs have even formed democratic land committees, to advise them on land reform.

Today, women have their own fields in Feni alongside their husbands' and collectively farm sunflowers to make oil to sell. They share a vegetable garden too. It means children don't go hungry, and women have control over their own money, often for the first time.

"Things are very different for us. We have more power in our homes, including economic power, and our husbands are sharing responsibilities with us," says Georgina Njove.

# Impact Disability

VSO works with

# 63

disability partners

## Our aim was...

To strengthen civil society where disabled people have voice, choice and power over decisions that influence their lives

## Achievements of the year

Globally VSO works with 63 disability partners in nine countries across Africa, Asia and the Pacific. The majority of our civil society partners are disabled peoples organisations (DPOs) and networks. Governmental partners include ministries, schools and hospitals.

Partners reported progress in their capacity to support advocacy initiatives as a result of support from VSO. In India, VSO civil society partner Samarthyam, through its advocacy activities and representation of disabled people, succeeded in amending building byelaws. Engineers, architects, planners, contractors and masons will be trained to promote and implement accessibility standards in their projects. As a result, people with disabilities will have improved access to public buildings, transportation and tourism.

Disability partners in India have also worked with government to ensure key legislation is more inclusive, including the Rural Employment Act and the Food Security Act, which guarantee employment and food distribution to people with disabilities in poor and marginalised communities across the country.

The Kenya Union of the Blind has initiated a public information “white cane” campaign to raise awareness of the accessibility challenges faced by blind people, with the aim of influencing policy-makers and advocating for policy change similar to that achieved in India.

In the Gambia, VSO’s partner The Gambian Federation of the Disabled engaged the Independent Electoral Commission to make political information accessible to deaf and hard of hearing people through sign language, during the presidential elections held in November 2011.

**Through supporting advocacy initiatives and influencing government policies and programmes, 48 of these partners reached over 1.2 million disabled men and women.**



## And in the next 12 months...

VSO will continue to work on building the capacity of DPOs, increasing their capacity to represent people with disabilities and advocate for inclusive policies and legislation. Plans to focus on disability and inclusion across country programmes will allow increasing numbers of adults and children with disabilities to access employment and entrepreneurial opportunities, health and education services.

After I started my training “How to use PowerPoint as a tool in class” a few teachers got really interested in it. They use it more and more in class now. I showed them how to look for pictures/movies on the internet, because this can improve the focus of disabled (deaf, hyperactive etc.) children during lessons. It also helps understanding the theory better. Because I think the internet can be really useful for our school, I looked for internet opportunities and I got our school internet for free. Since we are getting all these new computer opportunities, I suggested hiring an instructor and this person is coming soon. So hopefully we will be able to continue this new way of learning.

“

**When I asked my colleagues what they saw as a significant change since I’ve been here, they confirmed straight away that it was the use of the internet as a resource for teaching.**

Sarah Opeij, VSO volunteer, Indonesia

”



© VSO/Rebecca Huxford

**Case study:**  
**New hope for Kenya's autistic children**

When Rachel, five, started to develop severe behavioural problems local healers said she was bewitched. The nearby hospital had no answer either. Doctors confined her to bed and wrongly diagnosed epilepsy.

However Rachel's life was transformed by a programme her desperate mother heard about on the radio. The programme seemed to be describing her daughter's behaviour with uncanny accuracy. Her mother immediately called the number that was given out at the end of the programme and got through to the Autism Society of Kenya (ASK).

Formed in 2003, ASK aims to spread awareness of autism in a country where prospects for autistic children are bleak. Many Kenyans see autism as an evil omen or mental illness. ASK is a ray of hope.

VSO volunteer Ruth Ogier is helping ASK to expand its services and raise its profile. ASK is now rapidly growing from a dynamic, small organisation to a more structured, larger one – able to help more people.

Ruth helps with fundraising and has set up a website where parents of children with autism can get accurate information. Crucially, she has helped ASK to write their first five-year plan.

Thanks to ASK, Rachel is now accurately diagnosed and supported by the Autism Integrated Unit in Nairobi. She's on a special diet to control her hyperactivity. She's also enrolled on an education programme.

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# Special feature

## Youth

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Youth work at VSO is growing. In recognition of the need to place a stronger emphasis on youth as part of our holistic approach to development, VSO is committed to youth programming that works for, with and promotes development by young people to help fight poverty. This is achieved through ICS, Global Xchange (a reciprocal exchange of youth volunteers from the global north and south in partnership with the British Council) and a programme focus on marginalised young people.

**We have three aims with our youth work:**

- to improve the lives of young people living in poverty
- to support young people to be active in development
- to support youth participation in their own community.





## The International Citizen Service

ICS is a youth volunteering programme that brings young people from different countries together to fight poverty. The programme delivers direct development impact in poor communities through quality volunteer placements involving volunteers from the UK and the global south living, working and learning side-by-side. Through a programme of structured personal development, ICS will create a cadre of young people in the UK and developing countries who will make a lifelong contribution as advocates for international development and as agents of social change within their communities.

### What does this contract mean for VSO?

The contract has been awarded to VSO as the lead agency in a consortium of nine volunteer agencies. VSO has the responsibility to ensure the consortium delivers the entire programme and has sub-contracts with the other consortium members. Over the next three and a half years, the consortium as a whole will be charged with enabling 14,000 young people aged 18–25 to work alongside each other on clearly designed development projects.

### The ICS pilot

The consortium's successful bid was based on the work that took place during the pilot. During 2011/12 over 860 young people from across the UK took advantage of three-month international volunteering opportunities with an equal number of national volunteers. Both groups lived and worked alongside each other contributing to development through activities such as peer education, awareness raising and community mobilisation. Volunteers from the UK also engaged in social action projects in their home communities after the programme.

## Global Xchange

In 2011/12 Global Xchange provided 10 cross-cultural volunteering exchange programmes with 10 youth focused UK organisations. However, as a result of significant cuts in the British Council's funding, Global Xchange was no longer funded after 31 March 2012. VSO remains committed to reciprocal exchanges and is currently seeking funding for these programmes.

## Youth in programmes

VSO is committed to addressing the issues facing young people living in poverty, helping them realise their rights and participate effectively in development. A number of VSO country programmes have focused on youth participation and strengthening youth engagement in decision-making processes with local and national government. VSO Zambia has supported youth partner organisations through volunteer training and small grants, to become more effective and build their voice. As a result, these organisations now sit in the Civil Society for Poverty Reduction, a national coalition for CSOs in Zambia. This allows our partners to comment directly on poverty reduction strategies being developed by government.

ICS:

# 863

young people from across the UK



©VSO/Simon Rawles

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# The way we work:

## Our interventions

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**Our aim is that ultimately our partner organisations will have the skills and capacity they need to be self-sufficient, and so will no longer require VSO. To help with this, *People First* commits to providing partners with a wider range of interventions enabling VSO to respond to different needs at the local level. We have already highlighted youth volunteering; our other interventions are outlined below.**

### International volunteering

International volunteering is at the heart of VSO's contribution to development. Volunteers work with our partner organisations to share skills and learning. This joint endeavour leads to new ways of achieving shared goals and has a greater impact than simply transferring material resources. Our international approach involving volunteers and staff from an increasingly wide range of countries enriches our work by allowing us to combine and learn from different perspectives. As part of our contribution to tackling disadvantage, we build on the experience and learning of volunteers to raise awareness of development and global justice issues. In 2011/12, over 2,240 international volunteers worked in our programmes, contributing over 443,000 days to our development partners.

### National volunteering

National volunteering aims to promote people's participation in development through volunteering within their own communities or countries. National volunteering can include community volunteering, youth volunteering, local corporate employee volunteering, active citizenship, advocacy, developing networks and as a sustainability strategy when VSO is exiting a country. National volunteering activities include supporting partner organisations to develop inclusive and effective volunteering programmes, facilitating and delivering training opportunities, being involved in international study tours and local exchanges, building volunteering infrastructure through networks and volunteering centres, promoting "active citizenship" or specific target groups (eg youth), and influencing policy to enable volunteering to happen. We are supporting 324 national volunteering partners as of March 2012.

### International knowledge sharing

"Change is best brought about by people sharing knowledge. This is why we are committed to ongoing, reciprocal learning." *People First*

VSO brings people together internationally to share expertise and solutions, and to promote the knowledge held in developing countries. VSO supports partners to share knowledge with organisations in and beyond our networks, as part of global programmes like Learning through International Networking and Knowledge Sharing or regionally through RAISA. VSO provides structured opportunities for partners to share knowledge through international study tours, south to south professional development placements and Commonwealth Professional Fellowships (CPFs) in the UK. Knowledge sharing helps partners reduce poverty, for example by changing attitudes and beliefs of key decision-makers by allowing them to see work first hand in a different country, or building leadership skills through a fellowship placement in the UK.

We supported our largest ever group of 15 professionals from partner organisations across Africa to take part in the CPF scheme. These placements enabled fellows to learn, develop and share their expertise in education, disability, health and governance issues, in strategic UK host organisations, to influence and improve service delivery in their home countries.

### Corporate volunteering

VSO is developing long-term strategic partnerships with forward thinking organisations in the corporate sector. We firmly believe that the corporate sector has an important role to play in the fight against poverty, through donations and employee volunteering. Professionals bring expertise from the corporate sector to benefit VSO's development partners, who gain access to crucial business skills, which act as an engine for sustainable growth, one of the most effective ways of tackling global poverty. Our partnerships in the corporate sector also prove to be mutually beneficial as our partners benefit from increased employee motivation, staff retention and a more highly skilled workforce.

