



Charity Registration No. 1161600

Company Registration No. 09395495

Humanitarian Leadership Academy

Trustees' report and financial statements

Period from 19 January 2015 to 31 December 2015

Humanitarian Leadership Academy

Report and financial statements 2015

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Humanitarian Leadership Academy

Legal and administrative information

Trustees

Mr Mark Ian Goldring CBE
Dr Ahmed Mushtaque Raza Chowdhury
Ms Fiona Catherine McBain
Mrs Janti Maria Soeripto
Professor Funmi Olonisakin
Dr Jemilah Mahmood (Chair)
Mr Jeffrey Tarayao

Company secretary

Mr Christopher John Lane

Executive officers (“Senior Leadership Team”)

Chief Executive Officer	Saba Al Mubaslat
Director of Global Operations	Christopher John Lane
Global Learning Director	Atish Gonsalves
Partnerships Director	Laura Jump

Charity number

1161600

Company number

09395495

Registered office

1 St. John’s Lane
London
EC1M 4AR

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

Banker

National Westminster Bank plc
Tavistock Square Branch
PO Box 83
Tavistock House
Tavistock Square
London
WC1H 9JA

Humanitarian Leadership Academy

Trustees' report (including the strategic report) Period from 19 January 2015 to 31 December 2015

The trustees, who are directors for the purposes of company law, provide the annual report together with the financial statements of the Humanitarian Leadership Academy (the "Academy") for the period from 19 January 2015 to 31 December 2015.

The accounts have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Strategic report

Achievement and performance

The Academy was incorporated as a company limited by guarantee in January 2015 and registered as a charity with the Charity Commission in May 2015. The Academy was dormant until 1 November 2015 when the Humanitarian Leadership Academy business unit was transferred to the Academy from the Save the Children Fund, including a small team of employees assigned to Academy-related activities and contracts. Therefore, this annual report covers charitable activity in the calendar months of November and December 2015 only. During that period, the focus of the Academy's activities was on start-up related activities, including recruitment, developing and agreeing policies and systems, branding and investment in building stakeholder relationships and the Academy's learning programmes and platforms.

During these first two months of the Academy's operations, the Academy formulated and refined key policies and processes and began investing in global coordination systems. In addition, key members of the Academy team were recruited to ensure that the Academy was able to function effectively and meet its objectives. New members of staff recruited during this period included the Partnerships Director, the Communications and Marketing Manager, the Office Coordinator, the Philippines Academy Centre Director and Academy Centre Director for Kenya.

The Academy's Senior Leadership Team jointly developed its Global Annual Plan for 2016. This plan outlines the objectives and activities that the Academy will undertake in the coming year. It also acknowledges the assumptions that these activities are based on, such as continuing stability in the countries where we will work and the successful recruitment of key positions. Based on this a management reporting mechanism was developed to ensure that progress can be tracked on a monthly basis by the Senior Leadership Team and on a quarterly basis by the Board of Trustees. The Academy is grateful to Oliver Wyman for its pro bono support in building this reporting system, which was implemented in 2016. The Philippines Academy Centre was the first of the Academy's ten centres to launch and during these first two months, inductions were undertaken for the new Academy Centre Director. This involved the Director travelling to the UK to meet with the Global Academy Office team and to learn about the Academy's mission and policies. A similar process was then undertaken for the Kenya Academy Centre Director who travelled to the UK in December 2015 for his induction. Lessons were learned throughout these processes that will be incorporated in future induction programmes for Academy Centre staff.

During the period, the Global Learning Director worked with learning experts from a range of organisations to develop the Academy's Learning Strategy. This strategy will provide the backbone of the Academy's operating model. Of particular relevance to the development of this strategy was the support of consultants from Oliver Wyman who provided pro bono expertise and advice to Save the Children Fund. The strategy outlines three core learning pillars on which the Academy will focus its initial activities: developing a high quality professional pathway, facilitating highly relevant learning and development provider support, and strengthening the local responder network.

Based on this strategy, initial pilot global activities have been identified for 2016.

In September 2015, the Academy was acknowledged in the UN World Humanitarian Summit's consultation synthesis report as an example of the type of new initiative that would contribute to the positive transformation of the humanitarian sector. The Academy's Partnerships Director built on this global recognition during the first two months by meeting with key stakeholders whose support would facilitate the Academy achieving its objectives. For example, the Partnerships Director attended an annual regional meeting in Kuwait hosted by the UN and key regional organisations.

Humanitarian Leadership Academy

Trustees' report (including the strategic report) (continued) Period from 19 January 2015 to 31 December 2015

Financial review

Results for the period

As noted above, the Academy was dormant until 1 November 2015 when the Humanitarian Leadership Academy business unit was transferred to the Academy, including its employees and contracts, from the Save the Children Fund. Accordingly, the Statement of Financial Activities covers economic activity in the calendar months of November and December 2015 only.

