

Company Registration Number  
4476247 (England and Wales)  
Charity Registration Number  
1098106



## **Relief International-UK**

### **Annual Report and Financial Statements**

**Company Limited by Guarantee**

31<sup>st</sup> December 2012

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## Administrative Details of the Charity and the Trustees

Trustees	Mr. Geoffrey Bell (Chairman) Ms. Barbara Simmonds (Treasurer) Mr Farshad Rastegar Mr John Maris Mr. William Knight Ms. Amanda Barnes Mr. Rob Cope	Resigned 1 <sup>st</sup> June 2013 Resigned 13 <sup>th</sup> February 2013 Resigned 22 <sup>nd</sup> February 2013
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Executive Director	Mr. Jamie Hall
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Charity number	1098106
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Company number	4476247
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Registered office	Development House, 56 – 64 Leonard Street, London EC2A 4LT
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Auditors	Crowe Clark Whitehill LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH
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Bankers	The Cooperative Bank plc, Head Office, P.O. Box 101, Balloon Street, Manchester, M60 4EP
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## Trustees' report      Year to 31 December 2012

The Trustees, who are also directors of the company for the purposes of the Companies Act, present their report along with the financial statements of the charity for the year ended 31<sup>st</sup> December 2012. The financial statements have been prepared under the accounting policies set out therein and comply with applicable law and the requirements of the *Statement of Recommended Practice, Accounting and Reporting by Charities*, issued by the Charity Commission in March 2005.

The report has been prepared in accordance with the Charities Act 2011 and also constitutes a director's report as required by section 418 of the Companies Act of 2006.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### ***Trustees and Organisational Structure***

Relief International-UK (RI-UK) is an international relief, rehabilitation and development non-governmental organisation (NGO) with its headquarters in London. RI-UK was incorporated as a company limited by guarantee in England and Wales on July 2, 2002 and registered as a charitable organisation with the Charity Commission on June 19, 2003. The charity is a company limited by guarantee and is an independent and non-profit making humanitarian agency that is non-discriminatory in its practices.

RI-UK works with UK and European public, governments, companies, and charitable foundations to maximize the resources available for relief, rehabilitation, and development activities worldwide. RI-UK oversees all grants and contracts with donors from the United Kingdom and Europe, along with grants and contracts with the United Nations.

RI-UK ensures effective internal monitoring and reporting mechanisms for its activities through monthly formal financial and programmatic performance reporting from all country offices, as well as through the submission of regular programme and financial reports on project activities to all its institutional donors.

RI-UK is affiliated to Relief International, a USA-based registered not for profit organisation (hereinafter referred to as RI-USA). Together, RI-UK and RI-USA are known simply as Relief International (RI), a global humanitarian alliance whose mission is to assist victims of natural and man-made disasters worldwide

RI-UK and RI-USA collaborate to deliver appropriate relief, rehabilitation, and development activities across Africa, Asia, and the Middle East. The two organisations do not establish separate field offices, but rather jointly support field operations and administration by contributing financial and technical assistance to emergency response and longer-term poverty-reduction programming across a wide range of sectors, including education, health, nutrition, water and sanitation, and income generation.

By combining support to one field office, RI-UK and RI-USA are able to minimize duplication and ensure that headquarters support costs are kept to a minimum. This means that the funds we raise are spent where they are best able to make a difference; in the countries and with communities where we work.

## Trustees' report      Year to 31 December 2012

### ***Trustees' Responsibilities***

None of the Trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

On being appointed to the RI-UK Board, trustees are given an induction and are provided with a Trustees Welcome Pack containing all RI-UK Trustee policies, including code of conduct and conflict of interest guidance. Trustees also receive a comprehensive briefing about the organisation's structure, strategic priorities, and their roles and responsibilities as Board members.

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 at the year end and of its incoming resources and application of resources for the year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.
- Observe the methods and principles in the Charities SORP.

The Trustees are responsible for keeping proper 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. The Trustees are also responsible for safeguarding the assets of the charitable company and ensuring that assets are properly applied in accordance with charity law, hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Each of the trustees confirms that;

- So far as the trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustee has taken all steps that he / she ought to have taken as a trustee in order to make himself / herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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

***Risk Management***

The Board of Trustees seeks to ensure that systems are in place to monitor, manage, and mitigate RI-UK's exposure to major risks and these systems are reviewed periodically. RI-UK strives to embed a culture of risk management in the organisation, with senior management involved in the active monitoring and management of high risk areas. However, it also recognises that the nature of RI-UK's work requires active acceptance of some risks when undertaking activities in order to achieve the objectives of the charity.

The key business risks to the charity continue to include the unexpected loss of funding from key donor organizations, a breakdown in the relationship with RI-USA, and any major disruption to programmes in countries where the charity operates resulting from factors either within or beyond the organisation's control. The trustees have assessed these and other risks to which the charity are exposed and have requested management to develop a more detailed and robust risk register for regular review.

**OBJECTIVES AND ACTIVITIES*****RI-UK Public Benefit***

The Trustees have given due consideration to Charity Commission guidance on the operation of the Public Benefit requirement.

