

Company Registration Number
4476247 (England and Wales)

Charity Registration Number
1098106



Relief International-UK

Annual Report and Financial Statements

Company Limited by Guarantee

31st December 2010

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Administrative Details of the Charity and the Trustees

Trustees	Mr. Farshad Rastegar Ms. Jahan Nikoopour Mr. John Maris Mr. William Knight Mr. Geoffrey Bell Ms. Amy Morris Ms. Barbara Simmonds	<i>Resigned 25th October, 2010</i>
Company secretary	Ms. Jahan Nikoopour	
Director	Mr. Jamie Hall	
Charity number	1098106	
Company number	4476247	
Registered office	The Leathermarket, 11-13 Weston Street, London SE1 3ER	
Auditors	Crowe Clark Whitehill LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH	
Bankers	The Cooperative Bank plc, Head Office, P.O. Box 101, Balloon Street, Manchester, M60 4EP	

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 31st December 2010. 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 Part IV of the Charities Act 1993 and also constitutes a directors 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 publics, 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 by providing regular programme and financial reports on project activities and progress as required by all its institutional donors, and through regular monthly formal reporting from all our country offices.

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 is able to minimize duplication and ensure that headquarters support costs are reduced. 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 2010

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 all RI Trustee policies, including its code of conduct and conflict of interests guidance. Trustees also receive a comprehensive briefing about the organization'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 statement on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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. There is a culture of risk management embedded in the organization, with senior management and members of the Board involved in the active management of high risk areas. However, it also recognises that the nature of RI-UK's work requires active acceptance and management of some risks when undertaking activities in order to achieve the objectives of the charity.

The key business risks to the charity include the unexpected loss of funding from key donor organizations, and any major disruption to programmes in countries where the charity operates, which are often insecure and unstable environments. The trustees have assessed these and other risks to which the charity are exposed and are satisfied that at this time, adequate systems are in place to mitigate RI-UK's exposure.

Financial Risks and Financial Investments

The charity's principal financial instruments are bank deposits. In addition, the charity has various other financial assets and liabilities such as accrued income and creditors arising directly from operations. This includes the amount owed to RI-USA, of £357,599 (2009 – £389,964).

This figure includes monies advanced by RI-USA to RI-UK projects overseas in anticipation of receipts from donors £ 159,356 (2009- £ 239,375) in addition to service fees for international staff salaries to RI-UK during the year of £198,243 (2009- £150,589). The figure is therefore expected to fluctuate during the course of the year – depending on the timing of actual donor receipts.

Interest rate risk

The charity is exposed to fair value interest rate risks on its bank deposits.

Foreign currency risk

The charity's principal currency exposures arise from translations of European donor monies received into US dollars which is the main currency advanced to our field programmes overseas.

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;

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 program delivery, including accountability to beneficiaries and donors alike.

RI-UK ACHIEVEMENTS

Over the course of 2010, RI-UK provided assistance valued at £7,405,796 (2009: £4,718,736) to vulnerable populations in fifteen countries. These countries were Afghanistan, Bangladesh, Haiti, Indonesia, Iran, Iraq, Jordan, Lebanon, Myanmar, Niger, Pakistan, Palestine, Somalia, Sri Lanka, and Sudan. RI-UK also delivered development awareness education programming to schools across Greater London and the UK.

In its overseas work, RI-UK employed nearly 700 staff across fifteen 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 Haiti:

In the wake of the 7.0 magnitude earthquake which struck Haiti's capital city and affected over 1.3 million people, the population's urgent health, water, hygiene and sanitation (WASH) needs were RI's first priority. RI's Rapid Emergency Deployment (RED) team including a team of volunteer doctors was deployed within days to support the immediate response. From the outset, RI established mobile clinics which served camps of internally displaced people (IDP) and severely affected neighbourhoods in Port-au-Prince, Carrefour, Gressier, Jérémie, and Léogâne.