During the period, the Academy received all of its operating funds directly from the Save the Children Fund, which in turn sub-granted funds primarily from two institutional donors, the UK Government Department for International Development and the Norwegian Ministry of Foreign Affairs, together with funds and gift in kind donations from the Bill and Melinda Gates Foundation, individual donors, and corporations.

The Academy also received an unrestricted grant from the Save the Children Fund, in the amount of £300,000, as a contribution to the Academy's unrestricted reserves.

In 2015, the Academy's total income was £1,104,702.

All of the organisation's expenditure was spent directly on its charitable activities and related support costs, including investment in the establishment of the Academy's operational platform during this start-up phase.

Charitable expenditure during the period was £804,702. Grants made during the period totalled £404,409. The grants were made to Save the Children Fund (trading as ELRHA) for £319,973 and Save the Children Philippines, Inc. for \$127,000 (£84,436) during the period. They were the only grants made during the period.

The Academy is grateful to all its donors, be they institutional donors, foundations, corporate partners or individuals, and whether the amounts be large or small.

During the reporting period, the Academy's core support service functions, including finance, human resources, information systems, etc. were provided by the Save the Children Fund as a donated gift in kind.

Related parties

As Save the Children Fund is the sole member of the Academy, the Academy is a charitable subsidiary of the Save the Children Fund and, as such, the Save the Children Fund is considered to be a related party of the Academy. Furthermore, one of the Academy's trustees is also a trustee of the Save the Children Fund. In view of the relationship of 'control' between Save the Children Fund and the Academy, for the purposes of SORP 24.14 and 24.35, the Academy's 2015 results will be consolidated with those of Save the Children Fund.

In addition to its membership interest, Save the Children Fund enjoys a funding relationship with the Academy, under and in accordance with the Funding Framework Agreement between the related parties, whereby Save the Children Fund raises funds for, and sub-grants relevant funds to, the Academy. The Save the Children Fund also donates certain support services on a shared group basis to, and shares office space with, the Academy in accordance with a Shared Services Agreement and a License to Share Occupation, respectively.

Save the Children International implements international programming activity on behalf of the Save the Children Fund (and other members of the Save the Children Association). Accordingly, the Academy considers Save the Children International to be a related party. During the relevant period, the Academy signed a Collaboration Agreement and a Grant Agreement to award funds to Save the Children Philippines Inc., which is controlled by Save the Children International, to carry out charitable activities. Furthermore, one of the Academy's trustees is also an employee of Save the Children International.

There were no other related party transactions during the period.

Reserves level and policy

Overall for 2015, the total net movement in funds was a surplus of £300,000. This was a surplus on unrestricted funds.

Humanitarian Leadership Academy

Trustees' report (including the strategic report) (continued) Period from 19 January 2015 to 31 December 2015

Restricted funds

The vast majority of the Academy's income during the period was sub-granted to the Academy by the Save the Children Fund, but is derived ultimately from donors who require the Academy to apply their funds towards the Academy's mission and agreed organisational outcome and outputs. Accordingly, these monies are categorised as restricted funds.

Each of the Academy's donors has agreed to contribute funds, in common with other Academy donors, in order to enable the Academy to achieve its mission to empower people around the world to prepare for and respond to crises in their own countries. In each case the funds are restricted by reference to the term of the grant period and to an agreed outcome and outputs, the latter of which relate broadly to the sustainability of learning provision, quality standards for learning, improved access to humanitarian knowledge, and an increased level and range of skills for humanitarian workers. The funding from such donors enables the Academy's activities, which contribute to these outputs and furthers the Academy's charitable purpose, primarily in relation to its charitable objective to promote education and training in relation to the provision of funding, relief, support, and other assistance for the victims of war, natural disaster, trouble or catastrophe.

Each award is administered separately, by both the Save the Children Fund and the Academy, to ensure accurate allocation and compliance with the donor's requirements.

Unrestricted funds

As noted above, the Academy received an unrestricted grant from the Save the Children Fund, in the amount of £300,000, as a contribution to the Academy's unrestricted reserves.

Reserves policy

The Academy will hold reserves to meet the following purposes:

- the operating expenses of the Academy in the event of a downturn in income and/or unforeseen increases in costs;
- the costs of unforeseen liabilities for employment or other legal claims not covered by insurance; and
- the costs of closure or wind-down of the core operations of the Academy.

The level of reserves required will be approved annually by the Board of Trustees and agreed by the Save the Children Fund.