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# 2,246

people volunteered  
time to VSO this year

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## International policy and advocacy

VSO has a strong programme of policy work, which has an impact in the UK and on the work of national, regional and international development agencies. Our advocacy is effective because it is based on the experiences of our volunteers and partners. We always try to facilitate a voice for those who might otherwise not be heard by decision-makers

We gather evidence through participatory research on priority themes such as teacher shortages or the impact of volunteers in the health sector. In some cases we carry out research in collaboration with research institutes like the Institute of Development Studies.

We influence the policies of agencies such as UNAIDS, International Labour Organization, DFID and the World Health Organization by carrying out interlinked national and international advocacy campaigns. We produce high-quality policy reports and distribute them to decision-makers in key positions.

## Diaspora volunteering

VSO recognises the valuable contribution diaspora communities can make to their countries of origin, the benefits of engaging diverse volunteers in our programmes and the impact of migration on VSO's work.

VSO works in partnership with diaspora organisations, recognising their ability to mobilise resources, work at grassroots level, develop networks and build social, economic and political bridges across countries and continents. VSO has partnerships with diaspora organisations to develop mutually beneficial programmes, including recruiting diaspora volunteers to support our overseas partners, and strengthening the diaspora organisations themselves.

Through training and mentoring in volunteer management, organisational development and advocacy, we have built the capacity of 35 UK Diaspora organisations to strengthen their international development programmes in Africa and Asia.

## Campaigning and parliamentary volunteering in the UK

VSO continues to build its supporter base in the UK, including individuals campaigning on international development issues. We attracted close to 3,000 new policy campaigners to VSO this year, bringing our total number of campaigners to over 7,000.

Involving parliamentarians in-country and from federations in our work is a powerful way to achieve our advocacy aims and build vital support for international development in the UK. In 2011, 11 parliamentarians from the House of Commons, House of Lords and the Scottish Parliament took part in parliamentary volunteering. The scheme places parliamentarians with our partner organisations on short-term placements during the parliamentary recess and uses their advocacy and campaigning experience to drive their work forward. Interventions ranged from supporting Tanzanian farmers to lobby Parliament on changes to agricultural policy, to supporting partners in Tajikistan to push for changes in taxation at national and local levels to make the country more attractive to foreign investors.

# Supporting our programmes

To achieve success in our development work improving our internal processes is critical. Fundraising, implementing our strategy, reviewing our performance quarterly and ensuring we have an effective structure and governance were key focuses for 2011/12.

## Fundraising

### Aims

Our overarching income objectives for 2011/12 were to:

- implement our newly launched strategic income growth programme and achieve our growth targets
- increase income globally from our individual giving programme
- establish a strong pipeline of future income that is restricted to specific aspects of our development programmes.

### Achievements this year

Our vital partnership with DFID is moving to an important new stage as we begin to develop relationships with them in many of our country offices across Africa and Asia. This represents a shift in how we work with our most important donor to diversify and grow income – and increase our programme work.

Our major income growth programme moved into its implementation stage. The funds allocated to be invested in fundraising were successfully deployed on a number of projects to grow and geographically diversify our income sources. A global income fundraising team has been set up with the establishment of specialised funding teams across Africa and Asia, and the appointment of a global director of fundraising. Areas of focus include fundraising from companies and investing in training our funding teams in Africa and Asia.

One commitment of our income growth programme was to research and investigate new markets in fundraising. To this end we have invested in fundraising from major partnerships in Switzerland, and are exploring opportunities in the United States and Brussels.



Our individual giving programme has made good progress over the year with strong growth and targets achieved in Ireland, the Netherlands and the UK. We are exploring the option of a programme of individual giving in the Philippines as well.

Private philanthropy is playing an increasingly large part in our income growth plans. To support this aim we launched an exclusive fundraising appeal at Buckingham Palace in October of 2011, the Million Hours Fund. This fund aims to secure multi-annual gifts from our most loyal supporters and to release at least one million new hours of national volunteering each year. The role of national volunteering is of strategic importance to VSO as it strengthens the other volunteer interventions in our portfolio. The fund has achieved significant gifts so far, including one of £100,000.

The economic climate in 2011/12 continued to be difficult. However, despite this challenge, we are pleased that we maintained income, and that in some areas, most particularly individual giving, we achieved strong growth.

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# 2,275,758

number of national  
volunteer days

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## Strategy implementation

We reported last year that we had created three formal strategic change programmes in order to implement our new strategy *People First*. These, together with a fourth change programme on governance launched during 2011/12, are:

- Impact and Scale – focusing on optimising our programme planning and assessment so, in collaboration with partners, we work in the right places in the most effective way, therefore maximising our impact
- Quality and Performance – focusing on optimising our internal structures and systems so we are agile and cost effective, and on developing the framework we will use to measure performance and be accountable to stakeholders
- Global Income Growth – focusing on equipping ourselves to maximise income growth
- Governance – focusing on putting in place governance structures consistent with internationalising VSO.

### Achievements this year:

**Impact and Scale:** We looked strategically at our country portfolio to ensure we were focusing on those countries where the need was greatest and where we could have greatest impact. This resulted in us opening a major programme in South Sudan, and announcing our intention to close programmes in Namibia, Sri Lanka, Mongolia, Vietnam and Vanuatu. In addition, we transferred control of our programmes in Latin America and the Caribbean to our strategic partner, Cuso International, from 1 November 2011. In each of the 29 countries where we envisage working in the long term, we have now created a new strategy for our work. In line with *People First* these strategies are rooted in the needs of target beneficiary groups. Our focus in future is in the areas of health, education, livelihoods and (in Asia in particular) governance. In these areas, VSO will be concerned to ensure a participatory approach, to address gender issues and help adaptation to climate change. We have also invested heavily in improving the rigour of our impact analysis, and in the systems needed to ensure that we and our partners can make full use of the qualitative and quantitative data now available.

**Quality and Performance:** We have completed major business process reviews on the “volunteer journey” (from recruitment through to post-return engagement), programme management and support services. As a result of these reviews, we designed a new operating model for VSO, with new staff structures, processes and systems, including a heavy use of technology where appropriate. Our work benefited from the support of several corporate partners – Randstad, Deloitte and Accenture. Once implemented, we will improve our effectiveness and release £7 million in recurrent savings from the current cost base. We are now planning implementation and expect this to occur over three years.

**Global Income Growth:** We drew on external expert advice as well as our own local market research to develop a global funding plan, enabling us to understand where we should invest our fundraising resources across unrestricted, corporate and institutional giving. In line with the global funding plan we invested a total of £4.5 million in fundraising activities in 2011/12, an increase of £850k on 2010/11. We have completed the roll-out of new grant management systems, and have introduced global systems to understand our funding pipeline. We have also revised our ethical fundraising policy to ensure that staff are able to make the judgements required of them, and introduced an Ethics Committee.

**Governance:** We signed a new federation agreement in May 2011, allowing for the creation of the Federation Council (a representative body able to nominate trustees and admit organisations as new members of the Federation) and the skill-based International Board. Simultaneously, we signed a new strategic alliance agreement with Cuso International (formerly CUSO-VSO) allowing each party to operate as an independent charity but also each recognising the other as a primary partner, able to provide funding for one another’s programmes if we wish. During the year, we completed a review of our funding arrangements across the Federation.

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# Supporting our programmes

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## Report against corporate objectives

This year we started a new quarterly reporting system aligned to our strategy to monitor our performance. Below we describe how we performed against our corporate objectives, which were outlined in the future plans section of last year's Annual Report.

### Put people at the centre of our work

We introduced a new programme planning process which asked community members, partners, staff and volunteers to help decide what the shape of our programmes should be. All our programmes now have new, inclusive, programme plans.

We've introduced new monitoring and evaluation systems to better measure our impact and to increase our accountability to our partners and beneficiaries.

### Provide partners with a wide range of support

It has been a challenging year for volunteer recruitment, and this has had wide ranging implications on our work. This year we achieved 11% fewer volunteer days than planned at the start of the year, largely due to the challenging economic climate.

We've been much more successful with the other types of intervention we offer partners, particularly knowledge sharing days, advocacy and youth volunteering. The number of countries where VSO is advocating for pro-poor policy change has increased from 20 to 27.

### Strategically manage our country portfolio

We set ourselves the target of spending at least two-thirds of our programme expenditure in least developed countries and fragile states by 2015. This percentage spend rose from 59% last year to 62% this year. This percentage will continue to rise over the next year following the strategic decision to pull out of some countries we work in and to start working in South Sudan.

### Be an agile and cost effective organisation

The percentage of our staff who feel VSO is an agile organisation has increased in line with our targets from 35% to 40%.

As mentioned in the strategy implementation section, we have invested in cost-saving activities, which are planned to deliver a reduction in the proportion of our non-direct programme costs over the next three years.



© VSO from London

**Be high-performing,  
transparent and  
accountable in our work**

We exceeded this year's target for staff engagement and leadership, standing at 85% and 77% respectively.

We are on track to submit a publication schedule to the International Aid Transparency Initiative and to finalise our internal transparency and open information policy.

**Grow our global income**

We increased our global income by £1.3 million in a tough economic climate. We have also invested in innovative and new areas of fundraising, which should yield high returns on investment over the coming years.

