

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 2018

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Trustees' Report

Trustees	Paul Levengood (Chairman)	
	Steve Hansch (Treasurer)	
	Leon Irish (Secretary)	<i>Term ended March 2019</i>
	Dana Freyer (Secretary)	<i>Elected March 2019</i>
	E Davisson Hardman Jr	
	Amanda Barnes	
	Daniel Bader	
	Rob Cope	<i>Term ended March 2019</i>
	Ellen Frost	
	John Gage	
	Irene Wurtzel	
	Eden Collinsworth	
	Debra Davis	
	Julia Guth	
	Beverly Morris Armstrong	
Key Management Personnel	Chief Executive Officer	Nancy Wilson
	Senior Vice President, Strategy and Risk; Head of European Operations	Jamie Hall
	Chief Financial Officer	Eric Fullilove

General Report

Charity number	1098106
Company number	4476247
Registered office	31-35 Kirby Street Holborn London EC1N 8TE
Auditors	Crowe U.K. 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 Barclays Corporate Level 27, 1 Churchill Place London E14 5HP
Solicitors	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HS

Trustees' Report**ANNUAL DIRECTORS REPORT**

The trustees, who are also directors of the company for the purposes of the Companies Act, are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st December 2018.

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

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.

Principal Activity

Relief International-UK (RI-UK) is an international humanitarian 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 (registration number 4476247) and registered as a charitable organisation with the Charity Commission on June 19, 2003 (registration number 1098106). The charity is a company limited by guarantee and is an independent and non-profit making agency that is nondiscriminatory in its practices.

STRUCTURE, GOVERNANCE, AND MANAGEMENT**Trustees and Organisational Structure**

RI-UK is an independent organisation. It has a longstanding alliance agreement with Relief International Inc, a USA-based registered not for profit organisation (hereinafter referred to as RI-US). As at 1st January 2019, this bilateral alliance was strengthened with the addition of new member organisations in France and Belgium, creating a multilateral alliance of four independent organisations: RI-UK, RI-US, MRCA / RI-France, and RI-Europe (Belgium). Together, the four organisations are known simply as Relief International (hereinafter referred to as RI), a global humanitarian and development alliance whose mission is to work with communities in fragile settings to escape from poverty by supporting their response to crises, building their resilience to disasters and emergencies, and advancing dignity and long-term well-being.

RI-UK collaborates closely with the other alliance members to deliver RI's work. The organisations do not establish separate field offices, but rather support field operations and administration in each country by contributing financial and technical assistance to emergency response, early recovery, and longer-term poverty-reduction programming across a wide range of sectors, including education, economic opportunity, health and nutrition, and water and sanitation.

By combining support to one field office in each country of operation and sharing the use of key support staff and systems across the organisations, RI avoids duplication, ensures that each organisation's costs are minimised, and is able to operate in a unified manner to effectively manage and monitor overseas activities.

RI-UK also coordinates its activities closely with UK and other European governments, multilateral agencies and other international and national NGOs to share best practice, avoid duplication, and maximise collaboration to make a positive impact in the lives of the communities it serves.

RI-UK's Board of trustees administers the charity. The Board normally meets quarterly, and there are subcommittees covering strategy and programmes, governance and human resources, finance, audit and risk, and fundraising which also meet quarterly in advance of the full Board meeting. The CEO is appointed by the trustees to manage the day-to-day operations of the organisation, and has delegated authority, within terms of delegation approved by the trustees, for all operational matters including strategy implementation, programmatic and fiduciary oversight and the management of key risks. The CEO is supported by a senior management team (SMT) which includes RI-UK's key management personnel. Members of the senior

Trustees' Report

management team represent the key functions of the organisation and are responsible for the management of staff across departments and countries of operation.

The organisation's approach to remuneration, including key management personnel as described on page 1, is designed to ensure that RI-UK can attract and retain the talented and motivated people it needs to achieve its mission and deliver its strategic goals. RI-UK aims to pay competitively in the not-for-profit sector within the context of affordability, linking pay to performance, and providing salary progression for those who deliver exceptional results.

In the financial year 2018, RI-UK has continued to fulfill its charitable objectives of providing timely and efficient humanitarian and development services to many of the most vulnerable communities in fragile settings across Africa, Asia and the Middle East.

TRUSTEES' RESPONSIBILITIES

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 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, including access to online orientation and training.

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 the 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation; and
- 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.

Trustees' Report

This confirmation is given and should be interpreted in accordance with the provisions of §418 of the Companies Act 2006.

The trustees are aware of the Charity Governance Code published in 2017 which sets out principles and recommended practice within the sector. The trustees are committed to maintaining high standards of governance in accordance with the principles of the code.

RISK MANAGEMENT

RI's work focuses on supporting vulnerable communities in some of the most fragile, complex, and often conflict-prone countries in the world. Operating in such contexts is inherently risky, and the trustees recognise that there are inevitable operational and security challenges to which RI-UK is exposed and that these must be actively accepted in order to achieve the objectives of the charity.