The Academy's reserve requirement will be met by:

- a contribution in cash or in kind or by a defined financing facility or equivalent commitment to contribute cash by the Save the Children Fund; and/or
- any allocation, from time to time and where appropriate, of other uncommitted unrestricted income received by the Academy.

The Academy's reserves policy is based on the following principles:

- Risk based - the level of reserves should be based on an assessment of the financial risks which the Academy, as opposed to the Save the Children Fund, is responsible for and taking into account the group shared services arrangements agreed and the funding structure reflected in the Funding Framework Agreement between the Save the Children Fund and the Academy.
- Compliant – reserves should reflect current legislation and the guidance provided by the UK Charity Commission in particular by reference to (a) forecasts of levels of income for future years, taking into account the reliability of each source of income and the prospects for opening up new sources; (b) forecasts for expenditure in future years on the basis of planned activity; (c) an analysis of any future needs, opportunities, contingencies or risks the

Humanitarian Leadership Academy

Trustees' report (including the strategic report) (continued) Period from 19 January 2015 to 31 December 2015

Reserves policy (continued)

effects of which are not able to be met out of income if and when they arise; and (d) an assessment, on the best evidence reasonably available, of the likelihood of each of those needs etc. arising and the potential consequences for the Academy of not being able to meet them.

- Justified – reserves must be justified and the reason for holding reserves should be clearly explained.
- Appropriate - the level of reserves should be sufficient but not excessive and strike an appropriate balance in view of the shared risk profile of the Academy and the Save the Children Fund.
- Current - the level of reserves must be reviewed on a regular basis (at least annually) and where appropriate adjusted to reflect changes in either the likelihood or impact were an identified risk to materialise.

Grant making policy

Collaboration is the cornerstone of the Academy. Working in partnership is central to the Academy and our mission to empower people around the world to prepare for and respond to crises in their own countries. Working with partners deeply rooted in their own societies will increase people's access to learning products that are high quality, cost effective and operating at scale. Successful partnerships will be instrumental in increasing the impact and sustainability of our work.

Successful partnerships require time and resources, with different partnerships requiring different approaches. The Academy recognises this and has adopted a range of partnership or relationship management mechanisms, including "cooperation", which involves supporting other partners who are in a lead role on a specific project and providing input and resources where appropriate; "coordination", providing coordination leadership on dedicated projects through good relationship and project management; and "collaboration", involving collaboration with partners and work more formally and intently towards shared goals in a spirit of co-creation and collaborative leadership. Often, such partnerships will include the provision of funds from the Academy.

The Academy undertakes due diligence procedures on all prospective partners, so as to ensure compliance with Academy's policies and its legal obligations within the regulatory frameworks of the UK and the country(ies) in which the partnership operates. These arrangements will be enshrined in collaborative agreements, often working alongside legal contracts or funding agreements.

The Academy monitors how all funds provided to partners are spent.

Plans for future periods

The Academy has an ambitious five year strategic business plan, agreed with major donors, which commenced on 1 July 2015. In the short to medium-term, the Academy has comprehensive plans for stabilisation and growth. For 2016, the Academy's Senior Leadership Team has agreed, and will be accountable to the trustees for, five strategic goals and a Global Plan to guide implementation of key deliverables and major activities.

The Academy's five strategic goals for 2016 are:

1. Ensuring the Academy establishes the foundations of an agile networked platform supported by the right people, policies and processes;
2. Ensuring broad stakeholder engagement and buy-in, through sector-wide engagement, thought leadership, highly relevant communications and strong brand consciousness;
3. Developing a high quality professional pathway;
4. Facilitating highly relevant learning provider support; and
5. Strengthening the local responder network.

Together these five strategic goals will ensure the Academy achieves its operational and strategic targets for the period of January to December 2016. The Academy's mission is to enable people to better prepare for and respond to crises in their own countries. To achieve this we will work with and through partners to improve the quality, accessibility, scale and sustainability of learning opportunities for the humanitarian sector and beyond.

Humanitarian Leadership Academy

Trustees' report (including the strategic report) (continued) Period from 19 January 2015 to 31 December 2015

Plans for future periods (continued)

In the coming year, the Academy's Senior Leadership Team will continue to develop the right policies and processes to ensure that the organisation can perform its objectives in a professional and effective manner. We will continue to recruit high quality staff with the necessary expertise and an understanding of working in an agile environment. Working with the Academy Centre Directors, we will support their recruitment processes to develop strong teams at the national and regional level.

2016 is an important year for the humanitarian sector with the UN Secretary General's World Humanitarian Summit in May, followed by ECOSOC in June and the UN General Assembly in September. The Academy, with its partners, will inform these important events, seeking to demonstrate the potential power of collaboration and the importance of supporting local organisations before and during a response.