RI-UK is a signatory to the ICRC Principles of Conduct and the NGO personnel in disaster response programmes, and subscribes to the Sphere Project's Minimum Standards in Disaster Relief. It is also guided by the People in Aid Code of Good Practice for the Management and Support of Field Staff.

RI-UK is in full compliance with its UK public benefit requirements through the achievement of its goals and objects. These include;

- The provision of timely and appropriate humanitarian aid to vulnerable victims of wars and disasters;
- Contributing to the UK's agenda for international development and in particular the achievement of the Millennium Development Goals;
- Contributing to raising awareness about global humanitarian issues amongst the UK general public.

***RI-UK Mission***

In accordance with its Memorandum and Articles of Association, RI-UK's objects are to act as an emergency relief, rehabilitation and development agency providing timely and efficient services and material resources to assist victims of natural and man-made disasters world-wide. RI-UK is non-political and non-sectarian, and is solely dedicated to reducing human suffering. Its mission is to:

***Serve*** the needs of the most vulnerable - particularly women and children, victims of natural disasters & civil conflicts, and the poor - with a specific focus on neglected groups and cases;

***Provide*** holistic, multi-sectoral, sustainable, and pro-poor programmes that bridge emergency relief and long-term development at the grassroots level;

## Trustees' report      Year to 31 December 2012

**Empower** communities by building capacity and by maximising local resources in both programme design and implementation;

**Promote** self-reliance, peaceful coexistence, and reintegration of marginalised communities; and

**Protect** lives from physical injury or death and/or psychological trauma where present. Uphold the highest professional norms in programme delivery, including accountability to beneficiaries and donors alike.

### **RI-UK ACHIEVEMENTS**

Over the course of 2012, RI-UK provided assistance valued at £9,799,781 (2011: £15,841,974) to vulnerable populations in fifteen countries. These countries were Afghanistan, Bangladesh, Haiti, Iran, Iraq, Jordan, Lebanon, Myanmar, Niger, Pakistan, Palestine, Somalia, Sudan, South Sudan, and Yemen. RI-UK also delivered development awareness education programming to schools across Greater London and the UK.

In its overseas work, RI-UK employed 621 staff across 16 countries to provide essential services to some of the most vulnerable individuals and families in the world. Assistance responded to the needs of poor communities across a wide range of sectors, which RI classifies into six categories:

- i.      Emergency, Health, and Sanitation
- ii.     Food and Agriculture
- iii.    Livelihoods and Enterprise
- iv.     Shelter and Infrastructure
- v.      Education and Empowerment
- vi.     Protection and Human Rights

#### ***i.      Emergency, Health and Sanitation***

*Relief International meets the immediate needs of victims of natural disasters and civil conflicts worldwide with the provision of food rations, clean water, non-food items, transitional shelter and emergency medical services. Beyond emergency situations, Relief International's field teams provide long term health and nutrition services to communities in need by operating clinics and training health workers. Relief International also provides water and sanitation programming, providing communities with access to clean water, decreasing the incidence of communicable diseases, and improving quality of life.*

#### **Focus on Niger:**

Niger's health and poverty conditions are among the worst in the world. With two thirds of its population living under the poverty line, Niger ranks at the bottom of the U.N. Development Population (UNDP) Human Development index. Contributing to its poor development outcomes is Nigeriens' continuing lack of access to sound, reliable sexual and reproductive health (SRH) services. Those services that do exist are severely under-utilized, as traditional views of sexuality bar many Nigeriens from seeking them.

The resulting negative health impacts are acutely felt by those people most vulnerable to risks: most specifically, adolescents and women of reproductive age. Niger's maternal mortality ratio (MMR) is high, at 648 deaths per 100,000 live births, caused by factors contributing to maternal death including

## Trustees' report      Year to 31 December 2012

complications caused by early, multiple and late pregnancies, the high rate of unassisted births (83 percent), and unsafe abortions.

Youth and women of reproductive age face a range of cultural customs that greatly limit their demand and use of available SRH services including the requirements to obtain the permission of a husband before using contraceptives for child spacing and to prevent unwanted pregnancies; and the perception in rural communities that use of condoms and modern contraception methods is associated with prostitution.

RI has been working to address these issues since 2007 through the delivery of quality SRH services at health facilities and the community level in the north of the country. RI's goal has been to increase the provision and use of quality sexual and reproductive health services in the Tahoua region of Niger, with the specific objectives to (1) increase the demand and use of available SRH services (including family planning services) to reduce the prevalence of unwanted pregnancies and unsafe abortions; (2) increase the capacities of teachers and health workers (nurses, midwives, community health volunteers) to provide improved SRH services and education to prevent the spread of infections, and (3) facilitate linkages between government and healthcare stakeholders to ensure increased availability of medical supplies and equipment for the delivery of quality SRH services.

With European Commission support during 2012, RI delivered SRH services to many of the most vulnerable groups across the region. These services included a mass sensitization campaign reaching 24,885 women and 22,892 men, school-based and structured group discussions for 1,236 girls and 1,443 boys. During the year, RI also trained 50 teachers, 17 pharmacy managers, and 182 community leaders. , RI will continue to work with these vulnerable groups during 2013 and beyond.

