



ANNUAL REPORT

AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

CYAN INTERNATIONAL

Annual report & financial statements

Year ended 31 December 2018

Cyan International
Company number: 6843768
Registered charity number: 1129603 (England and Wales)

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1 Reference and administrative details

Directors and trustees

The directors of the charitable company are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year end were as follows:

Helen Brook (Chair)
Carwyn Hill
Brian Mitchell
Alex Vickers
Brian Woolnough

Senior management

Chief Executive – Kang-San Tan
Company Secretary – Val Stevens
Programmes Consultant – Peter Dunn
Programmes Consultant – Steve Sanderson
Head of Operations – Kat Wagner (until 31 December 2018)
Head of Operations – Aminta Coates (from 1 March 2019)
Head of Finance – Caroline Trimble

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

Bankers

Barclays Bank PLC, 125 Broadway, Didcot OX11 8AW

Solicitors

Anthony Collins LLP, 134 Edmund Street, Birmingham B3 2ES

Secretary and registered office

Val Stevens, Cyan International, 129 Broadway, Didcot, Oxfordshire OX11 8XD
Email: mail@cyanint.org
Website: www.cyaninternational.org

Company number

6843768

Registered charity number

1129603 (England and Wales)

2 Trustees' report

2.1 Organisational objectives

2.1.1 Vision, mission and values

Many around the world live in abject poverty, with meagre health facilities, poor access to education, little opportunity to improve their lives, and hemmed in by unjust systems and an imbalance of power. Cyan International wants to ensure that the next generation will be different. We are part of a global network of partners that strives to deliver long-term solutions to poverty.

Our vision is to see the lives of poor and disadvantaged communities transformed from poverty to opportunity, from inequality to justice, and from despair to hope.

The mission of Cyan International is to secure sustainable improvements in the lives of poor and disadvantaged people, particularly those affected by conflict and insecurity. We build on local skills and knowledge with the aims of:

- Improving poor people's access to essential services
- Securing basic human rights and justice
- Improving economic opportunities

The following values guide our work:

- Equal partnership – we draw upon the skills, knowledge and experience of poor and disadvantaged communities to learn from each other and work together as true partners.
- Compassion with integrity – we respond with care and concern, whilst encouraging honesty, transparency and accountability in all we do.
- Mutual respect for people – we treat all members of the communities with which we work with equality and dignity.
- Dignity – we believe in the inherent dignity of each human life, and the need to enhance dignity where it has been threatened.
- Empowerment – we believe in the potential of poor and disadvantaged communities to address their own problems with appropriate solutions.

2.1.2 Objectives and activities

Our charitable objects are:

- The prevention or relief of poverty, *leading to transformed and empowered communities*
- The advancement of health and saving lives, *a result of accessible and improved healthcare*
- The advancement of education, *generating educational and learning opportunities*
- The relief of suffering and distress, *bringing about the restoration of hope and dignity*

2.2 Achievements and performance

2.2.1 Transformed and empowered communities

Some of the main efforts implemented by Cyan partners in 2018 are especially focused on the prevention and relief of poverty alongside the population they are working.

In Uganda, *Justice Livelihood and Health (JLH)*, worked with 100 farmers (60 men, 40 women) in Paicho Sub-County, enabling them to grow high-value, internationally marketable produce through the promotion of chilli, ginger and banana production. These farmers received in-depth training and support in developing their small-scale agricultural work as businesses. Although there were challenges in buyer reliability, especially for fresh crops, evidence shows that families were working together and women were economically empowered. In addition, a pilot project that funded the trialling of alternative cash crops was continued and crops such as chia seeds, sunflower seeds and maize were grown successfully. However, it is crucial to mention that from April 2018 to the end of year, the project was scaled back due to the resignation of both the Northern Uganda and Regional Community Projects Coordinator and the Agricultural Field Officer of the Agribusiness Livelihoods Project.