The Academy's learning team will be supporting the development of a high quality professional pathway and facilitating relevant support to learning providers. Through the establishment of new Academy Centres in the Middle East and Bangladesh, the Academy will support the local responder network. Helping to develop local networks will enable better coordination in preparation for and during emergency responses. The Academy will use its digital learning platform and local portals to support these key objectives.

Structure, governance and management

The Academy is a charitable company limited by guarantee (company number 09395495; charity number 1161600).

The Save the Children Fund (company number 00178159; charity numbers 213890 (England and Wales) and SC039570 (Scotland)) is the sole member of the Academy.

The appointment of trustees is a matter for the Save the Children Fund, as sole member, although once appointed the Board of Trustees owe their duties to, and act in the best interests of, the Academy and its beneficiaries. The induction of new trustees is overseen by the Board of Trustees, with support from the Chief Executive Officer and Company Secretary, and includes information relating to the role and responsibilities of trustees and charity law.

The day-to-day management of the Academy's affairs is delegated to the Chief Executive Officer and the Senior Leadership Team at the Global Academy Office (GAO) in London.

The Board of Trustees gives its time and expertise voluntarily and receives no remuneration or any other emoluments from the Academy. Trustees are entitled to claim reasonable expenses associated with their duties.

The trustees, who are also the directors for the purpose of company law, and who served during the period and at the date of signing were:

Mr Mark Ian Goldring CBE	(appointed 19 January 2015)
Mr Jan Laurits Egeland	(appointed 19 January 2015) (resigned 1 March 2016)
Dr Ahmed Mushtaqe Raza Chowdhury	(appointed 19 January 2015)
Ms Fiona Catherine McBain	(appointed 08 April 2015)
Mrs Janti Maria Soeripto	(appointed 08 April 2015)
Professor Funmi Olonisakin	(appointed 15 February 2016)
Dr Jemilah Mahmood	(appointed 15 February 2016)
Mr Jeffrey Tarayao	(appointed 15 February 2016)

Humanitarian Leadership Academy

Trustees' report (including the strategic report) (continued) Period from 19 January 2015 to 31 December 2015

Remuneration for key management personnel

The Academy's remuneration approach is that pay and benefits should be locally competitive and benchmarked, allowing us to attract and retain a high calibre workforce from the local marketplaces we work in, whilst respecting national pay standards.

Accordingly, the Academy aims to pay Officer and Manager level staff in the UK at the 50th percentile of the charity sector, with a pay band 33% wide formed around this. Comparison data used is obtained from XpertHR's annual salary survey of the UK charity sector, specifically data inclusive of London weighting from charities with an annual income of up to £50million. The Director level pay band is set at a slightly more competitive rate with the 50th percentile set as the minimum salary and with our market position set 10% above this. The Director pay band is also wider with a 50% difference between min and max salaries. The Chief Executive Officer's salary is a matter for the Chair and Board of Trustees. The Academy have adopted Pay Guidelines for setting starting salaries within our pay bands based on how closely a candidate matches the essential and desired criteria cited in the role they had applied to.

An equivalent approach is taken to remuneration of staff working within our network of Academy Centres overseas.

Both individual salaries and the Academy's Pay Guidelines are reviewed annually, based on prevailing market conditions, and approved by the Board of Trustees as part of the annual budgeting process. Except in prescribed circumstances, any annual pay adjustment will apply to all Academy employees, and will not be performance-related.

Going concern

Having reviewed the latest cash flow forecasts, and the assumptions contained therein, the trustees are confident that the Academy will be able to meet its future liabilities as they fall due for the foreseeable future. The existence of preferential terms and conditions of funding from major donors to the Academy and the corresponding Funding Framework Agreement with the Save the Children Fund provides sufficient comfort to the trustees that the required levels of liquidity and working capital will be sustained.

The trustees have therefore prepared the financial statements on a going concern basis.

Principal risks, uncertainties and internal controls

At the governance level, the trustees take seriously their legal duty to ensure that the Academy complies with its Articles of Association and charity law (and other legal) requirements, manage the Academy's resources responsibly, and ensure that the Academy is accountable to donors and beneficiaries. The Board of Trustees sets the organisation's strategy and scrutinises and approves the annual plan and budget, monitors the financial position, supervises the Academy's internal and external audit arrangements, oversees the Academy's Global Risk Register and mitigation activities, and reviews the Academy's Annual Report and Accounts.

The Academy's operational approach to financial management, risk mitigation and assurance is based on three tiers:

- Robust policies, procedures, controls and practices;
- Internal checks and balances and review processes; and
- Independent assurance from our internal auditors.