In addition to primary medical care, Relief International's emergency teams focused on trying to bridge the gap between relief and development. Needs assessments confirmed that many displaced communities had no means of sheltering from the elements, and had not yet received any support from the international community. With the support of a six-month grant from UNOCHA, Relief International provided more than two thousand displaced families with transitional support kits as well as technical assistance in construction using disaster risk reduction techniques. Each transitional shelter kit contained tools and materials for the rapid construction of a temporary shelter designed to house an average family size of seven for up to three years, including long-lasting insecticide mosquito nets which reduced family vulnerability to malaria. Throughout the programme, Relief International targeted communities that were not receiving support from the U.N., other NGOs, or the ICRC.

Focus on Sudan: Emergency Health for Populations in Darfur

Relief International's health interventions in Darfur focus on providing preventative and curative care to individuals whose lives have been turned upside down by violence and displacement. To this end, Relief International constructed a primary care clinic in Zam Zam IDP camp in 2006, and has continued to operate directly through the clinic and 6 additional village-run health facilities across North Darfur. Relief International's health programmes prioritize training and capacity building for local medical staff to ensure that local Sudanese are trained to deliver comprehensive services, including maternal and child health, immunization, sexual and reproductive health, and nutritional support, at the highest standard of care.

With ECHO support in 2010, Relief International continued to serve the needs of up to 1,500 patients a week in its Zam Zam clinic. In addition to providing basic health services, the clinic also serves as a centre for community nutritional education activities, distribution of relief commodities such as hygiene kits, and a capacity building resource for local health staff working at the Relief International-supported village health units.

ii. 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

Trustees' report

Year to 31 December 2010

suitable to the regional landscape, cultural needs, and environment concerns, Relief International empowers farmers how 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 Myanmar: Building Food Sources for Rural Poor Through Community Livelihoods and Infrastructure Support in the Ayeeyarwaddy Delta

In the continuing aftermath of Cyclone Nargis, food insecurity has had a number of serious effects on household assets and livelihoods as families have been forced to sell their belongings to pay for food. With support from the EC, RI's sustainable food security programme has been rehabilitating agriculture, fishery, and livestock production livelihoods by simultaneously addressing the availability of and access to food through increasing the recovery of food stocks, diversifying livelihoods opportunities for rural populations, and promoting small enterprise activities, such as bamboo basket manufacturing and organic compost making. More than 8,000 people are benefitting directly from increased access and availability of food and more than 9,000 households will have improved and sustainable livelihood opportunities by the project's end.

iii. 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 Somalia: Expanded participation in basic education

Across Somalia the average gross enrollment rate at primary school level is one of the lowest in the world at just 28% (34% for boys, 22% for girls). Even where children enroll in school, less than 60% of those entering grade one are likely to complete grade 4. Adult literacy rates indicate that over 80% of Somali adults are illiterate. Chronic poverty and conflict continues to add to rising numbers of poorly educated youth and women, undermining the life chances of Somalia's people and threatening its social fabric and security.

With the support of a range of stakeholders, including the EC and the UN, Relief International has overseen a number of key activities within the education sector in Somalia during 2010, including the renovation of 21 primary schools and 4 adult learning centres; support to improvements in quality teaching; promotion of youth/adult literacy, numeracy and life skills; establishment of sports facilities for children and youths; promotion of interschool competitions; organization of exchange visits for teachers and community educators; provision of school supplies to benefit children, youths/adults; construction and rehabilitation of school water and sanitation facilities; supply of teaching materials on cross-cutting issues; promotion of extra-curricular activities and provision of required materials; support and strengthening of teacher mentoring on cross-cutting issues; and support to the establishment of parent-teacher associations.

iv. 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 Sri Lanka: I-Live: Integrated Livelihoods, Income Generation, and Vocational Empowerment for Civil War Affected Populations

The civil war in Sri Lanka ended in 2010 with intense fighting particularly in the north of the country. Soon afterwards, people began returning to their home villages from refugee camps or temporary shelters. Relief International was amongst the first organisations able to support the needs of returning communities, having worked for two years in the Vavuniya District providing humanitarian aid within the Menick farm the refugee camp.