Also, JLH established *Village Savings Groups* in Kasese. A series of training sessions and refresher courses were conducted with both church and community members. These were focused on environmental issues and their impact, especially on human health. In Nyakasanga, the production of charcoal briquette on a small scale among some Baptist churches was considered, as well as the continuation of piloting improved cooking stoves using charcoal material. This helps local families to protect their surrounding environments through the production of clean cooking fuel, briquettes and the improvement of energy stoves.

In Uganda at St. Phillip's Health Centre II, JLH conducted weekly speech and language therapy workshops, with primary school teachers, classroom assistants, trainee teachers and parents of children with Down Syndrome, as well as those with language and communication difficulties. Therapy sessions were offered to individual clients, while connections with local health care providers were established. A part time therapy assistant was hired and trained in sign language to support this work.

In Northern Uganda, Hope Health Action (HHA) worked in partnership with JLH with South Sudanese refugees. In addition, Rachel Conway-Doel, Relief Facilitator and Partner Lead for HHA, visited northern Uganda in September 2018, to gather contextual information about the refugee situation in this region and consider the practical arrangements for how JLH and HHA can partner in this effort in the future.

JLH efforts were matched with a mid-term review of the JLH 2015-2020 strategy conducted by an external consultant, Matilda Mataka. The main review findings were presented to the Board of Trustees in July 2018.

2.2.2 Accessible and improved healthcare

The advancement of basic promotion of health and accessibility to health systems with the purpose of saving lives, especially those of women and children who are among the most vulnerable groups of a given population, continue being a priority in this financial year. For instance, in Afghanistan, health work was specifically focused on the implementation of the second phase of the Maternal Health Project, financed by the Department for International Development (DfID) through UK-Aid Direct. As has been previously reported, the overall budget for this project is £149,256 over a period of three years. This second phase started on the 1st April 2018.

As an integral part of the Maternal Health Project, a baseline survey was conducted to gather information on health issues related to Knowledge, Attitudes and Practices (KAP), especially from women as the household primary care provider. However, it is important to note the particular challenges in accessing the targeted women population and the communities that they represent in a country like Afghanistan, where women are culturally, economically, physically and emotionally under a male guardianship system. IAM staff therefore also surveyed men, especially those in power, leadership and decision-making positions.

In addition to the baseline survey, focus groups were also conducted to gain a greater understanding and gather extra information about the underlying reasons behind health issues and practical behaviours. These activities were developed from July to September 2018. For the KAP's data collection, analysis and data storage process, the introduction of Kindle Fire tablets was necessary to speed up the process, to reduce human bias and errors, to save time and to access information in a more consistent and practical way. Opposite outcomes were experienced when previously relying on paper surveys.

The selection of new geographic areas of influence took place as well as the implementation of training sessions with facilitators, both women and men, focused on *Birth and Life-Saving Skills* (BLISS). It is important to mention that in 2018, village elders of some of the selected villages finally agreed and allowed BLISS facilitators to implement such courses at the local level with women beneficiaries, access that in previous years has been repeatedly denied. This openness was also encouraged by unfortunate events, where a few local women died during child birth. Aspects related to monitoring and evaluation processes were also addressed in 2018.

In August 2017, thanks to the funding contribution of a BMS Mission Innovation Fund grant of £4,452, JLH were able to drill two wells in Uganda, hygiene awareness sessions were conducted as well as the creation of water committees. These two initial wells successfully provided access to safe clean water for 352 people in two villages. Throughout 2018, this service continued being offered by WET, a consulting and social business company that was established with the purpose of generating profits from drilling private wells to finance community wells. The business made quick progress commercially by drilling 10 private wells, which generated profits to establish 3-4 community wells. WET is administrated locally and independently from Cyan.

2.2.3 Educational and learning opportunities

Education and learning opportunities are one of the main priorities among some of Cyan partners. For example, Cyan India, in collaboration with local government in Delhi, work with teachers, students and their parents to deliver basic health education. These activities ran in schools during the year but did not achieve expected outcomes. A new programme is being developed and will be trialled during 2019.

2.2.4 Restoration of hope and dignity

The relief of suffering, distress and the restoration of hope and dignity of the populations assisted by Cyan partners are at the centre of what they do.