**Develop a unified global  
organisation with credibility  
and influence**

We have new governance arrangements in place that give a much stronger voice to the global south in our push to become a truly global organisation. Our new International Board has an even split between women and men and five out of 12 members are from the global south.

We've developed new measures to monitor our external credibility and brand awareness internationally.

# Supporting our programmes

## Future plans

2012/13 takes us into the second year of our *People First* strategy and the first full year of implementation of our strategic change programmes. We will continue to upgrade our IT systems, streamline our processes, and move a greater proportion of our resources towards our country programmes. The changes will ensure our country offices are better supported to deliver high-quality programmes, transforming the life chances for millions of people.

We aim to increase the impact we make on tackling poverty by delivering two key outputs:

- NGOs and governments providing better quality services in maternal and reproductive health, HIV and AIDS, basic education and economic self-reliance, especially for women
- more policies that promote the interests of poor people, and more governments being held to account through strengthened civil society, network building and advocacy.

Our aim is to work towards these outcomes by examining the way that we work, thereby providing our partners with a widening range of support. With regular feedback and accountability, we will strive to make our work more effective by:

- ensuring that our primary stakeholders – our partners and the poor people we work with – are integral to the design, implementation and review of our development programmes
- providing our partners with support based on our core competencies through our international, national and youth volunteers: advocacy, knowledge brokering and other innovative activities
- allocating our resources transparently and flexibly, to optimise our investment in programme work
- reducing non-direct programme costs and maximising our investment in programme work
- being an open, transparent and accountable organisation where people have clarity on responsibilities, accountabilities and values



- growing our global income
- developing a unified global organisation based on effective governance structure, with credibility and influence as an international development agency.

Our strategic change programmes will focus on the following in 2012/13:

- rolling out and gaining funding for each of our new country strategies
- embedding improvements in our impact measurement
- starting implementation of our three business process reviews, in particular to include up-front system investment to allow for later cost release
- continuing investment in the cultural and organisational changes necessary to allow VSO to strengthen its global fundraising capability
- admitting new members to the VSO Federation; we envisage VSO Ireland becoming a full member.

We will continue to be transparent and to hold ourselves accountable to our stakeholders through our annual impact assessment and quarterly business review process. By doing this we will build on our core strengths by becoming a more responsive, efficient and cost-effective organisation that brings positive changes to the lives of poor and marginalised people.



# Structure, governance and management

## Our structure

### VSO

Voluntary Service Overseas (VSO) is a company limited by guarantee registered in England and Wales with registered charitable status. Its governing document is the VSO Memorandum and Articles of Association (a copy of which can be found on the VSO website). VSO has a wholly owned subsidiary registered in England and Wales: VSO Trading Limited, which is used primarily to organise VSO fundraising events.

VSO is registered as a charity in England and Wales and as a Scottish cross-border charity. VSO is, as required by the Office of the Scottish Charity Regulator, reporting on its Scottish activities in this report. VSO's activities in Scotland are the same as those carried out in England and Wales and are included as an integral part of this report. Reporting on activities specific to Scotland can be found on page 35.



### VSO Federation

VSO operates as part of the VSO Federation, which is an international network of independently constituted member organisations comprising VSO (operating as both VSO international and VSO UK), VSO Jitolee (Kenya), Stichting VSO Nederland (the Netherlands) and VSO Bahaginan Inc (the Philippines).

Each VSO Federation member is a self-governing legal entity that, by signing the VSO Federation Agreement, has committed to working as part of the VSO Federation to collaborate and cooperate in the joint delivery of the VSO development programmes.

Our relationship with Cuso International has developed into a strategic alliance, which allows each organisation to programme through the other, and so continue our close partnership. As part of this new agreement, our work in Latin America and the Caribbean was transferred to Cuso International in November 2011.

In May 2011, a new VSO Federation Agreement was agreed which re-shaped the governance framework of the VSO Federation. This resulted in some significant changes to VSO's governance:

- a move from a representative board primarily comprising nominees of the VSO federation members, to a new international board appointed on the basis of members having a diverse range of skills, experience and perspectives
- the creation of the VSO Federation Council, an advisory body comprising the nominees of each federation member and VSO UK; the VSO Federation Council is responsible for overseeing the expansion of the VSO Federation through the admission of new members, and the recruitment and selection of nominees for trusteeship, being considered by the Nominations Committee.

Annual reports for each VSO Federation member can be found on their websites, which are listed on page 62.

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# Structure, governance and management

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## International Board

VSO's governing body is the International Board of Trustees; the trustees are the legal directors of the company. The International Board meets three to four times a year. Meetings typically last for a full day, with an additional half-day pre-meeting briefing to ensure trustees gain proper insight into VSO's work. Trustees serve on a voluntary basis and are reimbursed only for out-of-pocket expenses.

Trustees are recruited through public advertisements and a selection process overseen by the VSO Federation Council. All trustees are provided with a comprehensive induction programme, and continuing engagement through links with the senior management team and participation as expert advisors to organisational working groups. As a group, they periodically evaluate their performance. A new board appraisal process will be introduced in consultation with the VSO Federation Council over the coming year.

The International Board is responsible for approving and monitoring VSO's long-term strategy and annual corporate objectives and budget, approving any constitutional changes, nominating new trustees and appointing the Chief Executive.

The International Board is committed to ensuring VSO employs best-practice standards of corporate governance (in line with the recommendations in the Good Governance Code for the Voluntary and Community Sector).

## Board sub-committees

During the year 2011/12, the International Board had four formal sub-committees:

- **Audit and Risk Committee:** responsible for assessing the effectiveness of operational and financial risk management and internal control
- **Nominations Committee:** responsible for recommending appointments to the International Board and its sub-committees
- **Remuneration Committee:** responsible for recommending remuneration for the Global Leadership Team (GLT)

- **UK Committee (re-named the UK Board in May 2011):** responsible for overseeing volunteer recruitment, fundraising and development awareness in the UK

## Management

The International Board delegates day-to-day management of VSO to the Chief Executive and the GLT. The GLT has operational and strategic oversight of VSO's global work. The GLT members have responsibilities that reflect the scale and scope of VSO's work globally, including finance, human resources and organisational development and geographical management in Africa, Asia and the Pacific. The GLT meets monthly to develop and implement strategy, allocate resources, set and monitor standards, and determine core approaches to how we work, including engaging and developing employees. VSO's development, operational and financial objectives are monitored and reviewed through a quarterly review process in collaboration with VSO's wider leadership team and the broader organisation.

## Public benefit

We developed our strategy and our three-year corporate business plan to advance our charitable objectives as outlined in our governance document while ensuring we provide public benefit based on guidance from the Charity Commission. Our GLT and trustees ensure that our activities continue to be in line with our charitable objectives while contributing to public benefit.

## Risk management

The GLT identifies the key risks facing VSO, which are documented in the risk register, then discussed with and approved by the trustees. The risk register is updated to reflect recent operational and financial developments, strategic annual organisational objectives and changes in the external environment. Each risk item is analysed according to its perceived potential impact and likelihood of occurrence, together with actions that either have or will be taken in mitigation. It is reviewed quarterly by the GLT and amended accordingly.

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The risk management process has resulted in a high priority being placed on:

- the risk of not recognising and capitalising on opportunities in order to make the necessary investment in our income growth
- the reputational and financial risks arising from inappropriate prioritisation and deployment of our resources to achieve organisational strategic and development objectives
- the risk of ineffectively demonstrating the impact of our activities to current supporters, key decision-makers and the wider public.

The trustees are satisfied that, through the GLT, there are procedures in place commensurate with the size of these and other identified risks to prevent or manage their effects. These procedures include active implementation of control systems and processes, the transfer of risk to external insurers and the acceptance of risks that cannot be avoided. In this case and where appropriate, financial provision may be made on the balance sheet against those risks, or reserves set aside in case of adverse events in the future. In addition, the internal audit plan developed and implemented each year is based on and consistent with the annual risk assessment undertaken by the board. The audit committee monitors the implementation of the internal audit plan.

We have paid particular attention during the year to investing resources in providing leadership and co-ordination of our global fundraising efforts. Our Programme Review process is focusing on ensuring our resources are adequately prioritised and deployed within the organisation. Our trustees recognise that some areas of work require the acceptance and management of risk if our key objectives are to be achieved.

## Reference and administrative details

Details of our International Board of Trustees and copies of our Memorandum and Articles of Association and the terms of reference for the International Board and its sub-committees can be found on our website ([www.vso.org.uk](http://www.vso.org.uk)).

A list of the members of our International Board, GLT and sub-committees, and details of the VSO federation member websites are given on page 62.

## VSO and Scotland

The Scottish Government provided a grant of £347,746 to VSO in 2010 to fund a VSO “Secure Livelihoods” Project in Bangladesh for the period 2010–2013. This project is now in its final year. The project focuses on women and young people in local communities in two districts of Bangladesh. The project supports them to establish sustainable livelihood practices and enables them to advocate for their rights.

Of the international volunteers recruited by VSO UK, 7% were living in Scotland when they applied, 25 volunteers in total. In addition to standard international volunteers, we also had a member of the Scottish Parliament volunteer with VSO. Sarah Boyack MSP was a VSO parliamentarian volunteer in Bangladesh in October 2011. During her time there, she worked with youth groups in the Chitagong Hill Tracts, assisting them with the collection of case studies to enable them to push for clean water and sanitation. Since returning to Scotland, she has used her experience to highlight the damaging effects of climate change during debates in the Scottish Parliament and recently returned to Bangladesh to represent the Parliament at a Commonwealth Parliamentary Association conference on climate change.