Relief International's 'I-LIVE' project, funded by the German government through KNH (Kindernothilfe) commenced in July 2010. Since its establishment, it has focused on delivering livelihoods support through self-help groups in 14 villages. This support has included the delivery of seeds and tools to nearly 300 farmers and micro-loans to 380 households, which are used by families to supplement basic needs and, more importantly, to expand income-generating activities. Training courses in business management and book keeping along with further training in agricultural and non-agricultural activities are given to build capacities, empower women and reinforce a sense of security. Market analysis is also conducted to identify gaps in the value chain and actions are taken to link rural communities with urban markets.

v. 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 programs 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: Addressing the Needs of the Most Vulnerable

According to UNHCR reports, the number of refugees returning to Nimroz Province represents 18 percent of its total existing population - higher than that of any other province across the entire southern or western regions. In addition to this figure, insecurity and insurgent/armed opposition group activity has continued to escalate, preventing many individuals from returning to their places of origin, and resulting in increasing numbers of returnees in border provinces such as Nimroz.

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In 2010, Relief International has worked to improve living conditions for the most vulnerable returnees, internally displaced persons (IDPs), and host families in Nimroz Province with ECHO support. It has done this by providing access to basic housing (shelters/latrines/washrooms) for 1,200 individuals, potable water for 14,000 individuals, and hygiene education for 4,000 men, women and children. This project has also benefitted the community by improving the capacity of community leadership bodies, called Shuras, to meet the needs of their most vulnerable community members.

vi. 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 Bangladesh: Transparency for Human Rights

Relief International's Transparency for Human Rights programme works with Bangladeshi media and civil society to improve the quality and availability of information on human rights. Through these activities, the programme raises awareness about human rights violations and promotes a constructive dialogue improving human rights. The programme is supported by the EC and includes the following components;

- **Develop Curriculum on the Media and Human Rights** that covers the role and responsibility of the media in democratic societies, with a focus on freedom of expression and the role of the media in promoting human rights.
- **Build the Capacity of Local Journalists** through direct training and peer-to-peer training that will improve the ability of the media to promote human rights.
- **Establish a National Network of Concerned Journalists** to promote human rights through professional and advocacy activities. Relief International-UK will provide members with training on how to maintain and grow the organization and how to make its efforts effective.
- **Create a Human Rights Virtual Community** where civil society groups can share information, media outlets can post stories and citizens can learn more about human rights in Bangladesh.
- **Provide Small Grants** to media, civil society and youth groups participating in the program to research and produce relevant, creative materials and reports on human rights.
- **Host Community Roundtables** on human rights. These roundtable discussions will be led by the Concerned Journalists and provide an opportunity for religious leaders, educators, youth and other members of the community to discuss human rights issues.

Financial Review

Statement of Principal Financial Management Policies Adopted in the Year

It is the policy of RI-UK to maintain effective financial management systems and programmes, to seek improved financial operations and systems, and to identify efficient methods of budgeting, accounting, financial reporting, and auditing in order to be responsive to management needs at all levels of the

Trustees' report Year to 31 December 2010

organisation. Additionally, RI-UK seeks to be responsive to the financial reporting and other requirements of its donors, as well as to the restrictions imposed by the governments under whose laws it operates.

Financial Position

In 2010, RI-UK expanded its charitable activities with increased grant funding of 55% for its overseas projects. Total income was £7,422,799 (2009: £4,795,512), including £70,880 of gifts in-kind that comprised basic project equipment and supplies (2009: £67,880).

During the year, RI-UK supported relief, rehabilitation, and development programmes in 15 countries. Programme expenditure can be disaggregated into the following humanitarian categories;

- i. Emergency, Health, and Sanitation = £1,909,205
- ii. Food and Agriculture = £1,512,781
- iii. Livelihoods and Enterprise = £787,490
- iv. Shelter and Infrastructure = £1,913,375
- v. Education and Empowerment = £731,022
- vi. Protection and Human Rights = £551,923

The charity had no restricted funds as at 31 December 2010 (2009: £184,797) and unrestricted funds of £204,056 at that date (2009: £25,068). Restricted funds expenditure is met from relevant donor funding. The trustees recognize that the operations of the charity continue to be supported by its affiliated company RI-USA.