To address these challenges both senior management and trustees are involved in creating a culture of risk management, embedding mitigation in the organisation and providing oversight of high-risk areas. They undertake an annual planning process of risk identification and mitigation, and through the work of the organisation's Global Assurance function, ensure that internal control audits are undertaken on a regular basis throughout the year and prioritised using a risk-based approach. The Global Assurance Director reports all audit findings directly to the Audit and Risk Committee of the Board, and the full Board discusses major risks, the risk management process, and findings from internal controls audits quarterly, with the Senior Management Team actively managing day-to-day operational risks throughout the year.

RI uses a global risk register to regularly examine and monitor key risks to the organisation. We record the risks prioritized in relation to the likelihood of the risk emerging and the level of impact it would have on the organisation's ability to achieve its mission, the measures in place to safeguard the organisation's assets against such risk, and additional planned measures to further mitigate the risk.

Principal Risks

Key risks in the global risk register include:

The fragility of the countries in which RI operates

RI specialises in operating in places that are inherently fragile, typically due to a combination of conflict, corruption, climate change, natural disasters, weak infrastructure, and poor governance. Material changes in the countries and regions where RI works could hamper our ability to work effectively and safely in these locations. These changes may include economic or political collapse, civil conflict, or serious environmental disaster.

Factors beyond RI's control can escalate very quickly while insecurity and lack of infrastructure can make it difficult to reach the most vulnerable and to monitor the performance of programmes.

RI mitigates these risks in a number of ways. Fundamentally, RI adopts an operating model that prioritises community acceptance as a strategic priority. More than 97% of global staff and volunteers are nationals of the countries within which RI operates, and are often from the town, district, or province where activities are taking place. This increases our ability to respond quickly and sustainably to changing circumstances. Our local teams regularly provide access to up-to-date information to ensure programming remains relevant and to give us advance insights into risks and threats that may affect our work.

RI has also introduced a specific Risk Management in Fragile Settings Toolkit which supports our ability to continue our work even under circumstances in which access to field locations for senior staff is temporarily limited by spikes in conflict or insecurity. The framework includes a wide range of enhanced operating procedures to address a variety of such operational risks and is being embedded across the organisation.

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Regulatory and donor compliance

RI-UK is bound by British law and Charity Commission rules including, importantly, the Audit & Risk Committee and the Board in relation to the prevention of sexual exploitation and abuse, and modern slavery, the prevention of financial crimes, and the European Union's general data protection regulation (GDPR). In addition, RI operates in countries with many and varying local laws and requirements. Failure to keep abreast of these UK and country operational regulatory requirements could result in legal risk, financial penalties, or negative reputational and operational impacts.

Furthermore, RI-UK's principal sources of funding come from large institutional donors, including the British government, European Commission, and United Nations agencies. Each of these donors has detailed and specific contractual compliance obligations for the appropriate use of their funds and employs a wide range of monitoring and verification systems to ensure that partners use these funds in accordance with those contracts. These include donor country project visits, post-project reviews, audits, and evaluations. Failure to comply with these requirements could lead to costs being disallowed, the need to return funding, or cancel projects, and reputational damage.

RI mitigates these risks in a range of ways. For regulatory risks, RI has in-country teams which are responsible for ensuring compliance with local requirements including registration, tax compliance, and statutory reporting. RI-UK also monitors changes to British and Charity Commission regulations and reviews these with our advisers and trustees periodically. For donor compliance risks, RI employs robust grants monitoring and management staff across Programmes, Finance, and Grants and Contracts teams responsible for ensuring that activities implemented in the countries where we operate to comply with the various requirements of funders.

Safeguarding of beneficiaries and staff

The international humanitarian and development sector has been hit hard by sexual misconduct scandals during 2018, with a number of longstanding and well respected organisations subject to statutory investigation and intense media scrutiny. In light of these scandals, we have redoubled our commitment to the prevention of sexual exploitation, abuse, and harassment across RI's work.

RI has a range of policies, procedures, and awareness programmes in place to safeguard children, vulnerable adults, communities and staff against exploitation, abuse and harassment of any kind. These were reviewed and updated during 2018 and a specific safeguarding programme was resourced to ensure high standards across the organisation, including the recruitment of a dedicated Global Safeguarding Manager.

In addition, RI significantly strengthened its internal incident reporting and management system to further enable communities, beneficiaries and staff to report potential cases of abuse to our organisation during the year. All reports are treated seriously, acknowledged, investigated as necessary and addressed by the appropriate management.

Any potentially credible allegations of exploitation, abuse, or harassment are reported to the relevant authorities including the Charity Commission, and may result in the staff member's being suspended, having their employment terminated or being prosecuted depending on the outcome of the investigation. In all cases, the results of investigations are shared with the Charity Commission.

We vet all potential job candidates and seek personal and professional references to provide information about the quality of their work and character. Our safeguarding, incident reporting, and whistleblowing policies are also reinforced by an overarching Code of Conduct. As a requirement of RI's induction process, we require all employees to sign and commit to behavioural protocols relating to safeguarding, financial propriety, and other behavioural standards articulated in the Code of Conduct, including the commitment to treat all individuals with dignity and respect.

