

SOCIALIST INTERNATIONAL

**AUDITED
ACCOUNTS**

**FOR THE YEAR ENDED
31 DECEMBER 2015**



Chartered Accountants and
Chartered Tax Advisers
Statutory Auditors

SOCIALIST INTERNATIONAL

REPORT OF THE SECRETARY GENERAL FOR THE YEAR ENDED 31 DECEMBER 2015

The Secretary General presents his report and the accounts of the organisation for the year ended 31 December 2015.

ENTITY

Socialist International is a not for profit association of political parties and organisations that share common social democratic values and principles.

PRINCIPAL ACTIVITIES

The purpose of Socialist International is to strengthen relations between the affiliated parties and to co-ordinate their political attitudes and activities by consent.

The organisation also seeks to extend relations between Socialist International and other political like-minded parties and organisations not in membership which desire co-operation.

RESULTS FOR THE YEAR

The organisations income has decreased in the year in both membership fees and donations. The organisation has also received some assistance for the cost of running some of the events. The results include supporting Socialist International Women.

Most of the organisation's expenditure is fixed and cost cutting has continued to be performed to minimise cash outlay where possible. The results show a surplus for the year of £60,970 (2014 - a deficit of £99,767). The results also show that the contingency fund had to be used to support the organisation, the contingency fund has reduced by £97,062 in this respect.

The membership fees recognised in the accounts represent the amount received during the year and known after date receipts in respect of the year. There are a number of members that have not paid a membership fees and some have paid a reduced fee leaving the organisation short of cash regularly. A minority of long term non-payers have been downgraded to an observer membership.

At the end of the financial year there was a balance sheet deficit of £667,655 (2014 - £825,687). This has been funded by the contingency fund, a bank overdraft which has been personally guaranteed by the Secretary General, loans from members of the secretariat and delayed payment of the organisation's tax liabilities.

The outstanding pension contributions owed to the Secretary General are incorporated into the results of the organisation and this is updated each year.

GOVERNANCE AND INTERNAL CONTROL

The Secretary General is responsible to the members for the financial affairs of the organisation. He is responsible for providing accounts to present to the members that comply with generally accepted accounting practice and in sufficient detail to explain the income and expenditure of the organisation for the financial year. The secretariat oversees the accounting and administration of the organisation, and within the team the day to day financial decisions are made by the Secretary General and his assistant.

RESERVES POLICY

The organisation aims to retain sufficient reserves to fund its activities. However, there are no reserves and income levels are inadequate for this purpose at present. The shortage of funds restricts the work that the organisation is able to carry out.

CONTINGENCY FUND

During the year donations were received from members, which have been used in part to cover the shortfall in the receipts in the year and in 2016. The reduction in donations has led to the contingency fund balance reducing overall as it has been used in the year to assist with the funding of its own events or attending those of others. This fund is held in a separate bank account and is not used in the day to day activities.

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AUDITORS

Wellden Turnbull Ltd Chartered Accountants and Statutory Auditors were appointed as the organisation's auditors for the accounts for the year ended 31 December 2015. Their appointment continues for the forthcoming financial year.



Luis Ayala

Date: 12 April 2017
Secretary General

SOCIALIST INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIALIST INTERNATIONAL ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

We have audited the accounts and the financial information of Socialist International for the year ended 31 December 2015 which comprises the income and expenditure account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF THE SECRETARY GENERAL AND AUDITORS

As explained more fully in the Report of the Secretary General set out on page 1, the Secretary General is responsible for the preparation of the accounts which give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with International Standards on Auditing (UK and Ireland).

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the organisation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Secretary General; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 December 2015 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.



**Oliver Spevack ACA FCCA (Senior Statutory Auditor) on behalf of
Wellden Turnbull Ltd**
Chartered Accountants
Munro House
Portsmouth Road
Cobham
Surrey
KT11 1PP

Date: 14 April 2017

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015		2014	
		£	£	£	£
INCOME:	2		765,762		941,377
Communications		45,548		39,220	
Administration		139,666		163,958	
Secretariat		170,777		450,884	
Socialist International Women		37,307		102,620	
Conferences and other meetings		311,494		284,462	
			<u>704,792</u>		<u>1,041,144</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR			<u>60,970</u>		<u>(99,767)</u>

All of the activities of the organisation are classed as continuing.

The notes on pages 6 to 10 form part of these financial statements.