### **Food and Agriculture**

*Relief International's food and agriculture programming embraces environmental awareness by incorporating climate change, natural resource management, and conservation principles into projects that improve global food security. By increasing communities' knowledge of sound agricultural methods suitable to the regional landscape, cultural needs, and environment concerns, Relief International empowers farmers to diversify viable crops, make the best use of the local growing season, and preserve local natural resources. The result is communities that can produce nutritious food for themselves in a sustainable way.*

### **Focus on Bangladesh:**

In the Sundarbans region of Bangladesh, more than 90% of the population make a living from the natural resources available in the mangrove forest. Almost all are informal workers in sectors such as agriculture, forestry, and fishing who suffer from chronic poverty and lack access to decent work or social security schemes.

Their lack of legal and economic security is maintained by entrenched systems of social exclusion, discrimination and abuse, such as bonded labour, wage-exploitation, corruption and discrimination based on factors such as gender, ethnicity, disability and age. Moreover, non-traditional and unsustainable economic practices generate profit for local businesses and political elites but can put the fragile ecosystem of the Sundarbans at risk of degradation and over-exploitation, thus endangering the primary source of income available to local communities.

Through a partnership with the European Commission, RI is working to empower informal workers to become more independent, self-sufficient, and better able to advocate for their rights to an agricultural livelihood. The project integrates economic, environmental, and governance issues in order to promote informal workers in the Sundarban area gaining access to and control over resources and to use those resources in environmentally sustainable ways to break the cycle of poverty.



## Trustees' report      Year to 31 December 2012

Through the project, vulnerable communities receive financial and legal support to obtain permits to access and use the Sundarbans' resources, asset support to start income-generating activities for their families, and skill development and vocational training that enables them to use their new resources successfully. By removing intermediaries and money lenders and severing the disempowering relationship that currently exists between TRUs and local trading elites, the partners create an opening for the workers to free themselves from bonded labour and other forms of labour exploitation.

During 2012, RI supported 23,093 women and 10,946 men. This included a total of 4,116 women and men who received skill development and vocational training, and nearly 900 women and men who received financial help through either a cash voucher or asset support programme. RI will continue to support communities in the Sundarbans throughout 2013 with a range of services.

### **ii.      Education and Empowerment**

*Education is vital to the social and economic integration of future generations. Relief International places a significant focus on this sector to ensure that children affected by conflict and crisis can continue to pursue their education. Programmes include a wide range of activities: teacher training, building libraries and internet centres, providing books and classroom furniture to under-resourced schools, and promoting equal access to education. These programmes also empower youth through service learning and leadership training to become active in their communities and act as agents for change.*

#### **Focus on Iran:**

Iran is host to one of the largest refugee communities in the world totalling more than one million registered cases, comprised predominantly of Afghans that have resided in Iran for up to two decades. According to UNHCR, approximately 3 per cent of refugees live in settlements, whilst most live in urban areas. However, according to the Iranian government, the number of undocumented or so-called illegal refugees present in Iran greatly overshadows the number of registered refugees and is more than two million cases. Inevitably these refugees are forced by circumstance to settle in high-poverty areas with limited access to work opportunities, and health and education services, and this in turn applies additional pressure to the already resource-scarce Iranian communities living in those locations.

As a consequence, the past decade has seen the Iranian government introduce greater attempts to encourage repatriation of refugees, and increasing restrictions on employment opportunities for those that remain in Iran, with very few capacity building programmes available aimed at improving the skillsets of refugees.

This is resulting in a generation of refugees growing up with little-to-no skills and livelihoods trainings. Limited opportunities for paid employment, and exposed to increasing tensions between refugees and hosts who often question the validity of their continuing presence in the community.

As one of the few international NGOs registered to work in Iran, RI has a long history of partnering with the government of Iran and supporting both Iranian and Afghan communities to address issues of poverty and marginalisation.

As part of its commitment to supporting Iranian communities, RI launched a project in 2010 in partnership with the European Commission to support longer term vocational and educational training for Afghan refugees and host communities. The project was launched in Tehran, Mashhad, and Kerman and has focused on the establishment of two educational centres in Tehran and one in Mashhad which have provided high quality education services to 1,200 Afghan children, as well as life skills, prevention of violence, health and family planning workshops for 900 women and 150 adolescents.

## Trustees' report      Year to 31 December 2012

During 2012, RI expanded its services to Kerman in the south of Iran and provided vocational training opportunities in Kerman targeting 100 Afghan women as well as 30 Afghan men.

### ***Livelihoods and Enterprise***

*Finding new or better work is the most direct path out of poverty for families in need. Relief International facilitates this process by providing vocational training, offering microfinance opportunities, and developing promising value chains. As a result of these efforts, farmers in Sri Lanka can get their crops to market before they spoil and women in Afghanistan can earn an income to support their families. These programmes are aimed at long-term, reliable growth, and Relief International often engages private sector partners to leverage additional resources and guarantee sustainability.*

### **Focus on Somalia:**

Due to the protracted conflict in Somalia, many households have been displaced from their homes to more secure parts of the country. While some of these households have access to traditional stoves, many cook simply by balancing pots on three stones.

The effect of using this technique has a range of negative impacts; negative environmental impacts (high carbon emissions, deforestation); negative health impacts (indoor air pollution leading to respiratory problems), and; physical risks, due to the fact that women and children, who are the primary wood collectors, are the ones travelling long distances to collect wood as nearby sources become increasingly exhausted.