Future funding opportunities

During 2018 and into 2019 RI focused significant efforts on establishing legal status in alternative European Member States. We did this to ensure that RI could continue its highly positive partnership with the European Commission as a long-term strategy, irrespective of the outcome of Brexit uncertainties. These efforts were concluded by 1st January 2019 with RI welcoming two new organisations to the alliance.

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Most significantly, we welcomed into the alliance MRCA, a French organisation headquartered in Paris which has been strengthening health systems to vulnerable communities in Afghanistan since 1985. Through its accession to the alliance, MRCA changed its name to MRCA / Relief International-France and committed to align its governance, management, systems, and policies, with RI going forward. MRCA/ RI – FR already had in place a framework partnership agreement with the EC's Humanitarian desk, ensuring that RI could continue that partnership. In addition, we established RI-Europe, registered in Belgium and headquartered in Brussels, in the event that RI chooses to place significant staff in Brussels in the future.

Furthermore, RI is investing significantly in strengthening its engagement with the UK Department for International Development (DFID) and diversifying its funding beyond existing institutional donors, to include other European governments, European corporations, and the general public.

Still, it remains the case that RI-UK and the other RI alliance members, are largely dependent on funding from humanitarian donors, whose grant awards run 12 months or less. This means that a substantial portion of RI's resources are set to expire during the coming 12 months, as has been the case for many years. For RI-UK this has included generous funding from UN member bodies and from EC-ECHO. The EC-ECHO awards will now be directed to MRCA/RI-FR. RI-UK will continue to receive RI alliance awards from the UN. While this short-term funding creates a level of uncertainty as to future income, RI has a demonstrated track record of conservatively and accurately forecasting future awards. At present, there have been no major changes in the humanitarian donor environment that warrant particular concern. Management and the Trustees are confident that RI-UK will continue to receive support from UN bodies, with renewals in some countries and new areas of work in current and new countries as situations evolve.

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STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

RI-UK Public Benefit

The trustees have given due consideration to Section 4 of the Charities Act 2011 and the Charity Commission's guidance on the operation of the Public Benefit requirement and are satisfied that RI-UK is in full compliance with its public benefit obligations.

The trustees believe that RI-UK benefits the public through the achievement of its goals and objectives, specifically by:

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

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 Core Humanitarian Standard on quality and accountability which sets out the essential elements of principled, accountable, and high quality humanitarian action.

RI-UK's Objectives

In accordance with its Memorandum and Articles of Association, RI-UK's objectives are to provide timely and efficient services and material resources to assist people living in fragile settings through emergency, humanitarian and development assistance, around the world. RI-UK is non-political and non-sectarian and is solely dedicated to reducing human suffering.

Specifically, RI partners with people in vulnerable communities to achieve relief from poverty by supporting their response to crises, building their resilience to disasters and emergencies, and promoting dignity and the long-term well-being of people in the communities we serve.

RI's core partners are communities of poor and vulnerable people, especially –

- People living in underserved, remote, and/or dangerous places
- Refugees, internally displaced persons, and victim of natural and man-made disasters and civil wars
- Women and girls, especially those in need of primary education and health services
- Small-scale entrepreneurs, farmers and rural dwellers in need of training and strategic value chain interventions
- Other vulnerable communities whose needs match RIs selective skills

Monitoring of Activities

RI-UK has effective internal reporting mechanisms for its activities and provides regular programme and financial reports on project activities and progress as required by all of its institutional donors. In addition, internal field reports and departmental updates supplement this information for day-to-day management. RI-UK also maintains recruitment and programme records to track performance and grant compliance. Senior staff in various capacities visit country programmes during the year to provide relevant technical and administrative support and supervision.

In meeting its stated objectives, RI-UK and its alliance partner RI-US provided assistance to vulnerable populations in 16 countries during 2018: Afghanistan, Bangladesh, Ghana, Iraq, Iran, Jordan, Lebanon, Myanmar, Philippines, Somalia, Sudan, South Sudan, Syria, Turkey, Uganda and Yemen.

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ACHIEVEMENTS AND PERFORMANCE

Organisational Performance

During 2018, RI continued to implement its 2015 – 2020 strategy including a range of organisational change and improvement measures. Key 2018 accomplishments compared with the future plans for 2018 outlined in the 2017 trustees' Report include the following

Achievements vs Future Plan 1: Update policy architecture in key areas

During 2018, RI updated a range of its key policies and procedures during 2018. These included:

- Incident reporting and management policy and whistle-blower policy. This included significant development and promotion of improved incident reporting channels, as well as accompanying upgrades to the systems and processes used to centrally register all cases, refer and coordinate incidents for investigation and response, manage external reporting requirements with donors and regulators, and archive all supporting documentation for record.
- Safeguarding policies, covering child protection, prevention of sexual exploitation, abuse, and harassment; and human trafficking and modern slavery. This included associated design and implementation of organisation-wide safeguarding risk assessment and the establishment of a programme to strengthen safeguarding awareness across country offices.
- Financial crimes policies, covering fraud, bribery, and corruption; money laundering, and terrorist financing. This included roll out of an upgraded sanctions watchlist implementation at all country offices and the development of a fraud investigation guidance manual to strengthen the consistency of RI's response to allegations or reports of financial mismanagement.
- General Data Protection Regulation (GDPR) policy, including compliance review of all major organisational software used by RI, and upgrades to the management of user data for staff and donors.