Cyan India in Delhi trialled a *Sewing Skills Centre* for 19 former TB sufferers. This initiative started in September 2018, the first cohort's graduation taking place on the 22nd December. This effort resulted in a non-financial MOU agreement between Cyan India and the State and District TB Health Officers in Delhi. Ongoing funding and sustainability discussions are continuing to better secure the sustainability of the project, to increase service provision as well as to maximise impact.

2.2.5 Organisational capacity

Organisational capacity at every level is at the centre of Cyan's work as well as its partners' organisations. The main initiatives focussing on the achievement of this goal in 2018 are:

- *In Afghanistan*, with the purpose to strengthen the capacity in IAM staff a Finance Manual was developed, as a result of a DfID recommendation. This financial manual underlined the main financial processes to follow, roles and responsibilities between team members, treatment of financial assets, accounting records as well as a credit card policy. The final document was submitted to DfID on 27 September 2018. A review of the IAM HR Handbook was also undertaken as a pre-condition of DfID continuing to support the Maternal Health Project in Afghanistan. The manual was approved and signed by Cyan International Board of Trustees.
- *In Uganda*, as part of child protection policy, training activities were conducted with child protection committees in 8 schools and posters on child protection were also distributed. In addition, four of these schools trained students on child protection issues. A funding proposal was approved to work with 20 schools to help them develop contextually relevant child protection policies, and to train teachers in their implementation. This event was jointly implemented with Uganda Christian Lawyers Fraternity (UCLF).
- In Kasese (western Uganda), specific work was developed with children with disabilities and a new Supported Partner Worker (SPW) was hired to work three times a week in a church with 10 children with disabilities.
- *Child and Vulnerable Adult Safeguarding Policies and practices* – In the light of negative publicity surrounding safeguarding issues in the international aid sector, Cyan trustees prioritised a review of safeguarding policies and practices for both children and vulnerable adults. Cyan registered with Thirtyone: eight (previously known as CCPAS: The Churches' Child Protection Advisory Service) enabling Cyan seconded personnel to submit Disclosure and Barring Service (DBS) checks, processed under the name of Cyan rather than BMS, as had been done previously. A training agreement was put in place by BMS with Viva - an international children's charity with expertise in resourcing locally-led networks to release children from poverty and abuse. This training will initially target seconded UK staff who regularly work with partners (Regional Leaders and Partner Leads). This will then be rolled out to train regional champions (overseas personnel already engaging in this area who can share their expertise with other partners in their regions). We are also exploring how we can link up our partners into existing Viva Networks around the world.
- *Controls on overseas expenditure* – A partner financial capacity assessment tool was developed during the year with training given on the use of the tool. This will enable partners' financial capacity to be strengthened.
- *Risk management of overseas staff* – Initial talks have been held on how to plan practical measures to respond to security situations, in the light of the 6th of October security incident in Lal, Afghanistan, which resulted in the deaths of 15 people, including an Afghan member of IAM staff. This event was a one-off incident and was reported to MannionDaniels, who work with Cyan on behalf of DfID. Security situation issues continue to be monitored. Cyan staff in Afghanistan were not affected, therefore this does not represent a critical incident to be reported to the Charity Commission.
- *Secondment of personnel* - In 2018 a total of 42 personnel placements were seconded by Cyan International; 6 in Afghanistan; 8 in Guinea; 28 staff are distributed between China, the Democratic People's Republic of Korea (DPRK), Kosovo and Tunisia. From the 42 placements, 38 were active at the end of 2018.

2.3 Structure, governance and management

2.3.1 Organisation

Cyan International is governed by a Memorandum and Articles of Association, amended on 25 March 2014, and is constituted as a company limited by guarantee. The Board of Trustees, which normally meets four times a year, is responsible for strategic decisions, drawing on advice from the chief executive and senior management. Day-to-day operational decisions are taken by the Chief Executive and senior management. Unless the Board decides otherwise, the minimum number of Trustees is 5 and there is no maximum. Currently the Board aims to have 6 members. The charity, BMS World Mission, is entitled to appoint, and remove, up to 50 per cent of the trustees, whilst the remainder are appointed by the Board. Board-appointed trustees can serve up to three years and are eligible for reappointment at the end of each term. As far as is practicable, the Board will ensure that it maintains an appropriate skill mix and balance. The procedures for the appointment, induction and training of trustees are set out in the Cyan International Board Manual. An induction session is held for new trustees, normally prior to their first Board meeting, and a programme of any general or specialist training will be agreed between individual trustees, the Chair of the Board and the Chief Executive.