With increasing population pressures, there is a real risk of increased incidence of gender based violence in these communities as more people move in to safer areas and the pressure on fuel resources grows. Furthermore, collection of firewood and the resulting environmental impacts increases tension between new and long-standing communities.

Fuel-efficient stoves are a quick and targeted means to help mitigate these problems. A 40% to 50% fuel saving means that women and young girls have to collect fuel wood half as many times, greatly reducing their risks. Reduced environmental degradation helps reduce tensions between communities, and the reduced emissions contribute to better health as dangerous cooking fire emissions are reduced.

Building on its successful programme in Ghana, where RI produces and distributes up to 120,000 fuel efficient stoves to families each year, RI formed an innovative partnership with UNICEF in 2012 to pilot a similar programme in Somalia.

During the year, RI trained 100's of community mobilisers across Mogadishu, Galkayo, and Bardera in the appropriate use and promotion of the fuel efficient stove design. This was accompanied by regular public demonstrations by RI staff to encourage widespread take-up. By the end of the year, more than 15,000 families had adopted RI's fuel efficient stove as their primary means of cooking. RI will continue to support and monitor take up and usage throughout 2013.

### ***iii. Shelter and Infrastructure***

*When natural disasters destroy housing or conflict forces families to flee their homes, Relief International provides for temporary and permanent shelter. Relief International also contributes to local infrastructure by building schools, irrigation canals, and community centers in impoverished communities. Relief International supports training for local residents so that they can participate in the construction process, creating livelihood opportunities for community members. Complementary programmes help make homes safer and more comfortable by promoting products like high-efficiency cook stoves, which decrease indoor air pollution and reduce the need to gather fuel.*

**Focus on Afghanistan:**

Following years of war, school enrolment in Afghanistan has been steadily increasing over the last decade. However, destruction from the conflict has led to a serious shortage of education infrastructure across the country, particularly in rural areas.

RI is supporting communities in many parts of Afghanistan to improve their educational and vocational skills. One such area of support is in Kapisa Province in the east of the country, where in partnership with the Agence Française de Développement, and in close coordination with the Ministry of Education, RI is contributing to supporting educational improvements through the construction and furnishing of three schools, including two schools of 24 classrooms and one school of 12 classrooms.

The programme is directly benefitting the students of those schools, who are currently using tents and unsuitable temporary buildings. In 2012 these figures stood at 2,510 students and 61 teachers. Degarwal Abdul Ghafar High School is a mixed school of 950 pupils of which 300 pupils are girls and has 20 teachers. Yaseen Zahi High School is a girl's school of 850 students with a complement of 25 teachers. Azrat e Farukh Shah High School is a girls' school of 710 pupils and 16 teachers.

Building these schools not only facilitates improved educational opportunities for their students, but provides short term job opportunities, as part of the contracts with the locally contracted companies stipulates that labour is taken from the surrounding villages in order to complete the construction of the schools.

During 2013, RI will continue to work with communities in Kapisa and throughout the country to raise living standards and life chances for many of the poorest and most marginalised.

**iv. Protection and Human Rights**

*Millions of individuals worldwide face discrimination, persecution, and violence. Relief International is at the forefront of implementing programmes to protect and support these individuals and encourage peace through nonviolent conflict resolution. The result is programming that provides legal-assistance, fights trafficking in persons, promotes media and journalism, and encourages democratic governance. The rights of women and girls are a critical issue in this sector, and are incorporated in many of Relief International's programmes. Relief International's approach to civil society development emphasizes cross-cultural understanding and empowerment of vulnerable and under-represented members of society.*

**Focus on South Sudan:**

In January 2011, a popular referendum vote decisively affirmed the independence of South Sudan from the Republic of Sudan. Since then, failure to come to a resolution on key issues including the sharing of oil revenues, boundaries of the border areas between the two countries including in Abyei and continued fighting in South Kordofan pose prolonged threats to the overall peace and security within the Republic of South Sudan.

March 2012 saw an escalation of tensions between the two governments culminating in an attack by the Sudan People's Liberation Army (SPLA) on Heglig oil-field, aerial bombardments and closures of border crossings.

Upper Nile state, bordering Blue Nile state of Sudan, and Maban County in particular, saw wide-spread migration of refugees fleeing conflict in the North throughout the first half of 2012 including the return of Southern Sudanese from neighbouring Ethiopia and Sudan, culminating in the arrival of 50,000 new refugees from Blue Nile into Upper Nile settling in Maban County. As the only INGO present in the area,

## Trustees' report      Year to 31 December 2012

RI immediately mobilized its partners, most notably UNHCR, and established camp services for the entire refugee population.

During the remainder of 2012 and into 2013, RI has been managing all service delivery in what is now known as the Doro refugee camp. According to UNHCR's own data, there are currently more than 44,000 individuals residing in the camp.

During 2012, RI was responsible for ensuring that all needs were met, with our own teams delivering core relief items and enlisting the active participation of a range of other NGO and UN partners to deliver specific supplementary activities.