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**BALANCE SHEET
AS AT 31 DECEMBER 2015**

		2015		2014
		£	£	£
CURRENT ASSETS				
Trade debtors - non-factored	5	52,085		39,400
Bank balance		6		6
		<u>52,091</u>		<u>39,406</u>
CREDITORS DUE WITHIN ONE YEAR				
Bank overdraft		(41,917)		(49,184)
Bank loans		-		(24,963)
Creditors		(381,619)		(438,695)
Accruals		(296,210)		(352,251)
	6	<u>(719,746)</u>		<u>(865,093)</u>
NET LIABILITIES			<u>(667,655)</u>	<u>(825,687)</u>
REPRESENTED BY:				
ACCUMULATED FUNDS				
At 1 January 2015		(825,687)		(436,619)
Surplus	7	60,970		-
Contingency Fund movement in year	8	97,062		-
			<u>(667,655)</u>	<u>(436,619)</u>
Deficit		-		(99,767)
Introduction of contingency fund		-		(289,301)
			-	<u>(389,068)</u>
	7, 8		<u>(667,655)</u>	<u>(825,687)</u>

These financial statements were approved and signed by the Secretary General, and authorised for distribution to the members on 12 April 2017.



Luis Ayala (Secretary General)

The notes on pages 6 to 10 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

1.2 Income

The income shown in the income and expenditure account represents the amounts receivable from members in respect of their membership fees and donations. It does not include the cost of the support that has separately been given by members for conferences, delegations and missions.

1.3 Going Concern

The Secretary General has reviewed the organisation's ability to continue for the foreseeable future. He has considered the accumulated deficit held, alongside the decline of membership fee income and the current financial position of the organisation supported by up to date management accounts. The Secretary General is confident that with the continued support of its staff and members, and the ability to call upon additional financing as required, that it is appropriate to prepare these financial statements on a going concern basis.

1.4 Pensions

The organisation operates a defined contribution pension scheme and the pension charge represents the amounts payable by the organisation to the fund in respect of the year.

1.5 Operating Leases

Rentals under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

2. INCOME

The income and deficit for the year are attributable to the principal activities of the organisation. Further analysis of the income below can be found in note 9 of these accounts.

	2015 £	2014 £
Membership fees	583,692	617,160
Donations received	182,070	324,217
	<u>765,762</u>	<u>941,377</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

3. PARTICULARS OF EMPLOYEES

	2015 no.	2014 no.
Secretariat	3	7
Socialist International Women	1	3

The aggregate payroll costs of the above were:

	£	£
Wages and salaries	182,805	508,075
Pension plan	13,662	19,961
	<u>196,467</u>	<u>528,036</u>

4. TAXATION

The results are not subject to UK taxation.

5. DEBTORS

	2015 £	2014 £
Unpaid membership fees	<u>52,086</u>	<u>39,400</u>

The amount unpaid at the balance sheet date was subsequently received in full.

6. CREDITORS:

Amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts (secured)	41,917	74,147
Creditors	4,007	44,452
Other taxation and social security	92,753	85,089
Loans from the Secretary General and members of the secretariat	284,859	309,154
Accruals and membership fees received in advance	296,211	352,251
	<u>719,747</u>	<u>865,093</u>

The bank loan and overdraft have been secured by a personal guarantee from the Secretary General of the organisation.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

7. ACCUMULATED DEFICIT

	2015 £	2014 £
Balance brought forward as previously reported	(536,386)	(436,619)
Surplus/(Deficit)	60,970	(99,767)
	<u> </u>	<u> </u>
Balance carried forward	<u>(475,416)</u>	<u>(536,386)</u>

The accumulated deficit is shown within the capital accounts balance of £667,655 (2014 - £825,687) on the balance sheet.

8. CONTINGENCY FUND

	2015 £	2014 £
Balance brought forward	(289,301)	-
Movement in fund in year	97,062	(289,301)
	<u> </u>	<u> </u>
Balance carried forward	<u>(192,239)</u>	<u>(289,301)</u>

The contingency fund is shown with the capital accounts balance of £667,655 (2014 - £825,687) on the balance sheet.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