Achievements vs Future Plan 2: Adapt programming for changing fragile settings contexts

A focus on fragile settings as RI's key specialism is now a hallmark of our strategy and implementation. RI's portfolio is growing strongly in fragile settings with a significant increase in funding from key European donors such as from the European Civil Protection and Humanitarian Operations (ECHO).

During 2018, RI-UK's funding grew by 25% compared to 2017, and contributed significantly to RI's responses to several major humanitarian emergencies. For example; in Bangladesh RI was one of the first INGOs to respond to the Rohingya crisis and developed a significant programme within three months and throughout 2018. In Uganda, RI staffed and funded three health clinics to provide services to 16,000 refugees from South Sudan throughout 2018, and in Iran RI implemented a major recovery response after the Kermanshah earthquake in November 2017.

During 2018, RI also overhauled its global Programme Management Framework (PMF) to incorporate significant increased focus on fragile settings. This included the testing of its *Risk Management in Fragile Settings: An operational toolkit for field practitioners*, which incorporates guidance on the management of key fragile settings challenges such as partner management, enhanced monitoring and evaluation techniques, and beneficiary feedback and complaints mechanisms.

In addition, RI rolled out its *Systems Approach in Fragile Settings – integrating relief and development*, designed to support field teams to assess the characteristics and interconnections of local service delivery systems in the countries where we work.

Achievements vs Future Plan 3: Prepare for Brexit

The Board and Senior Management Team were engaged in significant Brexit contingency planning during 2018. This included preparing for the establishment of two new members of the RI alliance (MRCA / RI- France in France and RI-Europe in Belgium), as well as conducting detailed engagement with senior colleagues at the European Commission and the UK Department for International Development.

Happily, these activities proved successful. The two new organisations acceded to the existing corporate alliance between RI-UK and RI-US as at 1st January 2019, and the European Commission formally endorsed RI's overall approach to continuity planning in the first quarter of 2019, in advance of the scheduled date of Britain's departure from the European Union on 29th March.

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As a result, the RI alliance members are now working through the detailed processes of integrating systems, structures, and processes to take advantage of the opportunities its expansion has created, and to ensure the effective continued oversight and support to RI's country operations around the world.

Programmatic Performance

Over the course of the financial year, RI-UK provided assistance valued at \$89.8m (2017: \$71.6m) to vulnerable populations in sixteen countries. This included the distribution of donated supplies valued at \$18.4m (2017: \$12.8m). RI-UK's programmes funded 1973 (2017: 1,846) staff across RI's global operations during the year. Highlights of this assistance include the following work carried out across the world.

In line with RI's 2015 - 2020 strategy, our focus is on working in the most fragile settings to strengthen local services and systems across four key sectors; economic opportunities, education, health, and water and sanitation. In each of these sectors, RI aims to embed four key approaches, which we call "the RI Way". These four approaches are local participation, integrated programming, partnerships and civic skills development.

Highlights from our work during 2018

Focus on Africa: Integrated support to long term displaced communities in Sudan

Political instability and renewed conflict have left 2.1 million people internally displaced in Sudan. Flash flooding and earthquakes also caused 121,000 people to be displaced in 2018. Cycles of flooding and drought in much of the country bring additional challenges to the families that have been forced to flee. They face shortages of food and clean water, and access to healthcare is extremely limited.

The 2003 conflict in the Darfur region in western Sudan left over three million people without a home and living in overcrowded camps. RI started working in North Darfur in 2004, and is one of the last remaining aid organisations in Zamzam camp. Very few services exist here for the camp's growing population of over 200,000 residents.

RI works with vulnerable communities across Darfur to deliver healthcare, secure access to clean water and food, improve basic hygiene practices, and create employment opportunities.

Our teams provide primary healthcare, vaccinations, family planning, and care for expectant and new mothers at 27 locations. We also build local capacity by training national health service providers and conducting community-wide campaigns on disease prevention and healthy practices.

Darfur is desert-like and water is scarce. RI collaborates with local pump mechanics to rehabilitate hand pumps across the state. This provides access to safe drinking water and a long-term strategy to keep the pumps working, while creating job opportunities at the local level.

We have constructed hundreds of specialised latrines across Zamzam camp – ensuring residents have the sanitation facilities they need to prevent the outbreak of disease. Input from camp residents led the latrines to be designed with bamboo mats for the walls, a lower cost and locally made material that copes with Sudan's withering heat far better than the plastic sheeting often used by others.

Our nutrition services at 35 locations in North Darfur treat malnourished children and educate community nutrition workers. RI also provides seeds and agriculture training on kitchen gardens to women who are heads of the family. These compact gardens are grown in burlap sacks and maximize the limited water and small space outside huts in the dense camp, increasing household nutrition and creating a chance to generate income by selling excess produce in the local market.