### **Financial Review**

#### Financial Position

In 2012, RI-UK consolidated its charitable activities with grant funding for its overseas projects of £10,122,231 (2011: £15,713,506). The reduction compared to 2011 was as a result of a significant decrease in in-kind food commodities which were donated by the World Food Programme to support RI's response to floods in Pakistan (total value in 2011 of £5,259,463). The comparison of grant (cash) funding between the two years is £9,427,419 in 2012 compared to £10,452,614 in 2011 (a relatively modest and anticipated decrease of 9%).

During the year, RI-UK supported relief, rehabilitation, and development programmes in 16 countries. Programme expenditure can be disaggregated into the following humanitarian categories;

- i.      Emergency, Health, and Sanitation = £3,709,025
- ii.     Food and Agriculture = £1,595,284
- iii.    Livelihoods and Enterprise = £1,135,603
- iv.     Shelter and Infrastructure = £540,859
- v.      Education and Empowerment = £934,761
- vi.     Protection and Human Rights = £1,302,274

The charity had no restricted funds as at 31 December 2012 (2011: £0). RI-UK increased its unrestricted reserves during 2012 from £75,588 to £442,251. This increase was the result of maintained tight corporate control of expenditure and a contribution from RI-USA of £200,267. RI-UK anticipates a number of organisational investments during 2013 to support a range of systems improvements to better coordinate RI-UK and RI-USA's activities, and therefore expects to utilise a portion of the reserves for this purpose.

RI-UK has made significant progress during the year in increasing its own reserves however, the Trustees recognise that the charity continuing as a going concern is reliant on the mutually supportive relationship with RI-USA, which supports RI-UK to deliver effective programmes through the use of its headquarters staff. The Trustees have no reason to doubt that this support will continue to be made available and RI-USA has committed to continue to support RI-UK in this way as required.

#### Reserves Policy

The Trustees have examined the requirement for reserves. RI-UK's aim is to hold the equivalent of between 3 and 6 months operational expenditure, i.e. the proportion of costs that are fixed. This amounts

## Trustees' report      Year to 31 December 2012

to between £250,000 and £500,000. As at 31st December 2012, RI-UK held £442,251 in reserves which is within the acceptable range.

### RI-UK FUTURE PLANS FOR 2013

- Continue to fulfill its mission to provide emergency relief, rehabilitation, development assistance, and programme services to vulnerable communities worldwide.
- Increase the proportion of RI-UK revenue from unrestricted sources.
- Accelerate integration of operational systems and staffing between RI-UK and RI-USA to increase economies of scale and efficiencies.
- Deepen relationships with key UK partners, including the UK government, UK companies, and charitable foundations
- Continue the tight control of RI-UK corporate expenditure and ongoing management of risk.

The trustee's report has been reviewed by the Board and approved on its behalf by;



Mr Geoff Bell, Chairman, Relief International-UK

Date: 26 September 2013

**DONOR SUPPORT OF RI-UK PROGRAMMES**

- DFID (Department for International Development)
- Dutch Embassy in Sudan
- EC (European Commission)
- EIDHR (European Instrument for Democracy & Human Rights)
- ECHO (European Commission Humanitarian Aid and Civil Protection)
- Esmée Fairbairn Foundation
- FAO (Food and Agricultural Organisation)
- GTZ Deutsche
- ADRA Germany
- Said Foundation
- KNH (Kindernothilfe)
- UNDP (United Nations Development Programme)
- UNHCR (Office of the United Nations High Commissioner for Refugees)
- UNICEF (United Nations Childrens Fund)
- UNOCHA (United Nations Office for the Coordination of Humanitarian Affairs)
- UNFPA (United Nations Population Fund)
- UNDP/ CHF (Common Humanitarian Fund)
- UNESCO (United Nations Educational Scientific and Cultural Organisation)
- WFP (World Food Programme)
- WHO (World Health Organisation)

**Independent Auditor's Report to the members of Relief International-UK**

We have audited the financial statements of Relief International UK for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. 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 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

## Independent auditor's report

Year to 31 December 2012

- 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 Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept; 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.

N. Hashemi

Naziar Hashemi

Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

London

30/1/13



# Statement of Financial Activities

Year to 31 December 2012

## RELIEF INTERNATIONAL UK STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2012

Income and Expenditure	Notes	Unrestricted Funds	Restricted Funds	2012 Total Funds	2011 Total Funds
		£	£	£	£
<b>Incoming resources from generated funds</b>					
Voluntary Income					
Other Voluntary Income	2	211,839	-	211,839	1,220
Donated commodities	3	-	482,766	482,766	5,259,463
Investment income	4	208	-	208	209
Incoming resources from charitable activities	5	692,379	8,735,040	9,427,419	10,452,614
<b>Total incoming resources</b>		<b>904,426</b>	<b>9,217,806</b>	<b>10,122,231</b>	<b>15,713,506</b>
<b>Resources expended</b>					
Costs of generating funds		1,727	-	1,727	525
Charitable activities	6	512,996	9,217,806	9,730,802	15,819,249
Governance	7	23,040	-	23,040	22,200
<b>Total resources expended</b>		<b>537,763</b>	<b>9,217,806</b>	<b>9,755,569</b>	<b>15,841,974</b>
Net incoming/(outgoing) resources for the year		366,663	-	366,663	(128,468)
Net income/(expenditure) for the year / Net movement in funds		366,663	-	366,663	(128,468)
Fund balances at 1 January		75,588	-	75,588	204,056
<b>Fund balances at 31 December</b>		<b>442,251</b>	<b>-</b>	<b>442,251</b>	<b>75,588</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. The notes on pages 20 to 26 form part of those financial statements. There are no recognised gains or losses in the current or preceding year other than as shown in the statement of financial activities.