There is a binding agreement between RI-UK and RI-USA affirming their mutual commitment in supporting the growth and development of RI over the long term. The Trustees recognize that the continued operations of RI-UK as a going concern are reliant on this support, and have no reason to doubt that this support will continue to be made available. Additionally, RI-USA has committed to further investment in RI-UK as required.

Reserves Policy

The Trustees have examined the requirement for reserves and they recognise the need to develop reserves that are independent of RI-USA commitments of support. RI-UK aims to establish a three-month operating reserve to be built as quickly as available unrestricted revenues allow. The charity is in the process of building this up.

RI-UK FUTURE PLANS FOR 2011

- 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.
- Increase UK general public awareness of RI and its programmes worldwide.
- 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;

A handwritten signature in blue ink, appearing to be 'Farshad Rastegar', written in a cursive style.

Mr. Farshad Rastegar PhD, Chairman, Relief International-UK

Date: 25 / 10 / 11

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
- IOM (International Organisation for Migration)
- Internews
- Karim Rida Said Foundation
- KNH (Kindernothilfe)
- RHK Project Management Pty Ltd
- Unite Palestine Appeal
- United States Embassy in UK
- 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 2010 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 20.

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 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

Independent auditors report

Year to 31 December 2010

- 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

Statement of Financial Activities

Year to 31 December 2010

Income and Expenditure	Notes	Unrestricted	Restricted	2010	2009
		Funds	Funds	Total	Total
		£	£	Funds	Funds
				£	£
Incoming resources from generated funds					
Voluntary Income	2	-	-	-	154,049
Investment income	3	418	-	418	1,893
Donated commodities	4	-	70,880	70,880	67,880
Incoming resources from charitable activities	5	1,894,018	5,457,483	7,351,501	4,450,994
Other Incoming Resources	6	-	-	-	120,696
Total incoming resources		1,894,436	5,528,363	7,422,799	4,795,512
Resources expended					
Costs of generating funds		1,112	-	1,112	1,610
Charitable activities	7	1,692,636	5,713,160	7,405,796	4,718,736
Governance	8	21,700	-	21,700	12,409
Total resources expended		1,715,448	5,713,160	7,428,608	4,732,755
Net incoming/(outgoing) resources for the year		178,988	(184,797)	(5,809)	62,757
Net income/(expenditure) for the year / Net movement in funds	9	178,988	(184,797)	(5,809)	62,757
Fund balances at 1 January		25,068	184,797	209,865	147,108
Fund balances at 31 December		204,056	-	204,056	209,865

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 recognized gains or losses in the current or preceding financial year other than those shown in the statement of financial activities.

Balance Sheet As at 31 December 2010

	Notes	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	13		6,751		1,602
Current assets					
Debtors	14	1,467,558		534,011	
Cash at bank and in hand	15	<u>1,207,465</u>		<u>1,783,326</u>	
		2,675,023		2,317,337	
Creditors:					
amounts falling due within one year	16	<u>2,477,718</u>		<u>2,109,074</u>	
Net current assets			197,305		208,263
Total net assets			<u>204,056</u>		<u>209,865</u>
Income funds					
Restricted funds	18		-		184,797
Unrestricted funds			204,056		25,068
	19		<u>204,056</u>		<u>209,865</u>

The financial statements were approved by the Board on 25th October, 2011



Mr Farshad Rastegar PhD. Chairman, Relief International UK

Company registration number 4476247

Cash flow Statement

Year to 31 December 2010

	Notes	2010 £	2009 £
Net Cash Outflow/Inflow from Operating Activities	a)	(568,877)	788,361
Returns on Investments and Servicing of Finance			
Bank interest received		418	1,893
Capital Expenditure			
Payments to purchase tangible fixed assets		(7,402)	-
(Decrease) / Increase in Cash in the year	b)	<u>(575,861)</u>	<u>790,254</u>