The trustees regularly review and assess the risks and uncertainties the Academy faces, and the potential impact such risks and uncertainties may have on the organisation, and satisfy themselves that adequate systems and procedures are in place to mitigate such risks.

In 2015, the trustees monitored a broad range of risks and uncertainties, with a particular focus on the three critical priority risks identified during the reporting period as securing the right staff, achieving quality outputs, and funding stability, with full consideration as to the mitigation and tracking of those risks. In addition, the Academy regularly monitors the standing priority risks of safeguarding children and vulnerable individuals, safety, security and well-being of staff, and good financial management.

The full Global Risk Register is reviewed by the Senior Leadership Team quarterly and each meeting of the trustees includes a risk briefing.

Humanitarian Leadership Academy

Trustees' report (including the strategic report) (continued) Period from 19 January 2015 to 31 December 2015

Principal risks, uncertainties and internal controls (continued)

The Board of Trustees adopted key global policies in September 2015 and the Academy's Senior Leadership Team has been working to operationalise those policies through practical frameworks, guidelines, tools and systems at global-level and through appropriately contextualised local policies and procedures enshrined in each case by an Academy Centre Operating Framework. The policies, procedures/guidance and toolkits introduced by the Academy help to mitigate the principal risks and uncertainties identified by the Board of Trustees. In particular, the Academy has taken specific steps to mitigate risks, such as robust recruitment procedures, research and partnerships for internal and external quality assurance, and a strategic approach to fundraising in partnership with the Save the Children Fund.

The Academy has introduced a tiered monthly, quarterly and annual internal reporting cycle for GAO directorates and each Academy Centre. An annual Operations Review of each Centre will be carried out to assess controls and practices and to identify opportunities and challenges for continuous improvement. These actions enable the Academy to check that the primary mitigation steps are being implemented properly.

In 2016, the Academy proposes to instruct Grant Thornton to act as its internal auditors and undertake independent appraisals of the procedures and standards by which the Academy's activities in the Global Academy Office and the field are managed. This will provide the Academy with independent assurance of its risk and mitigation arrangements.

In particular, the trustees are committed to ensuring that the Academy has an adequate compliance framework in place to address the Academy's obligations under relevant UK and applicable foreign laws, including in relation to counter-terrorism, anti-bribery corruption and fraud, Charity Commission requirements and child safeguarding.

Objectives and activities

Public benefit

The Academy's charitable purpose is enshrined in its objects which are for the public benefit:

- a) to relieve and assist people who are the victims of war or natural disaster, trouble, or catastrophe in any country or countries, place or places, without differentiation on the grounds of race, colour, nationality, creed or sex;
- b) to educate the public concerning the nature, causes and effects of such war or natural disaster, trouble, or catastrophe, and to promote education and training in relation to the provision of funding, relief, support and other assistance for such victims; and
- c) to promote for the public benefit research concerning the same and to make publically available the useful results thereof.

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit", in setting the Academy's objectives and carrying out its activities.

The trustees ensure that the Academy's charitable purpose is carried out for the public benefit through planning and monitoring activities.

Disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Academy's auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Academy's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Humanitarian Leadership Academy

Trustees' report (including the strategic report) (continued) Period from 19 January 2015 to 31 December 2015

Auditor

Deloitte LLP was appointed as the auditor during the period and have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Events after balance sheet date

In the 2015 financial reporting period, the Academy was informed of funding commitments by a number of major donors, amounting to a total of approximately £21.5m, for the benefit of the Academy and its beneficiaries. In 2016 the Academy executed a series of sub grant agreements with the Save the Children Fund, thereby securing the £21.5m of grant income previously notified.

In the trustees' view, securing these funds represents a material improvement to the stabilisation of the Academy's financial outlook in the short to medium term and mitigates the risk related to non-satisfaction of the match funding requirement agreed with DFID, the Academy's primary donor.

The trustees' report, including the strategic report, was approved by the Board of Trustees and signed on behalf of the Board of Trustees



Mr Mark Ian Goldring CBE

2 June 2016

Humanitarian Leadership Academy

Trustees' responsibilities statement

Period from 19 January 2015 to 31 December 2015

The trustees (who are also directors of Humanitarian Leadership Academy for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Academy and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report to the Member of Humanitarian Leadership Academy

We have audited the financial statements of the Humanitarian Leadership Academy for the period from 19 January 2015 to 31 December 2015 which comprises the Statement of financial activities including the income and expenditure account, the balance sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and Accounting Standards (United Kingdom Generally Accepted Accounting Practices), including FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's member, 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 member 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 company and the charitable company's member, 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 trustees' responsibilities statement, 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.