9. MEMBERSHIP FEES RECEIVED

	2015 £	2014 £
Albania SPA	-	-
Algeria FLN	-	-
Algeria FFS	-	3,016
Andorra	5,000	4,987
Angola	20,000	20,000
Argentina PS	-	3,000
Armenia ARF	8,000	-
Austria	5,000	5,000
Azerbaijan	7,000	7,000
Belgium PS	25,000	25,000
Benin	2,000	-
Bosnia & Herzegovina SDP	-	3,000
Botswana BDP	-	6,988
Brazil	7,000	7,000
Bulgaria BSP	-	12,000
Bulgaria PBSD	3,000	3,000
Cape Verde	-	-
Central African Republic	2,000	2,000
Chad	3,000	1,979
Chile PRSD	4,000	-
Chile PS	2,000	-
Colombia	7,000	-
Congo PALU	2,000	-
Congo UDPS	4,256	-
Costa Rica	6,000	5,796
Curacao	2,000	-
Cyprus CTP	-	-
Cyprus EDEK	-	5,000
Czech Republic	12,000	12,000
Denmark	-	-
Dominican Republic	12,000	12,000
Egypt	2,000	-
Equatorial Guinea	1,870	2,000
Finland	32,000	31,993
France	22,198	44,519
Gabon	-	6,000
Georgia	-	4,994
Germany	5,000	5,000
Ghana	20,000	-
Greece	-	-
Guatemala	7,000	7,000
Guinea-Bissau	-	-
Hungary MSzP	-	5,000
India	10,000	-
Iran PDKI	4,000	-
Iraq	-	20,000
Israel LP	10,000	11,868
Israel MERETZ	6,000	5,989
Italy PSI	-	5,000
Japan	10,000	10,000
Kazakhstan	4,000	4,000
Kenya	-	-
Lebanon	-	5,000
Lesotho LCD	-	1,975
Lithuania	3,950	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Luxembourg	-	6,000
Mali ADEMA-PASJ	5,800	-
Mali RPM	9,979	6,985
Mauritania	1,977	1,975
Mauritius LP	-	5,000
Mauritius MMM	2,000	4,000
Mexico PRD	30,000	-
Mexico PRI	25,000	25,000
Moldova	3,000	3,000
Mongolia	-	8,000
Montenegro DPS	7,000	6,982
Montenegro SDP	10,000	-
Morocco	2,000	9,994
Mozambique	12,000	11,970
Namibia SWAPO	10,000	9,985
Netherlands	-	(9,000)
Nicaragua	4,930	-
Niger	10,000	10,000
Northern Ireland	1,200	2,400
Norway	-	-
Pakistan	-	30,000
Palestine Fatah	9,750	10,000
Palestine PNI	-	1,927
Panama	9,000	-
Paraguay PDP	8,000	1,957
Peru	5,000	5,000
Portugal	-	-
Romania	-	15,000
Russia	25,000	25,000
San Marino	-	5,996
Senegal	5,977	5,951
Serbia DS	-	-
Slovakia SMER	7,000	7,000
South Africa	25,000	25,000
Spain	20,000	20,000
Sweden	5,000	5,000
Switzerland	-	1,996
Togo CPDA	2,000	-
Tunisia	2,925	-
Turkey BDP	-	1,985
Turkey CHP	25,000	25,000
Ukraine SDPU	-	-
Uruguay NE	3,000	3,000
Uruguay PSU	-	-
USA - DSA	-	-
Venezuela AD	4,025	4,979
Venezuela MAS	5,000	-
Venezuela UNT	7,000	7,000
Western Sahara	1,900	2,000
Yemen	1,955	1,974
Zambia	-	-
Total	<u>583,692</u>	<u>617,160</u>

Membership fees received represent the amounts received to March 2016 on the assumption that no further membership fees would be received for 2015.

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**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
INCOME		
Membership fees	583,692	617,160
Donations	182,069	324,217
	765,761	941,377
LESS: EXPENDITURE		
Communications		
Electronic	45,548	39,179
Print	-	(26)
Periodicals	-	67
	45,548	39,220
Administration		
Office supplies	3,809	6,424
Office equipment	8,386	4,196
Accommodation	39,213	67,692
Professional services	88,258	85,646
	139,666	163,958
Secretariat		
Staff remuneration	141,144	386,330
Staff national insurance	16,974	49,596
Pension contributions	12,658	14,958
	170,776	450,884
Socialist International Women		
Staff remuneration	22,426	64,721
Staff national insurance	2,260	7,429
Pension contributions	1,004	5,003
Activities and miscellaneous	11,616	25,467
	37,306	102,620
Conferences and other meetings		
Conference costs	123,378	120,620
Delegations and missions	98,093	69,654
Committees and other meetings	90,024	94,188
	311,495	284,462
NET SURPLUS/(DEFICIT) FOR THE YEAR	60,970	(99,767)