# Financial review

Total income

# £56m

## Income

Total incoming resources for the year totalled £56.0 million, which is an increase of £1.3 million (2%) on the previous year (2011: £54.7 million).

The forging of a strategic alliance with Cuso International, our Canadian partner, meant that our work in Latin America and the Caribbean was transferred to them from 1 November 2011 onwards, the financial effect of this transfer being a reduction in our income and programme costs of £835k in the current year.

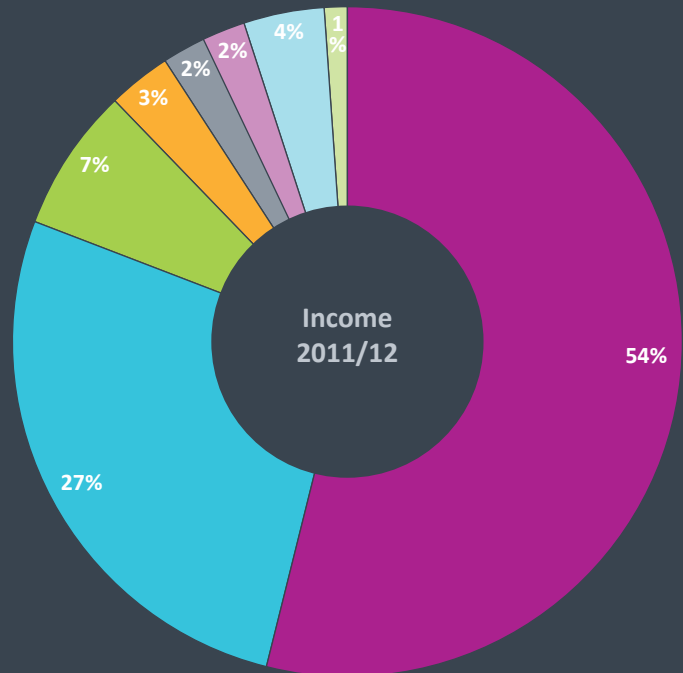
VSO works in close collaboration with DFID. In April 2011 a new three-year strategic grant agreement was signed with DFID, whereby VSO receives a grant of £30.0 million in 2011/12, £26.0 million in 2012/13 and £22.0 million in 2013/14. VSO is grateful to DFID for its continued support.

To further strengthen our ties with DFID, we received a substantial new restricted grant for the pilot programme of the ICS, which represents £4.8 million in income and £5.4 million in expenditure in 2011/12.

While we value DFID's support as a major donor, we recognise that it is more beneficial for us and for DFID to have a more diverse portfolio of income streams, so in 2010/11 we embarked on a programme of increased investment in our fundraising in order to grow our overall income and change our donor profile.

As part of this programme, VSO now undertakes a wider range of fundraising and other income-generating activities from its resources, with our core funding from DFID helping us leverage additional funds in order to support our fundraising efforts.

One of our primary investment areas has been in individual giving, where we have achieved a year-on-year increase of 28%. We have also continued our funding relationships with key corporate partners and developed new partnerships in this area, resulting in corporate income continuing to show growth of 7%, despite the current economic climate. In addition, our level of support from non-UK governmental, trusts and foundations sources remains strong.



Invested a total of  
**£4.5m**  
 in fundraising  
 activities

## Expenditure

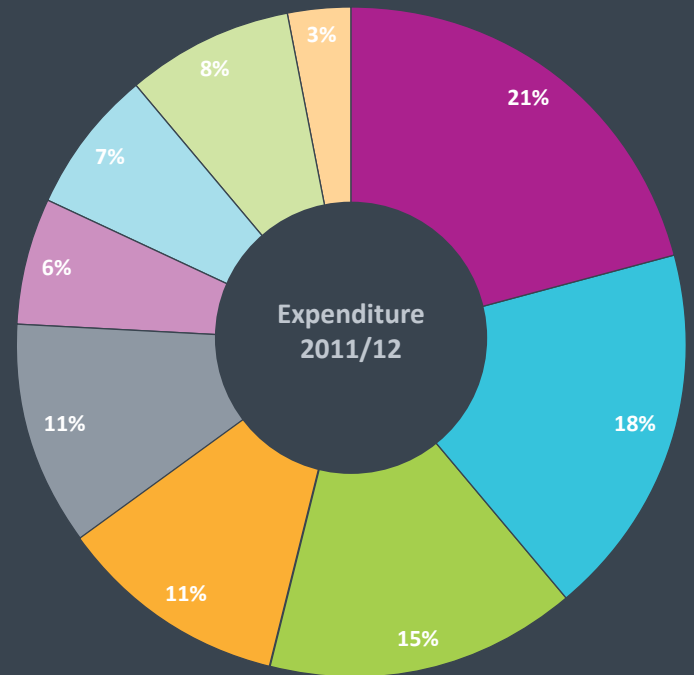
In accordance with the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005), charitable expenditure is presented in accordance with VSO's goals. This has been achieved through the direct allocation of costs to activities undertaken in furtherance of each goal, together with the indirect allocation of costs where they cannot be directly attributed to a single goal.

The charity spent £48.1 million on charitable activities, amounting to 89% of our total expenditure. This year we have seen similar expenditure levels to that of the previous year in most of our goal areas, with the exception of participation and governance, which has seen a reduction of £1.5 million. We have also included a new area of expenditure relating to the grants that we have made to the other ICS consortium partners. As the other consortium members do not necessarily have exactly the same goals as VSO, it is not possible to split this expenditure out by specific goal, so we have shown it separately.

In 2011/12, fundraising costs have increased by 23% as a result of the planned investment in fundraising, in order to diversify our income away from the DFID strategic grant.

Governance costs have decreased year-on-year by £309k (16%). During the year we put into place a new federation structure, recruited a new international board of trustees and implemented a new strategic alliance with our Canadian partner Cuso International. The governance costs include £190k worth of pro bono legal services in connection with the implementation of the new governance structure.

Expenditure on the implementation of strategic change has decreased as a result of a change in the phasing of our quality and performance programme, which has shifted expenditure into 2012/13 and 2013/14.



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## Funds held

Total funds carried forward at 31 March 2012 amounted to £17.0 million. Within this total, restricted fund balances remained relatively constant at £6.2 million. Unrestricted funds increased by £1.7 million to £10.4 million.

## Reserves policy

The reserves policy covers the level of free reserves that would be immediately available for activities within VSO's overall purpose and would be appropriate for the charity to hold on a continuing basis. This level takes into account potential volatility in income streams and allows for uncontrollable fluctuations in essential expenditure. It also allows VSO to take advantage of strategic opportunities. The policy also sets out the actions that trustees expect to take to maintain reserves at an appropriate level; the trustees review this level periodically. At the last review in March 2012, a reserve level of £8.1 million was considered appropriate to address what will be needed over the next three years, particularly taking into account the reduction in the DFID core grant during this period. At 31 March 2012, VSO's free reserves actually stood at £10.3 million.

The surplus in reserves achieved in this year will be used to offset a planned deficit for 2012/13 due in part to the reduction in our DFID core grant and a time lag in realising the effects of our fundraising investment. This was noted in last year's report and will ensure that the organisation is on a sound financial footing for the challenges ahead to ensure the continued achievement of our mission.

## Investment policy

### Aim

The main aim of VSO's investment policy is to preserve capital, while holding reserves in liquid or near liquid assets.

### Policy

VSO's policy is to maintain a risk profile with no assets rated less than single A-rated assets and with no single credit exposure amounting to more than 20% of the total at any one time. The Board reviews the policy annually, to consider whether a different policy should be applied; VSO's memorandum gives it the power to invest monies in such investments, securities and property as may be thought fit, subject to any legal requirements. The finance team reports quarterly to the Audit Committee on the composition of investments held and their maturity profile. Cash deposits are held with HSBC and Standard Chartered banks; another component is invested by Royal London Cash Management Ltd (RLCM), which provides an outsourced treasury service with the purpose of maximising investment returns consistent with VSO's policy.

### Achievements

Many organisations holding riskier investment portfolios were negatively impacted by the global economic climate. VSO continues to take a cautious approach and has decided not to change the composition of investments held during the current financial year. VSO has managed to preserve capital by investing in liquid or near liquid assets.

We increased our global income by

£1.3m

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# Statement of trustees' responsibilities

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The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice. 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 charity and of the surplus or deficit of the charity for that period.

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

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards 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 business.

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

Financial statements are published on the charity's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

This report and accounts comply with all current statutory requirements, the requirements of VSO's Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005). In accordance with company law, as the trustees of the charity, we certify that:

- so far as we are aware, there is no relevant audit information of which the charity's auditors are unaware
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

## Auditors

BDO LLP have expressed their willingness to continue in office as auditors, and a resolution to reappoint them will be proposed at the next Annual General Meeting.



**On behalf of the Board of Trustees**  
**Mari Simonen**  
**Chair**  
**17 July 2012**

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# Independent auditor's report to the Members and Trustees of Voluntary Service Overseas

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We have audited the financial statements of Voluntary Service Overseas for the year ended 31 March 2012 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of trustees and auditor

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

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2012 and of the group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).