Notes to the cash flow statement for the year to 31 December 2010

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

	2010 £	2009 £
Net (outgoing)/ incoming resources	(5,809)	62,757
Bank interest received	(418)	(1,893)
Depreciation charges	2,253	534
Decrease in stocks	-	101,816
Increase in debtors	(933,547)	(358,038)
Increase in creditors	368,644	983,185
Net Cash (Outflow) / Inflow from Operating Activities	<u>(568,877)</u>	<u>788,361</u>

b) Analysis of Net Cash Resources

	Opening Balance £	Cash Flow £	Closing Balance £
Cash at bank and in hand (2010)	1,783,326	(575,861)	1,207,465
Cash at bank and in hand (2009)	993,072	790,254	1,783,326

c) Location of Cash Resources

	2010 £	2009 £
HQ Bank Accounts	564,255	1,522,283
In- country bank accounts	643,210	261,043
	<u>1,207,465</u>	<u>1,783,326</u>

Notes to the financial statements

Year to 31 December 2010

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;
- 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 and 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.

2 Voluntary Income

	Unrestricted Funds	Restricted Funds	2010 Total £	2009 Total £
Unrestricted	-	-	-	70
Unrestricted - from RI-USA*	-	-	-	123,696
Restricted Foundation donations	-	-	-	1,491
Other income**				28,792
	-	-	-	154,049

* RI-USA contribution to RI-UK for staff salaries covering global Emergency Response and Security management (£ 29,378) and partial write off of previous years' organisational development loan (£ 94,318)

** VAT refund received in Lebanon of £ 28,792 for a previous RI-UK Project.

3 Investment Income

	Unrestricted Funds	Restricted Funds	2010 £	2009 £
Interest receivable	418	-	418	1,893

4 Donations in kind

Restricted donated commodities	Unrestricted Funds	Restricted Funds	2010 Total £	2009 Total £
Emergency, Health and Sanitation	-	18,073	18,073	14,038
Food and Agriculture	-	52,807	52,807	53,327
Livelihoods and Enterprise	-	-	-	-
Shelter and Infrastructure	-	-	-	515
Education and Empowerment	-	-	-	-
Protection and Human rights	-	-	-	-
TOTAL	-	70,880	70,880	67,880

5 Incoming resources from charitable activities

	Unrestricted Funds	Restricted Funds	2010 Total £	2009 Total £
Emergency, Health, and Sanitation	98,293	1,729,741	1,828,034	1,411,323
Food and Agriculture	1,629,362	-	1,629,362	516,527
Livelihoods and Enterprise	49,613	678,113	727,726	100,634
Shelter and Infrastructure	69,199	1,814,244	1,883,443	1,640,045
Education and Empowerment	22,880	708,140	731,020	218,787
Protection and Human Rights	24,671	527,245	551,916	563,678
TOTAL	1,894,018	5,457,483	7,351,501	4,450,994

Includes the following income from UK Department for International Development (DFID);

£68,630 (2009 £ 17,746) for RI-UK Act Global project - Development Awareness Fund

£176,524 (2009 £ 128,200) for RI-UK Transitional Shelter project, Pakistan - Humanitarian Funding

£222,125 (2009 £ 42,211) for RI-UK Local Voices project, Afghanistan - Governance Transparency Fund

6 Other Incoming resources

The exchange rate variance is the gain from translating assets and liabilities and differences arising on transactions throughout the year.

7 Charitable activities

	Project Costs	Support Costs*	2010 Total £	2009 Total £
Emergency, Health, and Sanitation	1,831,365	77,840	1,909,205	1,478,350
Food and Agriculture	1,347,157	165,624	1,512,781	518,480
Livelihoods and Enterprise	737,877	49,613	787,490	158,855
Shelter and Infrastructure	1,852,993	60,382	1,913,375	1,715,151
Education and Empowerment	708,142	22,880	731,022	258,896
Protection and Human Rights	527,251	24,672	551,923	589,004
TOTAL	7,004,785	401,011	7,405,796	4,718,736

	Project Costs	Support Costs	2010 Total £	2009 Total £
Staff costs	2,538,313	201,879	2,740,192	1,531,436
Project costs	4,466,472	199,132	4,665,604	3,187,300
TOTAL	7,004,785	401,011	7,405,796	4,718,736

* Support costs are allowances for overhead expenses and administration of the projects at headquarters.
Previous year project expenses have been re-allocated to the revised categories of charitable expenditure

8 Governance costs

	Staff Costs	Other Costs	2010 Total £	2009 Total £
Audit fees	-	21,700	21,700	12,409
TOTAL		21,700	21,700	12,409

9 Net expenditure for the year

	2010 £	2009 £
Net incoming resources are stated after charging:		
Auditor's remuneration – audit fees	21,700	12,409
Foreign exchange losses / (gains)	34,891	(120,696)

10 Trustees

None of the trustees or any persons connected with them received any remuneration or expenses through RI-UK during the year or in the previous year.