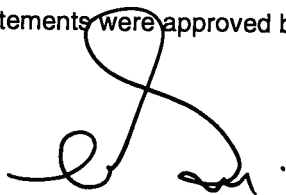
**Balance Sheet**

Year to 31 December 2012

**RELIEF INTERNATIONAL UK  
BALANCE SHEET  
AS AT 31 DECEMBER 2012**

	Notes	£	2012 £	£	2011 £
<b>Fixed assets:</b>					
Tangible assets	12		5,359		5,063
<b>Current assets:</b>					
Debtors	13	2,052,760		1,688,508	
Cash at bank and in hand	14	1,405,360		1,384,605	
		<u>3,458,120</u>		<u>3,073,113</u>	
<b>Creditors:</b> amounts falling due within one year	15	3,021,228		3,002,588	
			<u>436,892</u>		<u>70,525</u>
Net current assets			436,892		70,525
Net assets			<u><u>442,251</u></u>		<u><u>75,588</u></u>
<b>Income funds</b>					
Restricted funds	16		-		-
Unrestricted funds	17		442,251		75,588
			<u><u>442,251</u></u>		<u><u>75,588</u></u>

The financial statements were approved by the Board on 26<sup>th</sup> September 2013



Mr. Geoffrey Bell Chairman, Relief International UK

Company registration number 4476247

## Cash flow Statement Year to 31 December 2012

### Cash flow Statement For the Year ended 31 December 2012

	Notes	2012 £	2011 £
Net Cash inflow from operating Activities	a)	22,629	176,931
<b>Returns on Investments and Servicing of Finance</b>			
Bank Interest		208	209
<b>Capital Expenditure</b>			
Payments to purchase tangible fixed assets		(2,082)	-
Increase in Cash in the year	b)	20,755	177,140

### Notes to the cash flow statement for the year to 31 December 2012

Reconciliation of net incoming / (outgoing) resources to net cash inflow / (outflow) from operating activities

a)

	2012 £	2011 £
Net incoming / (outgoing) resources	366,663	(128,468)
Bank interest received	(208)	(209)
Depreciation charges	1,786	1,688
Increase in debtors	(364,252)	(220,950)
Increase in creditors	18,640	524,870
Net Cash (Outflow) / Inflow from Operating Activities	22,629	176,931

### b) Analysis of Net Cash Resources

	Opening Balances £	Cash Flow £	Closing Balance £
Cash at bank and in hand (2012)	1,384,605	20,755	1,405,360
Cash at bank and in hand (2011)	1,207,465	177,140	1,384,605

### c) Location of Cash Resources

	2012 £	2011 £
HQ Bank Accounts	1,028,670	793,066
In-Country bank accounts	376,690	591,539
	1,405,360	1,384,605

**NOTES TO THE FINANCIAL STATEMENTS****1. Accounting policies****1.1. Accounting Convention**

The financial statements are prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006

The financial statements have been prepared on a going concern basis. It should be noted that the operations of the charity continue to be supported by its affiliated company RI-USA. The trustees have no reason to doubt that this support will continue to be available to the company.

**1.2. Compliance with accounting standards**

The financial statements have been prepared in accordance with applicable UK accounting standards and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) issued by the Charity Commissioners and the Companies Act 2006.

**1.3. Incoming Resources**

All incoming resources are included in the statement of financial activities when the Charity is legally entitled to the income and the amount can be measured with reasonable certainty.

Voluntary income comprises donations and gifts from individuals, corporations, and charitable trusts and is included in full in the statement of financial activities when receivable. Gifts in kind are shown as incoming resources and accounted as grants in kind. The value of gifts in kind from institutional donors is pre-determined by the donor according to grant agreements, typically based on market prices for the relevant goods. An amount equal to the value of distributions to beneficiaries is included as in-kind expenditure in the statement of financial activities. Only the amount of gifts in kind distributed in the year is recognized as income.

Grants receivable from government and other agencies are included as income arising from activities in furtherance of the charity's objectives where granted for specific projects and services or as donations where money is given with flexibility of use.

Where grants are received in arrears based on projects expenditure incurred, income where reasonably certain, is accrued according to the terms of the contractual funding agreement.

For grant income received in advance where the amount of income exceeds the level of expenditure for the year, the income is shown as deferred income as conditions for use of the funds have not been met at the balance sheet date.

**1.4. Liabilities**

Liabilities are recognised when the Charity has an obligation (legal or otherwise unavoidable) to make payment to a third party.