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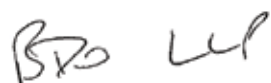
## Opinion on other matter prescribed by the Companies Act 2006

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

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or 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.



**Andrew Stickland, Senior Statutory Auditor  
for and on behalf of BDO LLP, Statutory Auditor**

Epsom  
United Kingdom  
Date: 17 July 2012

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

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Consolidated statement of financial activities for the year ended 31 March 2012

Income and Expenditure	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000	Total 2011 £'000
<b>Incoming resources</b>					
Incoming resources from generated funds:					
<b>Voluntary Income</b>	2				
Strategic grant from Department for International Development		30,000	–	30,000	28,550
Contributions from Governmental Bodies		–	15,357	15,357	16,826
Other Grants and Donations		5,050	4,796	9,846	8,158
<b>Activities for generating funds</b>	2				
Community projects and events		384	310	694	1,068
Income from lettings		–	–	–	26
<b>Investment income</b>		84	–	84	48
<b>Total incoming resources</b>		<b>35,518</b>	<b>20,463</b>	<b>55,981</b>	<b>54,675</b>
<b>Resources expended</b>					
Cost of generating funds					
		4,542	–	4,542	3,697
<b>Charitable activities</b>	3				
HIV and AIDS		3,093	4,998	8,091	8,848
Disability		2,037	1,452	3,489	3,879
Education		7,662	3,626	11,288	11,171
Participation and Governance		4,229	1,577	5,806	7,301
Health		4,269	1,643	5,912	6,066
Secure Livelihoods		6,312	3,709	10,021	10,936
Grants to ICS consortium partners		–	3,533	3,533	–
<b>Governance costs</b>	4	1,639	–	1,639	1,948
<b>Total resources expended</b>		<b>33,783</b>	<b>20,538</b>	<b>54,321</b>	<b>53,846</b>
<b>Net incoming/(outgoing) resources</b>	5	1,735	(75)	1,660	829
Gain on investment assets	9	8	–	8	7
<b>Net movement in funds</b>		<b>1,743</b>	<b>(75)</b>	<b>1,668</b>	<b>836</b>
Total funds brought forward		9,094	6,247	15,341	14,505
<b>Total funds carried forward</b>		<b>10,837</b>	<b>6,172</b>	<b>17,009</b>	<b>15,341</b>

All amounts relate to continuing activities.  
The notes on pages 45 to 60 form part of these financial statements.

# Balance sheet

## as at 31 March 2012

	Note	Group 2012 £'000	Group 2011 £'000	Charity 2012 £'000	Charity 2011 £'000
<b>Fixed assets</b>					
Tangible assets	8	450	486	450	486
Investments	9	1,398	1,390	1,398	1,390
		<b>1,848</b>	<b>1,876</b>	<b>1,848</b>	<b>1,876</b>
<b>Current assets</b>					
Debtors	10	5,020	6,926	5,595	7,374
Short-term deposits		7,279	7,423	6,664	6,953
Cash at bank and in hand:					
in the United Kingdom		4,749	1,822	4,749	1,825
overseas		1,213	716	1,213	716
		<b>18,261</b>	<b>16,887</b>	<b>18,221</b>	<b>16,868</b>
Creditors: amounts falling due within one year	11	(2,521)	(2,893)	(2,481)	(2,874)
<b>Net current assets</b>		<b>15,740</b>	<b>13,994</b>	<b>15,740</b>	<b>13,994</b>
<b>Total assets less current liabilities</b>		<b>17,588</b>	<b>15,870</b>	<b>17,588</b>	<b>15,870</b>
Creditors: amounts falling due after one year	12	(579)	(529)	(579)	(529)
<b>Net assets</b>		<b>17,009</b>	<b>15,341</b>	<b>17,009</b>	<b>15,341</b>
<b>Restricted funds:</b>					
Income funds	13,15	6,172	6,247	6,172	6,247
<b>Unrestricted funds:</b>					
Designated funds					
Fixed asset funds	14,15	450	486	450	486
General fund	15	10,387	8,608	10,387	8,608
		<b>17,009</b>	<b>15,341</b>	<b>17,009</b>	<b>15,341</b>

The notes on pages 45 to 60 form part of these financial statements.  
The financial statements were approved by the Board of Trustees and authorised for issue on 17th July 2012



John Bason, Honorary Treasurer

# Consolidated cash flow statement for the year ended 31 March 2012

	Note	2012 £'000	2011 £'000
<b>Net cash inflow from operating activities</b>	17	3,587	603
<b>Returns on investments and servicing of finance</b>			
Interest received		84	48
		84	48
<b>Capital expenditure and financial investment</b>			
(Purchase) of tangible fixed assets	8	(391)	(612)
Disposal of investments		–	869
		(391)	257
<b>Cash inflow before use of liquid resources and financing</b>		3,280	908
Management of liquid resources			
Decrease/(Increase) in short-term deposits	19	143	(2,395)
		143	(2,395)
<b>Increase/(Decrease) in cash</b>	19	3,423	(1,487)

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# Notes forming part of the financial statements for the year ended 31 March 2012

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## 1. Accounting policies

### Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005) and the Companies Act 2006.

The consolidated accounts incorporate the financial statements of the charity and of its subsidiary undertakings (the group). The results of the subsidiary undertakings have been included on a line-by-line basis in the statement of financial activities. The overall results of the group are materially the same as those of the parent charity therefore the charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005 in not presenting its own statement of financial activities in these financial statements.

### Fund accounting

**Restricted funds:** The charity generates significant income that is tied to specific programmes on which volunteers are working. Contributions are made towards the charity's costs of placing and supporting the volunteers on these programmes, the costs of the local organisations within which volunteers are working and the costs of other charitable activities, including the charity's youth and national volunteering programmes. When the funds are subject to specific conditions imposed or implied by the donor, these are shown as restricted income funds.

**Designated funds:** Designated funds are amounts set aside at the discretion of the Trustees (see note 14).

### Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of either the charity being notified of an impending distribution or the legacy being received. For restricted grants, where income is related to performance or actual expenditure of the grant, entitlement is the earlier of the charity having incurred the expenditure to which the grant relates or the grant having been received. Pro bono services and gifts in kind are valued at the estimated value to the charity.

### Costs of generating funds

These include the salaries, direct expenditure and overhead costs of the staff in the UK and overseas who are engaged in fundraising activities, including negotiating grants for operational programmes and organising fundraising events.

### Resources expended and basis of allocation of costs

Resources expended are recognised in the period in which they are incurred.

Under SORP 2005, VSO has chosen to report its charitable expenditure by the six goals set out in its strategic plan. Where possible, resources expended have been allocated directly to the relevant goal. Support costs, which include central functions, have been allocated to goals on the basis of staff headcount.

The costs of recruiting, selecting and training volunteers, matching them to a suitable placement and supporting them while in their placement and on their return are included in other direct costs (see note 3). Other direct costs also include the cost of programme management and development and other programme inputs, such as workshops and study visits.

### Governance costs

Governance costs comprise the salaries, direct expenditure and overhead costs of the Chief Executive's office and internal audit, the costs of auditing and publishing the Annual Report and Financial Statements and the expenses of the Board of Trustees.

### Grants (see note 3)

Under the terms of the partnership agreements that exist between the charity and the other members of the VSO Federation, the charity provides funds to federation members in order to allow them to undertake agreed activities in pursuit of VSO's aims. Also included under this heading are grants paid to the consortium partners of the ICS Programme.

### Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and included at cost, including any incidental expenses of acquisition.

Depreciation is provided to write down the cost or valuation, less estimated residual values, of all tangible fixed assets except freehold land, over their expected useful lives. It is calculated on a straight line basis at the following rates:

Assets held in the UK:

- Leasehold improvements – over the length of the lease
- Furniture, equipment, fixtures and fittings – 20% per annum
- Computer equipment – 25% per annum

Assets held overseas:

- All categories – 100% in the year of acquisition

The trustees consider it prudent to fully depreciate equipment and motor vehicles purchased for use overseas in the year of acquisition, in view of the uncertainty of conditions overseas. It is the parent charity's policy to record these assets as disposals after three years.

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# Notes forming part of the financial statements for the year ended 31 March 2012

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## **Investments**

VSO's investments are held in funds managed by HSBC (see note 9). A portion of these investments has been set aside by the trustees for the long term, and these investments are classified on the balance sheet as fixed asset investments. Short-term deposits are held when cash in hand temporarily exceeds operational requirements.

All investments are stated at market value, except for the 100% shareholding in VSO Trading Limited, which is stated at cost. Realised gains and losses are shown in the statement of financial activities (SOFA).

## **Liability for returning staff and volunteers**

Provision is made in the financial statements for the outstanding cost to the parent charity of return air fares for all volunteers and expatriate staff in the field at the end of the financial year.

## **Foreign exchange transactions**

Foreign currency transactions are translated at the rate of exchange ruling at the dates of the transaction. Foreign currency balances, including balances in hyper-inflationary countries, are translated into sterling at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the SOFA.

## **Pension costs**

Pension contributions paid by the parent charity in respect of employees to a defined contribution scheme are charged to the SOFA when they become payable (see note 21).

## **Operating leases**

Operating lease payments are charged to the SOFA in the period in which they are incurred.

## 2. Income analysis

### a) Contributions from governmental bodies

Contributions from governmental bodies is defined as income from public institutional agencies, including those where the contribution is funded by government agencies, e.g. governments, European Community, United Nations, World Bank, etc.

	Unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000	Total 2011 £'000
Department for International Development (DFID)	30,000	5,592	35,592	32,068
Australian Government Overseas Aid Program (AusAID)	–	1,069	1,069	1,613
British Council	–	719	719	1,400
Cuso International	–	3,392	3,392	4,546
European Commission	–	1,465	1,465	749
Irish Aid	–	721	721	1,120
Swedish International Development Cooperation Agency (SIDA)	–	738	738	1,221
Other public funding	–	1,661	1,661	2,659
	30,000	15,357	45,357	45,376

### b) Other grants and donations

Other grants and donations includes all income from private individuals, companies, private trusts and foundations, public lotteries, Comic Relief and any other income.

	Unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000	Total 2011 £'000
Trusts and foundations	122	844	966	1,063
Other charitable organisations	–	1,074	1,074	504
Companies	19	1,214	1,233	1,153
Major donors	62	258	320	203
Individuals	3,351	356	3,707	2,883
Comic Relief	–	952	952	712
Lottery	–	98	98	219
Legacies	691	–	691	647
Gifts in kind and pro bono Services	728	–	728	773
Other (sale of assets)	77	–	77	–
	5,050	4,796	9,846	8,157

### c) Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000	Total 2011 £'000
Events	139	299	438	683
Community projects	245	11	256	385
Income from lettings	–	–	–	26
	384	310	694	1,094

# Notes forming part of the financial statements for the year ended 31 March 2012

## 3. Charitable activities

	Grants £'000	Direct staff costs £'000	Other direct costs £'000	Apportioned support costs £'000	2012 Total costs £'000	2011 Total costs £'000
<b>By goal</b>						
HIV and AIDS	545	2,542	4,521	483	8,091	8,848
Disability	350	1,048	1,788	303	3,489	3,879
Education	1,183	3,442	5,656	1,007	11,288	11,171
Participation and Governance	630	1,726	2,927	523	5,806	7,301
Health	595	1,814	2,964	539	5,912	6,066
Secure Livelihoods	1,024	3,219	4,899	879	10,021	10,936
<b>Grants to ICS consortium partners</b>						
Restless Development	1,261	–	–	–	1,261	–
Skillshare International	875	–	–	–	875	–
Progressio	659	–	–	–	659	–
United Nations Association International	557	–	–	–	557	–
Tropical Health and Education Trust	127	–	–	–	127	–
Other	54	–	–	–	54	–
<b>Total</b>	<b>7,860</b>	<b>13,791</b>	<b>22,755</b>	<b>3,734</b>	<b>48,140</b>	<b>48,201</b>

### Breakdown of apportioned support costs:

	Facilities and purchasing £'000	Human resources £'000	Finance and corporate performance £'000	Information technology £'000	Total 2012 £'000	Total 2011 £'000
HIV and AIDS	140	97	118	128	483	907
Disability	88	61	74	80	303	565
Education	293	203	246	265	1,007	272
Participation and Governance	152	105	128	138	523	458
Health	157	108	132	142	539	799
Secure Livelihoods	255	177	215	232	879	580
<b>Total</b>	<b>1,085</b>	<b>751</b>	<b>913</b>	<b>985</b>	<b>3,734</b>	<b>3,581</b>

Finance and corporate performance costs includes exchange gains or losses.

For the current financial year a £125k exchange loss was recognised (2011: £65k exchange gain). See note 5.



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#### 4. Governance costs

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	2012 £'000	2011 £'000
Chief Executive's office	692	516
Implementation of strategic change programmes	592	1,019
Board meetings	30	24
Internal and external audit	131	127
Other federation governance activities	194	262
	<b>1,639</b>	<b>1,948</b>

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#### 5. Net incoming resources

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	2012 £'000	2011 £'000
This is stated after charging:		
Depreciation:		
UK assets	190	428
Overseas assets	237	353
Auditors remuneration	24	25
Additional auditors remuneration for 2009/10 audit	–	18
Audit of VSO Trading Limited	3	3
Loss/(Gain) on exchange rate movements	125	(65)

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#### 6. Trustees remuneration

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The trustees received no remuneration during the year (2011: £nil).

Expenses reimbursed to trustees or paid for on their behalf, for activities undertaken on behalf of the charity, amounted to £30k (2011: £24k). The increase is mainly due to more trustees now being based outside the UK.

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# Notes forming part of the financial statements for the year ended 31 March 2012

## 7. Employee emoluments

	2012 £'000	2011 £'000
Employee costs during the year:		
Wages and salaries	15,908	15,328
Social Security costs	1,089	879
Pension costs	551	370
Temporary staff	303	188
	<b>17,851</b>	<b>16,765</b>

The 2012 wages and salaries figure includes an amount of £426k relating to severance pay. This primarily relates to some reorganisation in the UK office and the planned closure of country offices in accordance with our strategic change programme.

Average full-time equivalent number of persons employed:		2012	2011
UK		241	242
Overseas	UK appointed	56	51
	Locally appointed	426	504
		<b>723</b>	<b>797</b>

The drop in locally appointed staff numbers is primarily due to the handover of Latin America programmes to Cuso International halfway through the year.

The number of individual staff whose emoluments, during the financial year, fall into the following bands is:

	2012	2011
£60,001 – £70,000	3	1
£70,001 – £80,000	5	2
£90,001 – £100,000	1	–
£120,001 – £130,000	1	1

Seven of these employees are members of VSO's pension scheme. The pension costs recognised on behalf of these employees for the year totalled £31k (2011: £23k). Two paid into a defined contribution money purchase scheme administered by The Pensions Trust (£12k of the total) and five paid into a defined contribution scheme administered by Scottish Widows (£19k of the total).

Six of the staff listed in 2012 were actually recruited part way through the previous financial year, therefore their emoluments did not exceed £60k in that financial year.

## 8. Tangible fixed assets

Group and charity	Leasehold improvements £'000	Furniture, equipment, fixtures and fittings £'000	Computer equipment £'000	Assets held overseas £'000	Total £'000
<b>Cost</b>					
At 1 April 2011	515	880	1,394	1,025	3,814
Additions	19	2	133	237	391
Disposals	–	–	–	(365)	(365)
<b>At 31 March 2012</b>	<b>534</b>	<b>882</b>	<b>1,527</b>	<b>897</b>	<b>3,840</b>
<b>Accumulated depreciation</b>					
At 1 April 2011	435	690	1,178	1,025	3,328
Charge for the year	45	47	98	237	427
Disposals	–	–	–	(365)	(365)
<b>At 31 March 2012</b>	<b>480</b>	<b>737</b>	<b>1,276</b>	<b>897</b>	<b>3,390</b>
<b>Net book value</b>					
At 31 March 2011	80	190	216	–	486
<b>At 31 March 2012</b>	<b>54</b>	<b>145</b>	<b>251</b>	<b>–</b>	<b>450</b>

## 9. Fixed asset investments

Group and charity	2012 £'000	2011 £'000
Market value at the beginning of the year	1,390	2,252
Disposals	–	(869)
Realised and unrealised gains/(losses)	8	7
<b>Market value at 31 March</b>	<b>1,398</b>	<b>1,390</b>

The market value at 31 March comprises £2 held in VSO Trading Limited and the remainder in HSBC Liquidity Plus Fund.

### HSBC Liquidity Plus Fund

VSO has purchased units in the HSBC Liquidity Plus Fund. The fund is invested in a diversified portfolio of money market instruments including certificates of deposit, government bonds, treasury bills, Eurobonds and corporate bonds.

### VSO Trading Limited

The investments in VSO Trading Limited (see note 20) are held at a cost of £2 in the books of the parent charity.

# Notes forming part of the financial statements for the year ended 31 March 2012

## 10. Debtors

	Group 2012 £'000	Group 2011 £'000	Charity 2012 £'000	Charity 2011 £'000
Amounts due from VSO Trading Limited	–	–	599	486
Other debtors	716	706	716	706
Pre-payments	747	602	747	564
Accrued income	2,440	2,722	2,416	2,722
Amounts due from Federation Members	1,117	2,736	1,117	2,736
Loan to Federation Member	–	160	–	160
	<b>5,020</b>	<b>6,926</b>	<b>5,595</b>	<b>7,374</b>

All amounts above are due within one year.

The principal of the loan to a federation member was fully repaid by March 2012 in line with the terms of the loan agreement.