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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the Member of Humanitarian Leadership Academy (continued)

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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Sarah Shillingford

Sarah Shillingford (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

2nd June 2016

Humanitarian Leadership Academy

Statement of financial activities Including income and expenditure account Period from 19 January 2015 to 31 December 2015

		Unrestricted funds Period from 19 January 2015 to 31 December 2015 £	Restricted funds Period from 19 January 2015 to 31 December 2015 £	Total Period from 19 January 2015 to 31 December 2015 £
Income from:				
Donations	3	300,000	-	300,000
Charitable activities	4	152,782	651,920	804,702
Total income		<u>452,782</u>	<u>651,920</u>	<u>1,104,702</u>
Expenditure on:				
Charitable activities	5, 6	<u>(152,782)</u>	<u>(651,920)</u>	<u>(804,702)</u>
Total expenditure		<u>(152,782)</u>	<u>(651,920)</u>	<u>(804,702)</u>
Net income for the period		<u>300,000</u>	<u>-</u>	<u>300,000</u>
Reconciliation of funds:				
Total funds brought forward		<u>-</u>	<u>-</u>	<u>-</u>
Total funds carried forward		<u>300,000</u>	<u>-</u>	<u>300,000</u>

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

Humanitarian Leadership Academy

Balance sheet At 31 December 2015

	Notes	2015 £
Current assets		
Debtors: amounts falling due within one year	11	159,588
Cash at bank and in hand		839,000
		<u>998,588</u>
Creditors: amounts falling due within one year	12	<u>(698,588)</u>
Net current assets		<u>300,000</u>
Net assets		<u>300,000</u>
The funds of the charity:		
Unrestricted funds	13, 14	300,000
Restricted funds	13, 14	
		<u>300,000</u>

The financial statements of the Humanitarian Leadership Academy (registration number: 09395495) were approved by the Board on 2 June 2016. They were signed on its behalf by:



Mr Mark Ian Goldring CBE

Humanitarian Leadership Academy

Notes to the financial statements Period ended 31 December 2015

1. Accounting policies

General information and basis of accounting

Humanitarian Leadership Academy is a charitable company incorporated in England and Wales and domiciled in the United Kingdom under the Companies Act. The address of the registered office is:

1 St. John's Lane
London
EC1M 4AR

The Academy is a public benefit entity. The nature of the Academy's operations and its principal activities are set out in the trustees' report (including the strategic report) on pages 2 to 9.

The Save the Children Fund (company number 00178159; charity numbers 213890 (England and Wales) and SC039570 (Scotland)) is the sole member of the Academy. The Save the Children Fund's principal purpose is to save children's lives and tackle global child poverty. The Academy's results will be consolidated with those of Save the Children Fund and the consolidated accounts can be obtained by the public at the registered office address given above.

Basis of preparation

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

The functional currency of the Academy is considered to be pounds sterling because that is the currency of the primary economic environment in which the Academy operates.

The Academy meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it.

Going concern

The accounts have been prepared under the historical cost convention, the applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", and the Companies Act 2006.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The trustees believe that the Academy is financially secure for the foreseeable future, thus continue to adopt the going concern basis of preparing the annual financial statements.

Fund accounting

Each of the Academy's donors has agreed to contribute funds, in common with other Academy donors, in order to enable the Academy to achieve its mission to empower people around the world to prepare for and respond to crises in their own countries. In each case the funds are restricted by reference to the term of the grant period and to an agreed outcome and outputs, the latter of which relate broadly to the sustainability of learning provision, quality standards for learning, improved access to humanitarian knowledge, and an increased level and range of skills for humanitarian workers. The funding from such donors enables the Academy's activities, which contribute to these outputs and furthers the Academy's charitable purpose, primarily in relation to its charitable objective to promote education and training in relation to the provision of funding, relief, support, and other assistance for the victims of war, natural disaster, trouble or catastrophe.

Unrestricted funds are those which are available for the general purposes of the Academy at the discretion of the trustees.

Humanitarian Leadership Academy

Notes to the financial statements (continued) Period ended 31 December 2015

1. Accounting policies (continued)

Income

Income is recognised in the statement of financial activities when the Academy is legally entitled to the income, receipt is probable, and it can be effectively measured.

Grant income

The majority of the Academy's income is donor funding sub-granted from the Save the Children Fund. In general, grants and sub-grants represent restricted income from governments, agencies and foundations, corporates and trusts and have been included as 'Incoming resources from charitable activities' where these grants specifically outline the goods and services to be provided to beneficiaries. For these performance related grants, in the absence of specific milestones to determine entitlement, income is recognised to the extent that resources have been committed to the specific programme as this is deemed to be a reliable estimate of the right to receive payment for the work performed. In this case cash received in excess of expenditure is included as a creditor (as deferred income) and expenditure in excess of cash included as a debtor (as accrued income). Unless otherwise specified by donors, restricted funds are not held in separate bank accounts, and any interest income arising on restricted funds held is treated as unrestricted to offset the costs where the Academy is required to pre-finance projects.