11 Employees and staff costs

Staff costs during the year were:

	2010 £	2009 £
UK staff wages and salaries	236,919	132,910
UK staff social security costs	24,398	16,841
Total UK staff costs	261,317	149,751
RI staff working on RI-UK projects worldwide	2,478,875	1,381,685
Total staff costs (UK and worldwide)	2,740,192	1,531,436

The average number of employees during the year was:

	2010	2009
Total staff worldwide*	695	403

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

There were no employees whose annual emoluments were £60,000 or more (2009 - nil)

12 Taxation

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

13 Tangible fixed assets

	Plant & Machinery £	Fixtures, Fittings & Equipment £	2010 Total £
Cost			
At 1 January 2010	3,763	1,127	4,890
Additions in year	-	7,402	7,402
At 31 December 2010	3,763	8,529	12,292
Depreciation			
At 1 January 2010	2,630	658	3,288
Charge for the year	283	1,970	2,253
At 31 December 2010	2,913	2,628	5,541
Net Book Value			
At 31 December 2010	850	5,901	6,751
At 31 December 2009	1,133	469	1,602

14 Debtors

	2010	2009
	£	£
Due within one year:		
Accrued income - Grant receivable	1,407,150	514,456
Project Debtors Overseas	52,956	18,601
Other debtors and prepayments	7,452	954
TOTAL	1,467,558	534,011

15 Cash at bank and in hand

	2010	2009
	£	£
Cash held in the UK	564,255	1,522,283
Cash held in field offices	643,210	261,043
TOTAL	1,207,465	1,783,326

16 Creditors: Amounts falling due within one year

	2010	2009
	£	£
Project creditors	285,995	171,895
Deferred income*	1,706,723	1,520,781
Amount due to RI**	357,599	389,964
Other creditors	107,617	-
Taxation and social security	5,427	5,492
Other Creditors and accruals	14,357	20,942
TOTAL	2,477,718	2,109,074

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

** This total includes (1) recharged salaries and expenses of RI-UK projects of £198,243 (2009: £150,589) and; (2) pre-financing of costs of RI-UK projects of £159,356 (2009: £239,375)

17 Share capital

The company does not have a share capital as it is limited by guarantee.

18 Restricted funds

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

	At 1 January 2010	Incoming Resources	Outgoing Resources	At 31 December 2010
	£	£	£	£
Emergency, Health, and Sanitation	41,594	1,747,814	(1,789,408)	-
Food and Agriculture		52,807	(52,807)	-
Livelihoods and Enterprise	120,696	678,113	(798,809)	-
Shelter and Infrastructure	22,507	1,814,244	(1,836,751)	-
Education and Empowerment		708,140	(708,140)	-
Protection and Human Rights		527,245	(527,245)	-
TOTAL	184,797	5,528,363	(5,713,160)	-

19 Analysis of net assets between funds	Unrestricted Funds	Restricted Funds	2010 Total £	2009 Total £
Fixed assets	6,751	-	6,751	1,602
Current assets	682,305	1,992,718	2,675,023	2,317,337
Creditors: amounts falling due within one year	(485,000)	(1,992,718)	(2,477,718)	(2,109,074)
Total net assets	<u>204,056</u>	<u>-</u>	<u>204,056</u>	<u>209,865</u>

20 Connected persons

Mr. Farshad Rastegar, who is the Chairman of RI-UK is also CEO of RI-USA, as well as a member of its Board of Trustees. Mr. John Maris, who is a member of the RI-UK Board of Trustees, is the Senior Vice President of Programmes of RI-USA