## 11. Creditors: amounts falling due within one year

	Group 2012 £'000	Group 2011 £'000	Charity 2012 £'000	Charity 2011 £'000
Trade creditors	419	617	419	622
Liability for volunteer allowances	34	363	34	363
Provision for returning volunteers	275	374	275	374
Provision for national staff end-of-service costs	73	104	73	104
Taxation and social security	646	233	639	233
Pension contributions payable	60	62	60	62
Other creditors	32	42	32	42
Amounts due to Federation Members	697	876	697	876
Accruals and deferred income	285	222	252	197
	<b>2,521</b>	<b>2,893</b>	<b>2,481</b>	<b>2,874</b>

## 12. Creditors: amounts falling due after one year

	Group and charity	
	2012 £'000	2011 £'000
Provision for returning volunteers	121	212
Provision for national staff end-of-service costs	218	197
Provision for dilapidations on leased properties	240	120
	<b>579</b>	<b>529</b>

### 13. Restricted funds – group and charity

Movement on restricted funds	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Closing balance £'000
<b>Project name</b>				
Tackling Education Needs Inclusively (TENI) – Ghana	878	590	640	828
Cuso International Innovation Fund	–	791	–	791
Regional Aids Initiative for Southern Africa	879	1,742	2,097	524
VSO PAC/DAC Capacity Building Project – Papua New Guinea	490	297	420	367
Making markets work for the Poor – Accenture Foundation	214	489	397	306
EVHAC Pilot – European Commission	–	288	9	279
Building Capacity of all Health Service Providers in Vanuatu	260	272	269	263
Million Hours Fund	–	158	–	158
Tokaut Aids III – Papua New Guinea	169	491	509	151
Care and Education for Migrant Children – Thailand – UBS Optimus Foundation	–	158	15	143
Rural enterprises support project – Ghana	114	408	396	126
Rights Based Mental Health – Sri Lanka	10	294	192	112
Nurturing Young Trees – Uganda – Comic Relief	–	171	64	107
DFID funded global schools education project – UK and Rwanda – British Council	85	148	138	94
International Citizen Service Pilot Programme	746	4,804	5,460	90
DFID Health Partnership Scheme through THET – Malawi	–	85	–	85
Improving health through community volunteering – Mongolia	11	184	116	79
Strongim Tisa strongim Sumatin – Papua New Guinea	80	171	183	68
Global Xchange Programmes	16	670	659	26
Improving sustainable Livelihoods for Disadvantaged women in the coast and eastern province of Kenya	40	150	169	21
Capace Teacher Training – Rwanda – UNICEF	–	179	165	14
Namibia CBRNM Enterprise Support Project – Namibia	90	138	223	6
Canadian Programme Partnership Agreement	5	3,381	3,381	5
Big Lottery Diaspora volunteering initiative	33	98	126	5
Learn work path – Gambia, Ghana and Cameroon	2	265	267	–
DFID Funded health Programme – Malawi	–	21	21	–
VSO Programme in South Sudan	–	233	233	–
USAID Literacy, Language and Learning Initiative – Rwanda	–	59	59	–
Nothing About us Without us – addressing exclusion of disabled people – India	8	246	253	–
Strengthening quality of and access to healthcare in hospitals – Sierra Leone	–	203	203	–
Other Specific Programme Funds*	2,117	3,279	3,874	1,523
	<b>6,247</b>	<b>20,463</b>	<b>20,538</b>	<b>6,172</b>

The restricted funds closing balance comprises the unexpended balances of donations and grants held for specific purposes. It is anticipated that these funds will be expended within the coming financial year.

\* Programmes individually listed above either have income or expenditure over £150k or have been detailed at the specific request of the donor. All other amounts are included in other specific programme funds, which is made up of approximately 150 individual projects.

# Notes forming part of the financial statements for the year ended 31 March 2012

## 14. Designated funds

### Fixed asset fund

The fixed asset fund represents the extent to which funds are invested in tangible fixed assets for use by the group.

## 15. Analysis of net assets between funds

Group	General fund £'000	Designated funds £'000	Fixed Asset funds £'000	Restricted funds £'000	Total funds £'000
<b>Fund balances at 31 March 2012 are represented by:</b>					
Tangible fixed assets	–	–	450	–	450
Fixed asset investments	1,398	–	–	–	1,398
Current assets	12,089	–	–	6,172	18,261
Current liabilities	(2,521)	–	–	–	(2,521)
Long-term liabilities	(579)	–	–	–	(579)
<b>Total net assets</b>	<b>10,387</b>	<b>–</b>	<b>450</b>	<b>6,172</b>	<b>17,009</b>

## 16. Commitments

As at 31 March 2012, the parent charity was committed to making the following non-cancellable payments during the next financial year in respect of operating leases:

	2012 £'000	2011 £'000
<b>In the UK:</b>		
Within five years	940	1,498
<b>Overseas:</b>		
Within five years	1,327	1,431
	<b>2,267</b>	<b>2,929</b>

## 17. Reconciliation of net incoming resources to net cash (outflow)/inflow from operating activities

Group	2012 £'000	2011 £'000
Net incoming resources	1,660	829
Depreciation	427	781
Investment income	(84)	(48)
Decrease/(Increase) in debtors	1,906	(912)
(Decrease)/Increase in creditors falling due within one year	(372)	494
Increase/(Decrease) in creditors falling due after more than one year	50	(541)
<b>Net cash inflow from operating activities</b>	<b>3,587</b>	<b>603</b>

## 18. Reconciliation of net cash inflow to movement in net funds

	2012 £'000
Increase in cash in the year	3,423
Decrease in short-term deposits in the year	(143)
Movement in net funds in the year	3,280
Opening net funds	9,961
<b>Closing net funds</b>	<b>13,241</b>

## 19. Analysis of net funds

	At 1 April 2011 £'000	Cash flow £'000	At 31 March 2012 £'000
Cash at bank and in hand	2,539	3,423	5,962
Short-term deposits	7,422	(143)	7,279
<b>Total</b>	<b>9,961</b>	<b>3,280</b>	<b>13,241</b>

# Notes forming part of the financial statements for the year ended 31 March 2012

## 20. Subsidiary companies

	2012 £'000	2011 £'000
Shares in subsidiary company	2	2

### VSO Trading Limited

VSO Trading Limited is wholly owned by Voluntary Service Overseas and is registered in England and Wales. As at 31 March 2012, the investment of Voluntary Service Overseas in VSO Trading Limited was £2 (2011: £2).

The principal activity of the subsidiary is to organise events for the purpose of raising funds for the parent charity. Profits made by the subsidiary are transferred by Gift Aid to the parent charity.

A summary of the results of VSO Trading Limited for the year is shown below. Full accounts will be filed with the Registrar of Companies.

	2012 £'000	2011 £'000
<b>Profit and loss account</b>		
Turnover	465	707
Other income	–	–
	465	707
Total costs	(387)	(494)
Net profit	78	213
Gift Aid payable to Voluntary Services Overseas	(78)	(213)
Retained profit for the year	–	–

	2012 £'000	2011 £'000
<b>Balance sheet</b>		
Current assets	638	515
Creditors: amounts falling due within one year	(638)	(515)
Net assets	–	–

The results of the company are stated after charging £191k (2011: £232k) of expenditure recharged from VSO.



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## 21. Pension costs

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The charity contributes to two main schemes and to other contribution schemes for certain employees.

In 2011/12, the total costs of these contributions was £359k (2011: £370k).

The first main scheme is The Pension Trust's Growth Plan. This is a multi-employer pension plan, which in most respects is a money purchase arrangement but includes some guarantee elements. This scheme has been closed to new entrants since October 2009.

Contributions paid into The Pension Trust's Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from the normal retirement date. From October 2001, contributions were invested in personal funds that have a capital guarantee and are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity. The capital is guaranteed through investing in short-term, high-quality securities and deposits.

The assets and liabilities of participating employees cannot be separately identified for FRS 17 purposes. As at 31 March 2012, there is an estimated contingent liability of £6.0 million (2011: £5.4 million – this was the estimated figure as at 30 September 2010) in the event that VSO was to withdraw its membership of The Pension Trust's Growth Plan. There are currently 91 staff members still contributing to the scheme and VSO has no current plans to withdraw its membership.

The second main scheme available to all UK staff is with Scottish Widows. This defined contribution scheme began in October 2009 and since that date this has been the primary scheme for the charity's employees.

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## 22. Forward contracts

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As at 31 March 2012, VSO had no outstanding forward contracts.

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# Notes forming part of the financial statements for the year ended 31 March 2012

## 23. Grants for operational programmes

	2012 £'000
<b>From the Asian Development Bank</b>	
Water and Sanitation for Herding families – Mongolia	32
<b>From AusAID</b>	
Tokaut Aids III – Papua New Guinea	491
VSO PAC/DAC Capacity Building Project (PNG)	297
Strengthening HIV response – Vanuatu	272
Other	10
<b>From the British Council</b>	
Global Xchange Programme	490
Global schools education project and North/South Schools Linking – UK and Rwanda	148
English for Teaching Development partnership – Tanzania	52
Community Linking Programme	30
<b>From Cuso International</b>	
Canadian Programme Partnership Agreement	3,381
Other	11
<b>From the Department for International Development</b>	
Core grant under strategic partnership agreement	30,000
International Citizen Service Pilot Programme	4,804
Nothing About us Without us – addressing exclusion of disabled people – India	246
VSO Programme in South Sudan	233
Strengthening quality of and access to healthcare in hospitals – Sierra Leone	203
Health Partnership Scheme through THET – Malawi	85
Health Programme – Malawi	21
<b>From the European Commission</b>	
Rights Based Mental Health – Sri Lanka	294
EVHAC project	288
Improving health through community volunteering – Mongolia	184
Improving Sustainable Livelihoods for Disadvantaged Women in Nairobi, Coast and Eastern Provinces	150
Community based natural resource management enterprise support project – Namibia	138
Action for Building Capacity, Learning together and Empowering disabled people – Guyana	119
Promoting education for all – Thailand	113
Promoting quality and inclusive education for out of reach children – Nepal	106
Other	72