2.3.2 Relationship with other charities

Cyan International has an ongoing relationship with BMS World Mission and cooperation between the two charities, including the secondment of BMS staff to Cyan, is governed by a Memorandum of Understanding.

Cyan International established a wholly-owned subsidiary company in India, known as Cyan International (India). This was registered in August 2010, for charitable purposes, under section 25 of the India Companies Act 1955, with an initial share equity of Rps 100,000 from Cyan International. Cyan International (India) will assist Cyan International in delivering solutions to poverty in India and the surrounding countries.

Following the registration of an in-country branch office in Uganda in 2015, permission to operate for a further three years was granted by Uganda's NGO Board in June 2015, the re-registration process has commenced and no issues are anticipated. Cyan International (Uganda) will facilitate Cyan's development work within Uganda. A local trading name of Justice Livelihoods and Health has been registered. As an INGO, overall governance rests with Cyan International but the Board of Reference in Uganda oversees the management of in-country projects.

2.3.3 Internal controls and risk management

The Board of Trustees has overall responsibility for financial planning, use of resources and the system of internal controls. There is an agreed set of financial procedures and clear delegation of financial responsibilities from the Board through to staff. An annual budget is approved by the Board and regularly monitored by staff.

Trustees consider risk as part of their routine governance. The risk register is reviewed annually in its entirety. Furthermore, two significant codes of conduct are adopted to ensure Cyan aligns with best practice in relation to effective governance and operations – NCVO's Good Governance: A Code for the Voluntary and Community sector and the International Red Cross (IRC) Code of Conduct for NGOs in Disaster Relief.

The trustees recognise that areas of significant risk concern the transfer of grants to other countries, the possibility of misuse, fraud or money-laundering, or grants for humanitarian purposes being held up due to sanctions. Cyan's Anti-Bribery policy takes into account the UK Bribery Act 2010 to ensure that we have effective controls in place to mitigate the risk of bribery in all its operations. Other mitigation actions include using known and trusted partners and a system of money-laundering checks. There have been no reports of misuse of funds identified during the year.

Trustees are aware of the importance of ensuring the safeguarding of all beneficiaries and maintaining integrity in all of Cyan's operations. As such, all Cyan grantees are required to adhere to our Vulnerable Beneficiaries Policy, which includes a safeguarding policy for children and vulnerable adults. Cyan is committed to following DFID's standards on safeguarding.

Finally, trustees are specifically aware of high risk to personnel safety in countries where Cyan works. During the year, deteriorating security affected placement locations for our personnel in both Afghanistan and the Democratic Peoples Republic of Korea (DPRK). In response to this, we have regularly review our crisis management and critical incident response plans. The crisis response procedure is well rehearsed and supported by phone 24 hours a day.

2.3.4 Public benefit statement

Cyan International meets the definition of a public benefit entity under FRS102. The trustees have paid due attention to the Charity Commission's guidance on public benefit and believe that Cyan International complies with the requirements.

2.3.5 Fundraising statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in our accounts as "Donations and Legacies" and includes legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees.

The charity is not bound by any undertaking to be bound by any regulatory scheme.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds, we do not have to particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

2.3.6 Post balance sheet event

In June 2017 the decision was taken to close Consulting Bangladesh Ltd (RCB), a company of which Cyan is the majority shareholder. The business is in the process of being wound down, a liquidator being appointed on 25 March 2019.

2.3.7 Agents

During the year Cyan International acted as agents for Freeset, a social enterprise based in Kolkata, India; Health, Hope, Action, a UK registered charity; and WET Consulting, a Ugandan well-drilling enterprise (see note 17).