**1.5. Resources expended and the basis of apportioning costs**

Expenditure is accounted for on an accruals basis and comprises the following:

- Costs of generating funds are those expended in seeking voluntary income;

## Notes to the financial Statement

Year to 31 December 2012

- Charitable expenditure includes those costs incurred by the organisation to deliver activities and services to its beneficiaries worldwide. These comprise both the costs incurred at the country level overseas and those costs necessary to support these activities, such as the costs of RI-UK staff directly responsible for supporting international projects;
- Support Costs include the expenditure incurred for HQ office functions and these are apportioned to the three cost categories – charitable expenditure, governance costs and costs of generating funds.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include costs linked to the strategic management of the charity.

The majority of costs are directly attributable to specific charitable activities and staff costs are apportioned to the costs classified above on the basis of time spent. Other costs not directly attributable are allocated on the basis of budgeted apportioned costs as per contractual agreements with donors.

### 1.6. Tangible fixed assets and depreciation

Assets for use at RI-UK headquarters are capitalised and stated at cost minus depreciation. Depreciation is provided at rates calculated to write off the cost over its expected useful life:

- Plant and machinery - 25 % reducing balance
- Fixtures, fittings and equipment - 25 % reducing balance

Assets for use in overseas operational projects purchased using restricted grant funds are not capitalised but expended in the period of acquisition.

### 1.7. Foreign currency

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate of exchange at the date of the transaction. All exchange differences are accounted for in the statement of financial activities.

### 1.8. Accumulated funds

Unrestricted funds comprise accumulated surpluses and deficits from general funds and include those monies which may be used towards meeting the charitable objectives of the charity and applied at the discretion of the Trustees.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purpose and use of the restricted funds are set out in the notes to the accounts.

## Notes to the financial Statement

Year to 31 December 2012

### Notes to the financial statements For the Year ended 31 December 2012

#### 2 Voluntary Income

	Unrestricted Funds £	Restricted Funds £	2012 Total £	2011 Total £
Other Voluntary Income	11,572	-	11,572	1,220
Unrestricted - from RI-USA*	200,267	-	200,267	-
	<b>211,839</b>	<b>-</b>	<b>211,839</b>	<b>1,220</b>

\* RI-USA gave RI-UK a contribution in support of a school building programme in Pakistan during 2011

#### 3 Donated commodities

Restricted donated commodities	Unrestricted Funds £	Restricted Funds £	2012 Total £	2010 Total £
Emergency, Health and Sanitation	-	475,610	475,610	2,764,990
Food and Agriculture	-	2,331	2,331	2,494,473
Education and Empowerment	-	4,825	4,825	-
Total	<b>-</b>	<b>482,766</b>	<b>482,766</b>	<b>5,259,463</b>

#### 4 Investment Income

	Unrestricted Funds £	Restricted Funds £	2011 Total £	2010 Total £
Interest receivable	208	-	208	209
	<b>208</b>	<b>-</b>	<b>208</b>	<b>209</b>

#### 5 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	2012 Total £	2011 Total £
Emergency, Health and Sanitation	293,032	3,233,415	3,526,447	3,344,128
Food and Agriculture	196,844	1,592,952	1,789,797	1,265,921
Livelihoods and Enterprise	46,272	1,135,603	1,181,875	469,800
Shelter and Infrastructure	36,129	540,859	576,988	3,879,037
Education and Empowerment	49,561	929,936	979,497	998,821
Protection and Human rights	70,541	1,302,274	1,372,815	494,908
TOTAL	<b>692,379</b>	<b>8,735,040</b>	<b>9,427,419</b>	<b>10,452,614</b>

Includes the following income from UK Department for International Development (DFID)  
 £ 376,209 (2011 £ 273,397) for RI-UK Local Voices project, Afghanistan - Governance Transparency Fund  
 £ 50,611 for RI-UK - Enhancing Primary Education Project - Puntland Somalia  
 £ 51,655 (2011 £63,694) for RI-UK Act Global project - Development Awareness Fund

## Notes to the financial Statement

Year to 31 December 2012

### 6 Charitable activities

	<b>Project Costs £</b>	<b>Support Costs £</b>	<b>2012 Total £</b>	<b>2011 Total £</b>
Emergency, Health and Sanitation	3,415,993	293,032	3,709,025	5,500,303
Food and Agriculture	1,486,876	108,408	1,595,284	3,498,833
Livelihoods and Enterprise	1,089,331	46,272	1,135,603	397,843
Shelter and Infrastructure	504,731	36,129	540,859	3,674,255
Education and Empowerment	885,200	49,561	934,761	974,408
Protection and Human rights	1,231,733	70,541	1,302,274	464,884
	<b>8,613,863</b>	<b>603,943</b>	<b>9,217,806</b>	<b>14,510,526</b>

	<b>Project Costs £</b>	<b>Support Costs £</b>	<b>2012 Total £</b>	<b>2011 Total £</b>
Staff costs	2,879,736	176,911	3,056,648	2,487,242
Project costs	5,734,126	427,032	6,161,158	12,023,284
	<b>8,613,863</b>	<b>603,943</b>	<b>9,217,806</b>	<b>14,510,526</b>

\* Support costs are allowances for overhead expenses and administration of the projects at headquarters.