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**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

CONFERENCE COSTS

	2015 £	2014 £
Angola - Meetings of council, Presidium and committees	34,699	-
Switzerland - Geneva - Meetings of council, Presidium and committees	1,277	47,329
Mexico - Meetings of council, Presidium and committees	-	39,696
USA - New York - UN meetings, Presidium, SI Council, Head of State and gov't & other meetings	83,060	29,535
Conference and statutory meetings - other costs	4,342	4,060
	<hr/>	<hr/>
Total	123,378	120,620
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DELEGATIONS AND MISSIONS

	2015 £	2014 £
Algeria - Congress of FLN	1,448	-
Burkina Faso - Inauguration of President Kabore	4,556	-
Chile - SI mission to the inauguration of President Bachelet	-	10,647
Dominican Republic - PRD - PLD event	3,624	-
Finland - Funeral of Satu Heinaluoma	1,737	-
France - Paris - COP21 Climate summit	9,393	-
Greece - Symposium in Corfu	1,806	-
Guinea - Inauguration of President Alpha Conde	5,951	-
India - Conference on socialism and meetings with Indian Congress Party	-	1,329
Israel - Observation of elections & party meetings	2,279	-
Italy - PSI launching of candidates and meetings	-	2,797
Mexico - Global Conference on Money in Politics	3,828	-
Montenegro - Congress of DPS in Podgorica	1,501	-
Montenegro - VIII Congress of SDPM in Podgorica	1,529	-
Moldova - Election campaign of DPM	-	2,266
Namibia - Independence 25th Anniversary and Inauguration of President	3,958	-
Nepal - Conference on Social Democracy inc PM and Aung San Suu Kyi	-	4,133
Niger - PNDS Congress in Niamey	2,896	-
Palestine & Israel - Meetings with President Abbas, Fatah, PNI, ILP and Meretz	-	6,183
Russia - International Forum - A Just Russia Party	3,266	-
South Korea - International Conference	491	-
Sweden - Funeral of Brigit Stenarv	1,923	-
Turkey - Meetings with CHP and MPs in Istanbul and Ankara	2,338	-
Tunisia - Arab Social Democratic Forum	1,743	-
UK - Labour Party Annual Conference in Brighton	560	-
Uruguay - Inauguration of President	4,692	-
Venezuela - Legislative Elections in Caracas	3,971	-
Venezuela - SI Delegation	-	4,433
Western Sahara - SI Mission	9,355	-
Delegations and missions - Other costs	6,047	4,741
Party congress attendance and meetings	19,201	33,125
	<hr/>	<hr/>
Total	98,093	69,654
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**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

COMMITTEES AND OTHER MEETINGS

	2015	2014
	£	£
Armenia - Meeting of the SI Committee for the CIS, Caucasus and Black Sea, and Meeting with HE The President of Armenia	7,175	-
Azerbaijan - Meeting with members party and with President Aliyev	3,822	-
Chile - Meetings with authorities and party leaders	4,892	-
Colombia - SICLAC meeting in Cartagena	13,608	-
Dominican Republic - Meeting of SI Comm for Latin America and the Caribbean	-	11,774
Greece - Meetings with SI President and observation of General Election	2,958	-
Italy - Meeting of SI migrations committee in Catania	-	9,715
Kazakhstan - Meeting of SI Comm CIS, Caucasus and Black Sea	-	6,065
Mali - Meeting of SI Africa Committee	7,177	-
Morocco - Meeting of SI migrations committee in Tangiers	-	3,026
Morocco - Extraordinary meeting of SI Migrations Committee	6,066	-
Spain - Meeting of SI Mediterranean Committee in Valencia	6,043	-
Spain - Meeting of SI Mediterranean Committee in Barcelona	5,911	-
Switzerland - Geneva - IPU Assembly and two SI meetings	-	19,585
Switzerland - Geneva - IPU Assembly	5,918	-
Tanzania - Meeting of SI Africa committee	-	14,350
UK - London - Ethics Committee	5,397	-
USA - Washington - SI Comm for Latin America and the Caribbean	-	25,288
Vietnam - 132nd IPU Assembly and SI Parliamentarians meetings	10,698	-
Committees and other meetings - Other costs	10,359	4,385
	<hr/>	<hr/>
Total	90,024	94,188
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