2.3.8 Charity Governance Code

The Trustees have reviewed their performance against the Charity Governance Code and are pleased to report that overall the governance is assessed to be adequate to strong. Improvements have been identified, specifically in the areas of diversity, and delegation and control.

2.4 Financial review

2.4.1 Income and expenditure

The income during 2018 was £157k (2017: £148k). The principal funding source was BMS World Mission. Additionally in 2018 Cyan received one grant from government. Total expenditure during 2018 was £152k (2017: £189k), of which £146k (2017 £183k) related to charitable activities.

2.4.2 Reserves

The Board has agreed a policy of normally holding between six and twelve months of budgeted expenditure as free reserves, to provide flexibility and resilience to cover any short-term funding crisis or a medium-term recession. At 31 December 2018, the free reserves of £123k (2017: £124k) represented 78% or nine months' worth of the budgeted expenditure for 2018.

At the end of the 2018 financial year, £10K (2017: £5k) was held as restricted funds. These are due to be spent in 2019.

2.5 Auditors

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office.

2.6 Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' 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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial Statements are published on the charitable company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charitable company's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained herein.

In preparing the trustees' report advantage has been taken of the small company's exemption.

On behalf of the Board of Trustees



Vice Chair
20 June 2019

Brian Mitchell

Independent Auditor's Report to members of CYAN INTERNATIONAL**Opinion**

We have audited the financial statements of Cyan International ("the Charitable Company") for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

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

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Trustees' Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

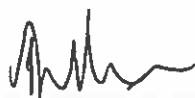
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Don Bawtree (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex

Date

13 Apr 2019

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018			2017			
	Notes	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Funds	Funds	2018	Funds	Funds	2017
		£	£	£	£	£	£
Income from:							
Donations and Grants	3	54,213	102,587	156,800	34,546	113,121	147,667
Investment income		100	-	100	90	-	90
Total income		54,313	102,587	156,900	34,636	113,121	147,757
Expenditure on:							
Raising funds		5,533	-	5,533	5,637	-	5,637
Charitable activities							
Transformed and empowered communities		18,849	19,705	38,554	8,160	12,416	20,576
Accessible and improved healthcare		25,354	65,261	90,615	23,143	105,538	128,681
Restoration of hope and dignity		-	-	-	6,061	18,038	24,099
Educational and learning opportunities		4,828	12,426	17,254	2,135	7,597	9,732
		49,031	97,392	146,423	39,499	143,589	183,088
Total expenditure	4	54,564	97,392	151,956	45,136	143,589	188,725
Net (expenditure) / income before transfers		(251)	5,195	4,944	(10,500)	(30,468)	(40,968)
Transfers between funds		-	-	-	-	-	-
Net movement in funds	5	(251)	5,195	4,944	(10,500)	(30,468)	(40,968)
Reconciliation of funds:							
Total funds brought forward		123,578	5,284	128,862	134,078	35,752	169,830
Total funds carried forward		123,327	10,479	133,806	123,578	5,284	128,862

All operations are continuing.

All recognised gains and losses are included in the Statement of Financial Activities

The notes on pages 17 to 23 also form part of these financial statements

BALANCE SHEET AS AT 31 DECEMBER 2018
COMPANY NUMBER 6843768

	Notes	2018 £	2017 £
Fixed assets			
Investments	7	1,622	1,622
Total fixed assets		1,622	1,622
Current assets			
Debtors:			
Due within one year	8	41,374	99,491
Short term deposits		67,617	67,497
Cash at bank and in hand		96,721	17,299
Total current assets		205,712	184,287
Liabilities			
Creditors: amounts falling due within one year	9	(73,528)	(57,047)
Net current assets		132,184	127,240
Total net assets		133,806	128,862
The funds of the charity			
	10		
Restricted income funds		10,479	5,284
Unrestricted funds			
General funds (free reserves)		123,327	123,578
Total charity funds		133,806	128,862

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

The financial statements on pages 14 to 23 were approved by the Trustees on 20 June 2019 and signed on their behalf by:

Brian Mitchell
Vice Chair



Valerie Stevens
Company Secretary



Date: 20 June 2019

The notes on pages 17 to 23 also form part of these financial statements.

**CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £'000	2017 £'000
Net cash provided by/(used in) operating activities	15	79,442	(12,792)
Cash Flows from Investing Activities			
Investment income		100	90
Net cash provided by investing activities		<u>100</u>	<u>90</u>
Change in cash and cash equivalents in the year		79,542	(12,702)
Cash and cash equivalents at the beginning of the year		84,796	97,498
Cash and cash equivalents at the end of the year		<u>164,338</u>	<u>84,796</u>

1 Legal status of Cyan International

Cyan International is a company limited by guarantee and is a registered charity in England and Wales. Each member's liability is limited, upon winding up, to an amount not exceeding one pound.

2 Accounting policies

a Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The following principal accounting policies have been applied:

(a) Fund accounting

The company maintains two types of funds. General unrestricted funds are funds available for use at the discretion of the board of directors in furtherance of the general charitable objectives. Restricted funds are funds subject to specific conditions imposed by donors.

(b) Income

All income is recognised in the Statement of Financial Activities when the company is legally entitled to the income, receipt is probable and the amount can be measured reliably. Income from external grants is recognised in the Statement of Financial Activities as soon as it is receivable unless donor conditions related to performance and specific deliverables apply. These grants are accounted for as the charity earns the right to consideration through performance.

(c) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Charitable activities include expenditure associated with the operation of the charity and the provision of its services. Costs of raising funds are those costs incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of Cyan's charitable activities.

(d) Grants

Grants are made to partners and other parties. A liability is recognised when a commitment has been communicated to the recipient.

(e) Investments

The investment in the subsidiaries Cyan (India) and Reed Consulting Bangladesh are carried on the company's balance sheet at cost less impairment losses.

(f) Basis of consolidation

The accounts of Cyan (India) and Reed Consulting Bangladesh have not been incorporated into these accounts on the grounds that Cyan International is a Small Group and the combined income is less than £1m. This report therefore provides information about the stand alone charity only.

(g) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the Balance Sheet date. Any gain or loss on exchange is taken to the Statement of Financial Activities at that time.

(h) Going concern

After reviewing the charity's forecasts and projections, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

(i) Judgements and estimates made by management

Preparation of the financial statements requires management to make certain judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

1. The grant funding from DfID and other Governmental Agencies are sufficient to implement the programmes for which grants have been received.

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

(j) Financial instruments

Financial assets and financial liabilities are recognised when Cyan becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Cyan only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where Cyan has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

3 Donations and Grants

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Grants received:				
UK Government DfID	4,558	30,058	34,616	33,067
International non- governmental organisations	49,655	69,599	119,254	97,879
Governmental agencies	-	-	-	16,547
Donations received:	-	2,930	2,930	174
	<u>54,213</u>	<u>102,587</u>	<u>156,800</u>	<u>147,667</u>

4 Expenditure

	Grants	Direct Costs	Governance and Support Costs	Total 2018	Total 2017
	£	£	£	£	£
Expenditure on raising funds:	-	-	5,533	5,533	5,637
Charitable activities					
Transformed and empowered communities	19,705	-	18,849	38,554	20,576
Accessible and improved healthcare	65,261	-	25,354	90,615	128,681
Restoration of hope and dignity*	-	-	-	-	24,099
Educational and learning opportunities	12,426	-	4,828	17,254	9,732
	<u>97,392</u>	<u>-</u>	<u>49,031</u>	<u>146,423</u>	<u>183,088</u>
Total Expenditure	<u>97,392</u>	<u>-</u>	<u>54,564</u>	<u>151,956</u>	<u>188,725</u>

* this work was carried out during the year by Cyan India, which has not been consolidated into the figures per Note 2(f).