### 7 Governance costs

	<b>UK Audit Costs £</b>	<b>Project Audit Costs £</b>	<b>2012 Total £</b>	<b>2011 Total £</b>
Audit costs	23,040	15,249	38,289	45,941
	<b>23,040</b>	<b>15,249</b>	<b>38,289</b>	<b>45,941</b>

### 8 Net Expenditure for the year

	<b>2012 £</b>	<b>2011 £</b>
Net incoming resources are stated after charging:		
Auditor's remuneration - Audit fee	23,040	22,200
Foreign exchange losses / (gains)	30,407	34,242

### 9 Trustees

None of the trustees or any persons connected with them received no remuneration or expenses through RI-UK during the year.

## Notes to the financial Statement

Year to 31 December 2012

### 10 Employees and staff costs

Staff costs during the year were:	2012	2011
	£	£
UK staff wages and salaries	306,418	284,801
UK staff social security costs	32,593	30,073
UK staff pension contribution costs	3,788	-
Total UK staff costs	<u>342,799</u>	<u>314,874</u>
RI staff working on RI-UK projects worldwide	2,713,849	2,172,367
Total staff costs (UK and worldwide)	<u>3,056,648</u>	<u>2,487,242</u>
The average number of employees during the year was:		
	2012	2011
Total staff worldwide (estimated)	<u>621</u>	<u>590</u>

There were no employees whose annual emoluments were £60,000 or more ( 2011 - nil )

\* RI-UK covers the full or partial salaries of RI staff employed to work on RI-UK projects worldwide

### 11 Taxation

As a charity, RI-UK is exempt from corporation tax on the charitable activities.

### 12 Tangible fixed assets

	Office Equipment £	Furniture & Fixtures £	2012 Total £
<b>Cost</b>			
At 1 January 2012	3,763	8,529	12,292
Additions in year	-	2,082	2,082
At 31 December 2012	<u>3,763</u>	<u>10,611</u>	<u>14,374</u>
<b>Depreciation</b>			
At 1 January 2012	3,126	4,103	7,229
Charge for the year	159	1,627	1,786
At 31 December 2012	<u>3,285</u>	<u>5,730</u>	<u>9,015</u>
<b>Net Book Value</b>			
At 31 December 2012	<u>478</u>	<u>4,881</u>	<u>5,359</u>
At 31 December 2011	<u>637</u>	<u>4,426</u>	<u>5,063</u>



## Notes to the financial Statement

Year to 31 December 2012

### 13 Debtors

Due within one year:	<b>2012</b>	<b>2011</b>
	£	£
Accrued income - Grants receivable	1,953,154	1,352,724
Amount due from RI	-	243,631
Project Debtors Overseas	91,785	66,079
Other debtors and prepayments	7,821	26,074
	<b>2,052,760</b>	<b>1,688,508</b>

### 14 Cash at bank and in hand

	<b>2012</b>	<b>2011</b>
	£	£
Cash held in UK	1,028,670	793,066
Cash held in field offices	376,690	591,539
	<b>1,405,360</b>	<b>1,384,605</b>

### 15 Creditors: Amounts falling due within one year

	<b>2012</b>	<b>2011</b>
	£	£
Project creditors	507,387	283,814
Deferred income *	1,244,237	2,638,839
Amount due to RI **	1,093,003	-
Other creditors	171,476	72,656
Other Creditors and accruals	5,125	7,279
	<b>3,021,228</b>	<b>3,002,588</b>

\*\*This total includes (1) recharged headquarters and international staff salaries and expenses to RI-UK projects of £544,995 (2011 -£91,780) (2) overseas project pre-financing costs of RI-UK projects of £ 548,009 (2011 £306,526)

\* For explanation of deferred income, see Accounting Policies 1.3 Incoming Resources

### 16 Restricted funds

The programme income funds include restricted funds unexpended at the yearend held to be applied for specific purposes

	<b>At 1 January 2012</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>At 31 December 2012</b>
	£	£	£	£
Emergency, Health and Sanitation	-	3,709,025	(3,709,025)	-
Food and Agriculture	-	1,595,284	(1,595,284)	-
Livelihoods and Enterprise	-	1,135,603	(1,135,603)	-
Shelter and Infrastructure	-	540,859	(540,859)	-
Education and Empowerment	-	934,761	(934,761)	-
Protection and Human rights	-	1,302,274	(1,302,274)	-
	-	<b>9,217,806</b>	<b>(9,217,806)</b>	-

## Notes to the financial Statement

Year to 31 December 2012

### 17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2012 Total £	2011 Total £
Fixed assets	5,359	-	5,359	5,063
Current assets	613,492	2,844,628	3,458,120	3,073,113
Creditors: amounts falling due within one year	(176,600)	(2,844,628)	(3,021,228)	(3,002,588)
<b>Total net assets</b>	<b>442,251</b>	<b>-</b>	<b>442,251</b>	<b>75,588</b>

### 18 Related Parties

- Mr. Geoffrey Bell, who is a member of RI-UK Board of trustees, is also member of the RI-USA Board of trustees and he has been the interim CEO of RI-USA since 8<sup>th</sup> of August 2013.
- RI-USA gave RI-UK a contribution of £200,267 in support of a school building programme in Pakistan during 2011.
- RI-UK owes RI-USA £1,093,003 which includes overseas project pre-financing costs, recharged headquarters and international staff salaries and expenses.