Gifts in kind income (GIK)

GIK include goods for project distributions or resale, pro-bono services and supplies. GIK must be included in the accounts as income and expenditure and valued at market value by the Director of Global Operations and/or the donor. No monetary value is attributed to volunteer work.

Expenditure

All expenses are recognised on an accruals basis.

Expenditure on charitable activities is any that relates directly to fulfilling the charitable objects of the Academy.

Support costs, such as general management, governance, human resources, financial management and premises costs are allocated across the categories of charitable activities in proportion to the direct expenditure on those activities.

Governance costs relate to the direct running of the Academy, allowing the Academy to operate and generate the information required for public accountability. They include the costs of external audit.

Staff costs are analysed and apportioned on the basis of management's estimation of the time spent on each activity. Costs which do not directly relate to one activity are apportioned on the same basis.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Academy does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade debtors

Debt provisions are subject to management judgement based upon experience and knowledge gained from past events.

Humanitarian Leadership Academy

Notes to the financial statements (continued) Period ended 31 December 2015

1. Accounting policies (continued)

Defined pension contribution scheme

Save the Children Fund operates a defined contribution retirement benefit scheme for all qualifying employees of group companies, including the Academy, whereby the amount charged to the statement of financial activities is in respect of the pension contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currencies

Monetary assets and liabilities are translated into pounds sterling at the exchange rate ruling on the balance sheet date. Foreign exchange gains are recognised as other income and foreign exchange losses are recognised within the relevant category of charitable activity expenditure for the period in which they are incurred.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Academy's accounting policies, which are described in note 1, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure, with the exception of income recognition. In light of the guidance set out in the Charities SORP (FRS 102) all awards have been reviewed to determine their performance related conditions, see Accounting Policies (Grant income).

3. Income from donations

	Unrestricted funds	Restricted funds	Total
	19 January 2015 to 31 December 2015	19 January 2015 to 31 December 2015	19 January 2015 to 31 December 2015
	£	£	£
Donations	300,000	-	300,000
	<u>300,000</u>	<u>-</u>	<u>300,000</u>

Donations are derived from a gift from Save the Children Fund.

Humanitarian Leadership Academy

Notes to the financial statements (continued) Period ended 31 December 2015

4. Income from charitable activities

	Unrestricted funds	Restricted funds	Period from 19 January 2015 to 31 December 2015
	£	£	£
Knowledge and evidence	-	10,815	10,815
Learning interventions	-	490,203	490,203
Quality and impact	-	12,210	12,210
Other charitable activities	152,782	138,692	291,474
	<u>152,782</u>	<u>651,920</u>	<u>804,702</u>

Included within unrestricted funds is gift in kind income received during the period. The gifts in kind include legal services provided pro bono by Linklaters LLP and other professional fees, including audit fees, paid by Save the Children Fund on behalf of the Academy.

5. Expenditure

	Activities undertaken directly	Grant funding of activities	Support costs	Period from 19 January 2015 to 31 December 2015
	£	£	£	£
Charitable activities				
Knowledge and evidence	8,922	-	1,893	10,815
Learning interventions	-	404,409	85,794	490,203
Quality and impact	10,073	-	2,137	12,210
Other charitable activities	240,461	-	51,013	291,474
	<u>259,456</u>	<u>404,409</u>	<u>140,837</u>	<u>804,702</u>

	Period from 19 January 2015 to 31 December 2015
	£
Fees payable to the auditor	
Audit of financial statements	6,000
Accounting services	4,000
	<u>10,000</u>

Fees payable to the auditor for audit of these financial statements will be paid by Save the Children Fund on behalf of the Academy.

Humanitarian Leadership Academy

Notes to the financial statements (continued) Period ended 31 December 2015

6. Analysis of support costs

	Period from 19 January 2015 to 31 December 2015 £
Governance	11,228
General management	4,627
Financial management	51,334
Human resources	22,147
Information technology	20,965
Premises and facilities	9,161
Business development	21,375
	<hr/> 140,837 <hr/>

Support costs are those which allow charitable activities to be carried out but which do not relate directly to an activity. The support costs above were incurred in a two month period and include various set-up costs in relation to the Academy. An extrapolated figure would not reflect the annualised cost of support provided by the Save the Children Fund to the Academy.