Analysis of governance and support costs

	Governance Costs	Seconded Staff Costs	Office Costs	Total 2018	Total 2017
	£	£	£	£	£
Expenditure on raising funds:	-	5,533	-	5,533	5,637
Charitable activities					
Transformed and empowered communities	1,323	-	17,526	18,849	8,160
Accessible and improved healthcare	4,382	-	20,972	25,354	23,143
Restoration of hope and dignity*	-	-	-	-	6,061
Educational and learning opportunities	835	-	3,993	4,828	2,135
	<u>6,540</u>	<u>-</u>	<u>42,491</u>	<u>49,031</u>	<u>39,499</u>
Total Expenditure	<u>6,540</u>	<u>5,533</u>	<u>42,491</u>	<u>54,564</u>	<u>45,136</u>

Support costs have been allocated to activity cost categories on a basis consistent with the use of resources. Costs have been apportioned on staff numbers, time used for the activity or a proportion of the direct costs involved.

Governance costs are made up as follows:

	2018	2017
	£	£
Audit fee	5,034	6,531
Board of Trustees	675	272
Support costs	831	817
	<u>6,540</u>	<u>7,620</u>

5 Net movement in funds

Net movement in funds for the year is stated after charging the following:

	2018	2017
	£	£
Auditor's remuneration-audit services	5,034	4,000
Exchange differences	(1,386)	1,536

6 Grant Expenditure

	Transformation	Health*	Restoration	Education	Total 2018
	£	£	£	£	£
BMS World Mission, UK	-	5,388	-	-	5,388
IAM, Afghanistan	-	47,447	-	-	47,447
ACT, Tunisia	-	12,426	-	12,426	24,852
Health, Hope, Action, Uganda	13,620	-	-	-	13,620
Kasese Baptist Convention, Uganda	2,673	-	-	-	2,673
Gulu Agri Business, Uganda	3,412	-	-	-	3,412
Total	<u>19,705</u>	<u>65,261</u>	<u>-</u>	<u>12,426</u>	<u>97,392</u>

* Of the sum of £62,781 for healthcare, £30,058 was expenditure of a DfID grant for maternal healthcare in Afghanistan (2017 £33,067)

7 Investments

	2018	2017
	£	£
Cyan International (India)	1,617	1,617
Reed Consulting Bangladesh	5	5
	<u>1,622</u>	<u>1,622</u>

Cyan International (India) is incorporated in India. The company owns 100% of its share capital. Cyan International (India) has run one project in the last year. Accordingly, group accounts are not prepared on the basis that changes arising would not be material.

Reed Consulting Bangladesh is incorporated in Bangladesh. The company owns 100% of its share capital.

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2018**

8 Debtors

	2018	2017
	£	£
Trade debtors	4,499	78,772
Other debtors	27,548	7,383
Prepayments and accrued income	9,327	13,336
	<u>41,374</u>	<u>99,491</u>

All amounts fall due for payment within a year. Trade Debtors income includes income receivable from BMS World Mission of £4,499 (2017 £78,722). Prepayments and accrued income includes income receivable from BMS of £7,488 (2017 £13,316).

9 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	12,254	12,254
Other creditors	28,091	39,627
Accruals and Deferred Income	33,183	5,166
	<u>73,528</u>	<u>57,047</u>

10 Statement of funds

	Balance at 01.01.18	Income	Expenditure	Transfers	Balance at 31.12.18
	£	£	£	£	£
Restricted funds:					
Afghanistan BMS	-	23,247	(22,776)	-	471
Afghanistan DfID	-	30,058	(30,058)	-	-
Chad	4,433	-	-	-	4,433
India	162	13	-	-	175
Tunisia	-	24,870	(24,853)	-	17
Uganda	689	24,399	(19,705)	-	5,383
	<u>5,284</u>	<u>102,587</u>	<u>(97,392)</u>	-	<u>10,479</u>
Unrestricted funds	123,578	54,313	(54,564)	-	123,327
Total funds	<u>128,862</u>	<u>156,900</u>	<u>(151,956)</u>	-	<u>133,806</u>

The Afghanistan DfID restricted fund relates to a maternal health project.

The Chad restricted fund relates to a maternal health project.

The India restricted fund relates to gender-based violence work.