Focus on Asia: Responding to the Rohingya refugee crisis in Bangladesh

As a low-lying country along the Bay of Bengal, Bangladesh is at the forefront of the climate crisis and is routinely ravaged by heavy monsoon rains, landslides, and tropical cyclones. Despite nature's attempts to derail the country's progress, Bangladesh has made major strides towards development and poverty reduction since the country became independent in 1975.

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But pockets of fragility exist throughout the country. Nearly one million Rohingya refugees are living in dire conditions in and around Kutupalong refugee camp in Cox's Bazar, the world's largest refugee camp.

Overcrowding in the densely populated camp puts residents at great susceptibility for outbreaks of disease, crime, gender-based violence, and human trafficking. These settlements, which are clustered near Bangladesh's coastline, are also prone to natural disasters, especially during Bangladesh's monsoon season. Despite the considerable number of international aid organisations and local nonprofits responding to the crisis, the needs of both the Rohingya refugees and their Bangladeshi host communities remain overwhelming.

RI first began operating in Bangladesh in 2004. Our programmes tackled widespread poverty at a time when Bangladesh's economic growth had fallen to historic lows. Our teams invested in new markets in traditional fishing villages along the fringes of Bangladesh's Sundarbans Mangrove Forest, which was recognized as an UNESCO World Heritage Site in 1997. By coupling conservation values with tourism initiatives, we partnered with local communities to establish a thriving ecotourism business, stimulating unprecedented economic growth in the area.

Our work also focused on promoting environmental conservation and protecting the human rights of Bangladesh's indigenous populations.

In the wake of the Rohingya crisis, we've dramatically expanded our programmes to meet refugees' most urgent needs.

Our work in Cox's Bazar includes:

- Providing high-quality healthcare to Rohingya in Bangladesh's Kutupalong refugee camp and Teknaf refugee settlements, and to members of neighboring Bangladeshi host communities
- Training roughly 100 Rohingya Community Health Workers to detect outbreaks of disease in their communities before these cases spread and reach our clinics
- Establishing 23 safe spaces for women, girls, and young children to connect refugees to critical support services
- Partnering with local leaders in coastal communities prone to natural disasters to establish risk reduction protocols
- Training local emergency responders to deliver critical supplies of water, shelter, and hygiene kits in the event of landslides, monsoons, floods, and cyclones

Focus on the Middle East: Supporting communities through protracted conflict in Syria

Since conflict broke out in 2011, Syria's civil war has claimed more than 500,000 lives and forced an estimated 11 million people to flee their homes, resulting in the largest mass displacement since the Second World War.

More than 13 million people inside Syria require humanitarian assistance – nearly half of whom are children. At the end of 2017, more than half of Syria's hospitals, clinics and healthcare centres were only partially functioning or had been damaged beyond repair.

Over a million people have been disabled from war injuries and millions more are traumatized. Syrians don't have the resources to handle these physical and emotional wounds, since most of the population lives in extreme poverty, lacking access to basic necessities such as food and clean water.

We have been one of the leading organisations operating in Syria since 2012. In addition to our work in this war-torn country, we support hundreds of thousands of Syrians across the borders in Jordan, Lebanon and Turkey. Inside Syria, our teams are strengthening healthcare and clean water services on the front lines of Syria's conflict in the cities of Aleppo, Homs and Idlib, as well as to communities in hard- to-reach areas across the northeastern side of Syria.

In cities like Idlib, which has been besieged for much of the war, RI supports hospitals to provide emergency surgery for those suffering critical war injuries. From there, patients are cared for at our health centres, where they are given ongoing care such as physiotherapy. Our team of psychologists offer counseling to help patients

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overcome the trauma they have experienced. We also create women and girl- friendly spaces to offer protection and treat victims of gender-based violence.

In remote areas, we provide emergency healthcare for communities completely cut off from services through our mobile medical units, hospitals and clinics. These services are particularly crucial for pregnant women.

To help prevent the spread of disease, RI delivers clean water, builds sanitation facilities, and provides hygiene support under its health interventions.

Many families have been forced to cut back their food supplies as a way to cope with poverty. We are working to improve nutrition and food security for these families by restoring farmland and agriculture, and setting up factories to package and preserve locally grown produce.

Institutional donor support to RI-UK

In 2018, RI-UK received financial support from the following national, multi-lateral and non-profit organisations:

DFID	UK Development for International Development
EC - ECHO	European Commission Humanitarian Aid and Civil Protection
EC - ANHDO	Afghan National Horticulture Development Organisation
DANIDA	The Ministry of Foreign Affairs of Denmark
GFFO	German Federal Foreign Office
IMA	IMA World Health
MoLSAMD	Afghan Ministry of Labor, Social Affairs, Martyrs and Disabled
SAMSUNG	SAMSUNG
Save the Children	Save the Children
Start Network	Start Network
UN	United Nations
UN - CHF	United Nations Common Humanitarian Fund
UN - DRD	United Nations (Myanmar - Dept of Rural Dev)
UN - FAO	United Nations Food and Agricultural Organisation
UN - OCHA	United Nations Office for the Coordination of Humanitarian Affairs
UN - SHF	United Nations (Sudan Humanitarian Fund)
UN - WFP	United Nations World Food Programme
UN - WHO	United Nations World Health Organisation
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office of Project Services
World Bank	World Bank

FINANCIAL REVIEW

Statement of Principal Financial Management Policies adopted in the year

RI-UK aims to maintain effective financial management systems to continuously improve financial operations and to identify more efficient methods of operations regarding budgeting, accounting, financial reporting, and auditing.