	<b>2012</b>
	<b>£'000</b>
<b>From Irish Aid</b>	
Regional AIDS Initiative for Southern Africa	653
Other	68
<b>From New Zealand Aid</b>	
Strengthen quality of formal education – Papua New Guinea	171
<b>From PSO Netherlands</b>	
Action Learning and Learn Work Path	290
Regional AIDS Initiative for Southern Africa	13
<b>From the Scottish Government</b>	
Secure Livelihoods in Bangladesh	114
<b>From the Swedish International Development Cooperation Agency (SIDA)</b>	
Regional AIDS Initiative for Southern Africa	738
<b>From UNICEF</b>	
CAPACE Teaching Project – Rwanda	179
Inclusive education project – Uganda	135
Improving child and maternity health – Ethiopia	131
<b>From USAID</b>	
Literacy, Language and Learning Initiative – Rwanda	59
<b>From the World Bank</b>	
Regional AIDS Initiative for Southern Africa	41
<b>Other income from governmental bodies</b>	495
<b>Total income from governmental bodies</b>	<b>45,357</b>
<b>From Accenture Foundation</b>	
Secure Livelihoods Programme – Making markets work for the poor	489
Active Citizenship and Livelihoods Project – India	19
<b>From the Big Lottery Fund</b>	
Diaspora volunteering initiative	98

# Notes forming part of the financial statements for the year ended 31 March 2012

	<b>2012 £'000</b>
<b>From Cadbury-Schweppes plc</b>	
Rural Enterprise Support Project – Ghana	408
<b>From Comic Relief</b>	
Tackling Education Needs Inclusively – Ghana	590
Regional AIDS initiative for Southern Africa – Zimbabwe	191
Nurturing the young trees to make a thick forest – Uganda	171
<b>From Cuso International</b>	
Innovation Fund	791
<b>From the Fondation de Luxembourg</b>	
Regional AIDS Initiative for Southern Africa	142
<b>From the Stavros Niarchos Foundation</b>	
Providing quality education through child centred learning in Ethiopia	64
<b>From the UBS Optimus Foundation</b>	
Care and education for migrant children – Thailand	158
<b>From the Wood Family Trust</b>	
Youth Exchange Project (Global Xchange)	140
<b>Other grants and donations income, not individually listed above</b>	<b>6,585</b>
<b>Total income from other grants and donations</b>	<b>9,846</b>

VSO would like to thank all our generous donors, including those not individually listed above, for their continued vital support to our work.

We have also received a huge amount of pro bono support and gifts in kind (see note 2) during the year from corporate donors including Freshfields, Google, GSK, BT, KPMG, Randstad and many others. This type of support is of great value to VSO to enable us to achieve our goals.

We would also like to take this opportunity to recognise the significant contribution of VSO's volunteers who very generously give up their time and salaries in order to share their expertise in our programmes around the world. Without them our work would not be possible. Many volunteers also continue to give up their time to help VSO when they return home by assisting with fundraising and raising awareness of our work.

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# Reference and administrative details

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Charity name:	Voluntary Service Overseas (VSO)
Charity registration:	313757 (England and Wales), SC039117 (Scotland)
Company registration:	00703509
Registered office:	Carlton House, 27a Carlton Drive, London SW15 2BS

## International Board of Trustees (as at 31 March 2012)

Mari Simonen (chair) <sup>†~</sup>	Special Advisor, United Nations Population Fund (UNFPA), New York
Dr Grace Aguilin Dalisay	Professor, University of the Philippines, Quezon City
Nthobi Angel*	Chair, KagisoTiso Holdings, Johannesburg
Mark Astarita	Fundraising Director, British Red Cross, London
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Wayan Vota	Senior Director, Inveneo, Washington D.C.

## Independent International Board sub-committee members (as at March 2012)

Victoria Anderson<sup>^</sup>, Hugh Burkitt<sup>^</sup>, Caroline Hewitt\*, Hardeep Kaur<sup>^</sup>, Superna Khosla<sup>^</sup>, Neil Menzies\*, Chris Merry<sup>^</sup>, Dr Judy Muthari<sup>^</sup>, Amanda Rowlett<sup>^</sup>, Steve Westwell<sup>^</sup>

## Federation Council members (as at March 2012)

The Rt Hon the Baroness Armstrong of Hill Top (chair)	VSO UK
Pieter Marres	VSO Netherlands
Katanu Mwosa	VSO Jitolee (Kenya)
Vitaliano Nanagas II	VSO Bahaginan (Philippines)

## Former members of the International Board of Trustees (during reporting year 2011/12)

Enrique Alvarez	National Security Council, Guatemala City
The Rt Hon the Baroness Armstrong of Hill Top <sup>^</sup>	House of Lords, London
Sir Suma Chakrabarti KCB <sup>†~</sup>	UK Ministry of Justice, London
Dr Cameron Charlebois	Canada Lands Company, Montreal
Dr David Dinkin <sup>^</sup>	Consultant, London
Superna Khosla* <sup>^</sup>	The Prince's Accounting for Sustainability Project, London
Wayne Robertson QC	Law Foundation of British Columbia, Vancouver

## Former independent International Board sub-committee members (during reporting year 2011/12)

Charles Sinclair<sup>^</sup>

\* Audit and Risk Committee (board sub-committee)

† Remuneration Committee (board sub-committee)

~ Nomination Committee (board sub-committee)

<sup>^</sup> UK Committee/Board (board sub-committee)

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### Global Leadership Team (as at 31 March 2012)

<b>Marg Mayne</b>	Chief Executive
<b>Sarah Wilson</b>	Assistant Chief Executive
<b>Amanda Bringans</b>	Director, Global Fundraising
<b>Matthew Foster</b>	Director, Asia and Pacific Group
<b>Kathryn Gordon</b>	Director, Human Resources and Organisational Development
<b>Paul Green</b>	Director, Finance, IT and Corporate Performance
<b>Amanda Khozi Mukwashi</b>	Director, Policy
<b>Tiziana Oliva</b>	Director, Africa, Latin America and the Caribbean Group
<b>Brian Rockliffe OBE</b>	Director, ICS
<b>Jon Rosser</b>	Director, VSO UK

### Former executive directors (during reporting year 2011/12)

<b>Judith Brodie</b>	Director of Global Funding and Brand (until August 2011)
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### International Federation members

VSO works within an international federation of member organisations together with three independent members:

- VSO Jitolee in Kenya ([www.vsojitolee.org](http://www.vsojitolee.org))
- VSO Netherlands in the Netherlands ([www.vso.nl](http://www.vso.nl))
- VSO Bahaginan in the Philippines ([www.vsobahaginan.org.ph](http://www.vsobahaginan.org.ph))

### Royal patron

**HRH The Princess Royal**

### Honorary president

**Jonathan Dimbleby**

### Bankers:

HSBC Bank Plc, 19 Grosvenor Place, London SW1X 7HT  
Standard Chartered Bank, 1 Basinghall Avenue, London EC2V 5DD

### Auditor:

BDO LLP, Emerald House, Epsom, Surrey KT17 1HS

# Thank you

VSO would like to take this opportunity to recognise the significant contribution of VSO's volunteers. They very generously give up their time and salaries in order to share their expertise in our programmes around the world. Without them our work would not be possible. Many volunteers also continue to give up their time to help VSO when they return home by raising funds and promoting our work.

We would like to thank our strategic alliance partner Cuso International for contributing volunteers, funds and programme expertise in support of our work in Burkina Faso, Cambodia, Cameroon, Ethiopia, Ghana, Guyana, Indonesia, Mozambique, Nigeria, Rwanda and Tanzania.

We have also received a huge amount of pro bono support and gifts in kind (see note 2) during the year from corporate donors including BT, Freshfields, Google, GSK, KPMG, Randstad and many others. This type of support is invaluable to VSO to enable us to achieve our goals.

VSO would also like to thank all our generous donors, including those not individually listed below, for their continued vital support to our work.

A S Hornby Educational Trust  
Accenture  
The Allan and Nesta Ferguson Charitable Trust  
AusAID  
The Beatrice Laing Charitable Trust  
Ben and Jerry's  
Big Lottery Fund  
The Binks Trust  
British Airways  
The Brian Guinness Charitable Trust  
British Council  
Caterham Overseas Aid Trust  
Comic Relief  
Cuso International  
DANIDA  
Department for International Development (DFID)  
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)  
Education and Integration for All Foundation under the aegis of Fondation de Luxembourg  
Ernest Kleinwort Charitable Trust  
European Commission  
European Community Humanitarian Office  
The Evan Cornish Foundation  
Greg Dyke and Sue Howes  
The Grocers' Charity  
Guernsey Overseas Aid Commission  
Heathrow Community Fund  
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Isle of Man Overseas Aid Commission  
Jersey Overseas Aid Commission  
John Bason  
John Rhodes  
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The Kusuma Trust Gibraltar  
Merck  
New Zealand Aid  
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Randstad  
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The Schroder Foundation  
Scottish Government  
Stanley Thomas Johnson Foundation  
Stavros Niarchos Foundation  
Swedish International Development Cooperation Agency (SIDA)  
Swiss Agency for Development and Cooperation (SDC)  
Sylvia Adams Charitable Trust  
Tadworth and Walton Overseas Aid Trust  
Tropical Health and Education Trust (THET) with DFID  
UBS Optimus Foundation  
UNICEF  
USAID  
Wood Family Trust  
The Zochonis Charitable Trust





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[www.vsointernational.org](http://www.vsointernational.org)

VSO is a registered charity in England and  
in Wales (313757) and in Scotland (SC039117)

UK/July 2012