The Uganda restricted fund relates to rural health work and an agricultural development project.

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2018**

11 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Investments	1,622	-	1,622
Current assets	195,233	10,479	205,712
Current liabilities	(73,528)	-	(73,528)
Total Net Assets	123,327	10,479	133,806

12 Employees

The company does not employ any staff in the UK; six part-time staff were seconded from an international non-governmental organisation and their time paid for at cost. Cyan's branch in Uganda employs 5 nationals. The staff wages cost for the financial year was £10,804 (2017 £nil)

13 Trustees Emoluments

The trustees all give their time and expertise without any form of remuneration or other benefit in cash or kind (2017 - £nil). A total of £198 (2017 - £166) was reimbursed to three trustees (2017 - two) in respect of Board meetings.

14 Related Party Transactions

Cyan International has an ongoing relationship with BMS World Mission and cooperation between the two charities, including the secondment of BMS staff to Cyan, is governed by Memoranda of Understanding. During 2018 Cyan made one grant to BMS World Mission of £5,388 (2017-£2,869) in relation to BMS seconded staff time to the DfiD funded project in Afghanistan. Cyan received a total of £119,254 from BMS during the year (2017- £97,879). At 31 December 2018 £12,085 (2017 - £41,606) was owed by BMS.

During 2010, Cyan International established a wholly-owned subsidiary company in India, known as Cyan International (India). This was registered in August 2010, for charitable purposes, under section 25 of the India Companies Act 1955, with an initial share equity of Rps 100,000 from Cyan International. Cyan International (India) assists Cyan International in delivering solutions to poverty in India and the surrounding countries. There were no transactions between Cyan and Cyan India during the year (2017 £nil).

Carwyn Hill, the Chief Executive of Health, Hope, Action (HHA), one of Cyan's partners, is also a trustee of Cyan International. This year Cyan International made grants totalling £13,620 (2017-£nil) to HHA. Kat Wagner, former Head of Operations for Cyan International, was a trustee of International Assistance Mission (IAM), Afghanistan during 2018. During 2018 Cyan International made grants of £47,447 to IAM (2017-£55,549). At 31 December Cyan International owed IAM £12,147 (2017-£11,756).

15 Reconciliation of net incoming resources to net cash flow from operating activities

	2018	2017
	£	£
Net income/(expenditure) for the reporting period as per the Statement of Financial Activities	4,944	(40,968)
Investment income	(100)	(90)
Decrease in debtors	58,117	11,937
Increase in creditors	16,481	16,329
Net cash inflow/(outflow) from operating activities	<u>79,442</u>	<u>(12,792)</u>

16 Analysis of net funds

	1 January 2018	Cashflows	31 December 2018
	£	£	£
Cash at bank and in hand	17,299	79,422	96,721
Short term deposits	67,497	120	67,617
	<u>84,796</u>	<u>79,542</u>	<u>164,338</u>

17 Transactions as agent

From March 2015, Cyan has acted as agent for Freeset, a social enterprise based in Kolkata, India. The charity passed on to Freeset £nil in 2018 (2017 - £8,812). At 31 December 2018, £175 (2017 - £162) was held by Cyan to pass on to Freeset. Cyan no longer acts as agent for Freeset.

From January 2018, Cyan's branch in Uganda acted as agent for Health, Hope, Action (HHA), a UK registered charity. During 2018 the charity passed on £2,664 to HHA for their work in Uganda. Cyan no longer acts as an agent for HHA.

In addition from 1 January 2018 Cyan's branch in Uganda acted as an agent for WET Consulting. During the year the charity received £7,107 on behalf of WET consulting which was held as at 31 December 2018. As of January 2019 Cyan no longer acts as agent for WET Consulting.

18 Post balance sheet event and Contingent Asset

In June 2017, the decision was taken to close Reed Consulting Bangladesh Ltd (RCB) and the business is in the process of being wound down, a liquidator being appointed on 25 March, 2019. Following liquidation there will be proceeds remaining which at the time of signing the accounts are not able to be quantified.



Cyan 
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