During 2018, the RI-UK and RI-US management teams continued to integrate further the operational management and administration of their shared activities. This included the continuing harmonisation of the RI-UK and RI-US field accounting systems and Charts of Accounts in each country and the continuing roll out of RI's new integrated financial management system.

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Financial Performance

In 2018, RI-UK expanded significantly its charitable activities with grant funding for overseas projects of \$89,812,113 (2017: \$71,616,062), an increase of \$18,195,906 compared to 2017. Programme expenditure during 2018 can be disaggregated (excluding Gift in Kind) into the following categories consistent with RI's strategy;

i.	Economic Opportunity	\$ 1,825,511
ii.	Education	\$13,755,941
iii.	Health	\$23,403,734
iv.	Multi-Sectoral	\$20,566,744
v.	WASH	\$ 1,115,811
vi.	Other	\$ 5,328,264

The charity had restricted reserves as at 31 December 2018 of \$1,091,466 (2017: \$610,658). The restricted reserves arise from the accounting treatment of stock in hand from Donations of Gifts in Kind. This will reverse out in the 2019 accounts, once the stock has been distributed. Unrestricted reserves during 2018 increased from \$790,939 to \$919,885, an increase of \$128,946. The main reason for the increase in unrestricted reserves were from savings on certain implementation costs.

Reserves Policy

RI-UK holds financial reserves to be applied to future activities in the following categories:

- Unrestricted – available to be applied, at the discretion of the trustees, for the furtherance of any of RI-UK's charitable purposes.
- Restricted – to be applied to the specific purpose(s) intended by the donor.

Each year the trustees consider the appropriate level of unrestricted reserves. They review RI-UK's requirements and consider a sustained fall in income to be a reasonable basis for setting a minimum level. It is the intention of the trustees to hold sufficient reserves to enable expenditure to be reduced in a managed fashion, should the need arise, avoiding the need to halt work abruptly. The trustees have agreed that free reserves should normally be within a range of 3-6 months of non-project operational expenditure.

As at 31 December 2018, RI-UK held unrestricted general funds of \$919,885 (\$790,939:2017) reserves which represented 3.5 months of future corporate expenditure. RI-UK intends to grow its reserve ratio to higher within the 3-6 month target both by the migration of costs to RI-FR along with the EC-ECHO revenue, and through additional unrestricted fundraising. To that end, in 2019 the RI alliance has grown its fund-raising and communications team to include 4.6 professionals, 1.6 of which are based in the UK. This team is devoted to increase awareness of and support for Relief International. This is the first time the organisation has had a development and communications team specifically focused on the UK.

Going concern

The trustees recognise that the charity's continuation as a going concern is underpinned by the mutually supportive relationship with RI-US and the other organisations in the RI alliance. The organisations support each other to deliver effective programmes through the commitment of their respective human and financial resources in support of their shared mission of partnering with people in vulnerable communities to achieve relief from poverty and fragility.

With the addition of MRCA/RI-France to the Relief International alliance, 2019 has heralded a change in the composition of grant funding at RI-UK. In particular, a significant proportion of RI-UK's 2019 European Commission funded portfolio has moved to MRCA/RI-France's management. As a result, the trustees anticipate a decrease in RI-UK grant awards, programme expenses, share of global management costs and indirect revenue in 2019 as compared to 2018. This is not expected to have any material impact on RI-UK's

Trustees' Report

staffing or sustainability, as RI-UK's staff serve all members of the alliance and will continue to provide services to the alliance members, with their time and expense allocated accordingly.

The trustees have no reason to doubt that the mutually supportive relationships across the Relief International alliance will continue and are committed to furthering the collaboration between the organisations. In particular, the strength of these relationships enables the organisations to share the use of key personnel, to support cash flow variabilities over time, and to cooperate in the management of key risks. RI-UK is consequently well placed to manage the business risks it faces. This position is supported by expected improvement in the level of reserves, historically reliable and conservative financial projections, and a demonstrated track record of results with key funders.