7. Analysis of grant expenditure

	Total £
Save the Children Fund (trading as ELRHA)	319,973
Save the Children Philippines, Inc.	84,436
	<hr/> 404,409 <hr/>

All grants made during the period were to institutions. There were no grants to individuals during the period.

For further detail on the grant making policy of the Academy, see the policy in the trustees' report (including the strategic report) on pages 2 to 9.

8. Trustees

None of the trustees received any remuneration or were reimbursed expenses during the period.

Humanitarian Leadership Academy

Notes to the financial statements (continued) Period ended 31 December 2015

9. Employees

The payroll costs were as follows:

	Period from 19 January 2015 to 31 December 2015 £
Wages and salaries	115,883
Social security costs	14,724
Other pension costs (note 15)	7,758
	<hr/>
	138,365
	<hr/>

Payroll costs are included under Expenditure as 'Activities undertaken directly' in Note 5 to these financial statements.

The average monthly number of employees during the period was:

	2015 Number
Directly employed by the Academy	13
Indirectly employed by the Academy	4
	<hr/>
	17
	<hr/>

Due to the limited economic activity during 2015, there are no employees who received employee benefits (excluding employer pension costs) of more than £60,000 during the period. The total amount of employee benefits received by key management personnel was £57,903.

10. Taxation

The Academy is a registered charity and as such is not liable to United Kingdom income or corporation tax on charitable activities.

11. Debtors: amounts falling due within one year

	31 December 2015 £
Prepayments and accrued income	159,588
	<hr/>

Humanitarian Leadership Academy

Notes to the financial statements (continued) Period ended 31 December 2015

12. Creditors: amounts falling due within one year

	31 December 2015 £
Accruals for grants payable	403,759
Trade creditors	13,526
Amounts owed to group undertakings	227
Accruals and deferred income	261,371
Taxes and social security costs	17,020
Other creditors	2,685
	<u>698,588</u>

The grants payable amount of £403k comprises £84k to Save the Children Philippines, Inc. and £319k to Save the Children Fund (trading as EHLRA). Both of these amounts were certain at period end and both amounts were settled (i.e. paid) in 2016.

13. Analysis of charitable funds

	Unrestricted funds £	Restricted funds £	Total £
Opening balance at 19 January 2015	-	-	-
Income	452,782	651,920	1,104,702
Expenditure	(152,782)	(651,920)	(804,702)
Closing balance at 31 December 2015	<u>300,000</u>	<u>-</u>	<u>300,000</u>

Each of the Academy's donors has agreed to contribute funds, in common with other Academy donors, in order to enable the Academy to achieve its mission to empower people around the world to prepare for and respond to crises in their own countries. In each case the funds are restricted by reference to the term of the grant period and to an agreed outcome and outputs, the latter of which relate broadly to the sustainability of learning provision, quality standards for learning, improved access to humanitarian knowledge, and an increased level and range of skills for humanitarian workers. The funding from such donors enables the Academy's activities, which contribute to these outputs and furthers the Academy's charitable purpose, primarily in relation to its charitable objective to promote education and training in relation to the provision of funding, relief, support, and other assistance for the victims of war, natural disaster, trouble or catastrophe.

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Humanitarian Leadership Academy

Notes to the financial statements (continued) Period ended 31 December 2015

14. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2015:			
Debtors: amounts falling due within one year	-	159,588	159,588
Cash at bank and in hand	300,000	539,000	839,000
Creditors: amounts falling due within one year	-	(698,588)	(698,588)
	<u>300,000</u>	<u>-</u>	<u>300,000</u>

15. Employee benefits

Defined contribution schemes

Save the Children Fund operates a defined contribution retirement benefit scheme for all qualifying employees of group companies, including the Academy. The total expense charged to statement of financial activities in the period ended 31 December 2015 was £7,758. Pension contributions are included under Expenditure as 'Activities undertaken directly' in Note 5 to these financial statements.

The contributions outstanding at 31 December 2015 were £1,880.

16. Events after balance sheet date

In the 2015 financial reporting period, the Academy was informed of funding commitments by a number of major donors, amounting to a total of approximately £21.5m, for the benefit of the Academy and its beneficiaries. In 2016 the Academy has executed a series of sub grant agreements with the Save the Children Fund, thereby securing the £21.5m of grant agreements previously notified.

In the trustees' view, securing these funds represents a material improvement to the stabilisation of the Academy's financial outlook in the short to medium term and mitigates the risk related to non-satisfaction of the match funding requirement agreed with DFID, the Academy's primary donor.

17. Related party transactions

Total grants made to a related party, Save the Children Philippines Inc., which is controlled by Save the Children International, during the period were £84,436.

Transactions, including grants, with the Save the Children Fund are not disclosed on the basis of the exemption available under FRS 102.