With the redirection of EC funding toward MRCA/RI-FR, the Trustees of RI-UK have paid particular attention to the question of Going Concern. The Trustees note that the current preponderance of short-term humanitarian awards can make long-term planning difficult to predict with real accuracy. However, they have considered several factors in gaining confidence that the future is strong for RI-UK. First, and importantly, the RI alliance continues to implement high performing programs that meet the needs of the communities we serve and that comply with donor requirements. Programme results, including those evaluated in great detail, and donor audits are overwhelmingly positive. Second, historically our pipeline analyses have been conservatively accurate. At present, our pipelines for the balance of 2019 and 2020 are strong. Third, our institutional donors have not changed their commitments, programme interests or methods of making grants in any ways that significantly affect our opportunities. The fragile settings we serve and the sectors of work in which we perform remain priorities. Fourth, RI has shown agility in trimming its global support costs when and as required, to accommodate short term slow-down in project expenditures owing to changes in the security situation or delays in staffing. At the same time, country teams are hired on a project basis, so if projects are not renewed, or are renewed in a new direction requiring different skills, we have the flexibility to terminate contracts and hire new staff, consistent with local labor law and with termination benefits having been accrued for such occasions. Fifth, in analyzing our future portfolio, our Finance team has developed a robust and all-encompassing cash flow model which captures the complex mix of donor cash payments and field cash expenditures. This model provides a very useful tool for management and the Trustees to anticipate and mitigate cash squeezes. Finally, RI is investing in fund-raising and communications for the whole alliance and for RI-UK in particular. While this can take time to yield desired results, we are optimistic about the investment and the opportunity to strengthen our financial resilience.

FUTURE PLANS

RI will continue to focus on the delivery of its 2015 – 2020 strategy over the coming year. In addition, we will focus on the following key priorities;

1. Consolidate and strengthen RI's corporate alliance and organisational design

RI has grown rapidly during recent years. This growth has been characterised by a more than doubling in programmatic activity over four years, a process of decentralising a number of key management responsibilities from headquarters levels to regional support offices, significant systems changes, and most recently, the expansion of the alliance from two members to four. Over the coming year, RI will focus on ensuring the alliance's core structure, systems, and processes are optimally aligned. This will include assessing and upgrading a number of key departmental functions to improve information flow, ownership, and accountability. RI will also focus on integrating the new members of the RI alliance and ensuring that corporate governance arrangements are effectively brought together.

2. Build RI's brand awareness as a leading fragile settings specialist

Over recent years, RI has developed considerable expertise, experience, and recognition for its work in its countries of operation. However, investment in brand building in key fundraising jurisdictions including the UK has been limited. Over the coming year, RI will increase its investment in this area. This will include launching a new RI website, launching its *Risk Management in Fragile Settings* toolkit externally as an example of sector thought leadership, and ensuring that RI's CEO and senior team speak more frequently on panels and at relevant conferences. We will also strengthen relationships with the media and produce 'op-ed's' for relevant publications.

Trustees' Report

3. Launch the 2021 – 2025 strategy development process

In September 2019, RI will commence its 2021 – 2025 strategy development process. The new strategy will be developed with the assistance of a strategy consultancy and will be managed through detailed consultation and engagement with a wide range of internal and external stakeholders, including the Board, staff, beneficiaries, donors, and peers. We anticipate a process that runs for almost 12 months, with the Board expected to approve the overarching strategy in the second quarter of 2020 and the management team thereafter engaged in turning the strategy into a detailed operational plan before the new strategy begins implementation from January 2021.

AUDITORS

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor and a resolution proposing their re-appointment was approved by the Board of Trustees at their meeting on 28 September 2019.

AUTHORISATION

This Annual Report, which incorporates the Strategic Report, was approved by the Board of Trustees and signed on its behalf by;

A handwritten signature in blue ink, reading "Paul Kuyler Levenson".

PK Levenson
Chair of the Board of Relief International-UK
Date: 28 September 2019

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Relief International-UK for the year ended 31st December 2018 which comprise Trustees report, Statement of financial activities incorporating an income and expenditure account, a balance sheet and a cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept; or
- 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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial statements

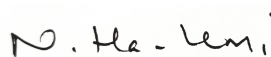
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Naziar Hashemi

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

30th September 2019

Statement of Financial Activities

(incorporating an income and expenditure account)

	Notes	Unrestricted Funds \$	Restricted Funds \$	2018 Total Funds \$	2017 Total Funds \$
Incoming from					
Donations and gifts in kind	3	-	18,419,368	18,419,368	12,843,980
Charitable activities	2	5,817,042	65,575,703	71,392,745	58,772,227
Total income		5,817,042	83,995,071	89,812,113	71,616,207
Expenditure on					
Charitable activities	4	5,688,097	83,514,262	89,202,359	71,220,168
Total expenditure		5,688,097	83,514,262	89,202,359	71,220,168
Net income/movement in funds		128,946	480,808	609,754	396,039
Reconciliation of funds					
Funds balance at 1 January		790,939	610,658	1,401,597	1,005,558
Funds balance at 31 December		919,885	1,091,466	2,011,351	1,401,597

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006.

The notes on pages 21 to 30 form part of those financial statements. There are no recognized gains or losses in the current or preceding year other than as shown in the statement of financial activities.

Balance Sheet

	Notes	2018 \$	2017 \$
Current assets			
Debtors	9	17,059,248	14,217,263
Cash at bank and in hand		3,020,387	4,637,371
Stock		1,091,466	610,658
		<u>21,171,101</u>	<u>19,465,292</u>
Liabilities			
Creditors: amounts falling due within one year	10	<u>(17,926,341)</u>	<u>(14,980,175)</u>
Net current assets		3,244,760	4,485,117
Creditors: amounts falling due after more than one year	11	(1,233,409)	(3,083,520)
Total net assets/liabilities		<u>2,011,351</u>	<u>1,401,597</u>
The funds of the charity			
Restricted funds	12	1,091,466	610,658
Unrestricted funds	13	919,885	790,939
Total charity funds		<u>2,011,351</u>	<u>1,401,597</u>

Notes 1 to 15 form a part of these financial statements. The financial statements were approved on the authority of the Board and signed on its behalf by:



Mr. PK Levengood
Chairman of the Relief International UK Board of Trustees
Date: 28 September 2019

Company registration number 4476247

Cash Flow Statement

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Net cash provided by (used in) operating activities	(a)	(1,616,984)	(659,641)
Cash and cash equivalents in the reporting period	(b)	(1,616,984)	(659,641)
Cash and cash equivalents at the beginning of the reporting period		4,637,371	5,297,012
Cash and cash equivalents at the end of the reporting period		3,020,387	4,637,371

Notes to the cash flow statement for the year to 31 December 2018**Reconciliation of cash flows from operating activities**

	Notes (a)	2018 \$	2017 \$
Net income for the reporting period (as per the statement of financial activities)		609,754	396,039
Adjustments for:			
Depreciation charges		-	2,740
(Increase)/decrease in debtors		(2,841,985)	(5,179,974)
(Increase)/decrease in stock		(480,808)	(610,658)
Increase/(decrease) in creditors		2,946,166	1,648,692
Increase/(decrease) in long term creditors		(1,850,111)	3,083,520
Net cash provided by (used in) operating activities		(1,616,984)	(659,641)
Analysis of cash and cash equivalents			
	(b)	2018 \$	2017 \$
Total cash and cash equivalents		3,020,387	4,637,371

Notes to the Financial Statements

Relief International-UK (RI-UK) is an international humanitarian 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. The registered company number is 4476247 and charity number is 1098106.

The Trustees of Relief International-UK have taken due regard to the Charity Commission's guidance on public benefit.

1. Accounting policies

1.1. Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

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

The financial statements have been prepared on a going concern basis. It should be noted that the operations of the charity continue to be underpinned by the mutually supportive relationship with RI-US and the other organisations in the RI alliance. The Trustees have no reason to doubt that this support will continue to be available. The RI alliance continues to implement high performing programs that meet the needs of the communities we serve and that comply with donor requirements. While our revenue base of many short-term (12 months or less) humanitarian grants implies that there are significant uncertainties with respect to income and cash flow, we have processes in place for monitoring and managing unfolding conditions and adjusting accordingly. Historically our pipeline analyses have been conservatively accurate. At present, our pipelines for the balance of 2019 and 2020 are strong. Our institutional donors have not changed their commitments, programme interests or methods of making grants in any ways that significantly affect our opportunities. The fragile settings we serve and the sectors of work in which we perform remain priorities. Our Finance team has developed a robust and all-encompassing cash flow model, which captures the complex mix of donor cash payments and field cash expenditures. This model provides a very useful tool for management and the Trustees to anticipate and mitigate cash squeezes. RI has shown agility in trimming its global support costs when and as required, to accommodate short term slow-down in project expenditures. Finally, RI is investing in fund-raising and communications for the whole alliance and for RI-UK in particular. While this can take time to yield desired results, we are optimistic about the investment and the opportunity to strengthen our financial resilience. After making enquires, the trustees have reasonable expectation that RIUK has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.2. Functional currency

The functional currency of RI-UK is considered to be US Dollars because that is the currency of the primary economic environment in which the charity operates.

Notes to the Financial Statements

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 probability.

Donations comprise of 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.

Income and expenses for donated goods, facilities and services are booked at the time of receipt using the lower of either the donor given or market value.

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 probable, 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:

- Expenditure on raising funds include all expenditure incurred by the charity to raise funds for its charitable activities;
- 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. Costs are shared between RI-UK and RI-US on a percentage basis that is deemed appropriate for the level of activity and resources used. This includes finance, human resources, operations and other compliance and administrative support costs.

Notes to the Financial Statements

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 at a value above \$750 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.

1.9. Pension scheme

RI-UK operates a defined contribution scheme for its employees. Contributions to the scheme are charged to the SOFA when incurred.

1.10. Critical accounting judgements and key sources of estimation uncertainty policy

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

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

Notes to the Financial Statements

1.11 Financial instruments

Relief International has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, short term cash deposits and the charity's debtors excluding prepayments and accrued income. Financial liabilities held at amortised cost comprise the charity's short and long term creditors excluding deferred income and accrued expenditure. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial. The values of basic financial instruments are given in note 15.

2. Incoming resources from charitable activities

	Unrestricted Funds	Restricted Funds	2018 Total	2017 Total
	\$	\$	\$	\$
Economic opportunity	451,042	1,380,684	1,831,726	9,664,386
Education	994,709	13,760,239	14,754,948	8,852,064
Health	1,643,128	23,367,861	25,010,989	19,317,249
Multi-Sectoral	1,585,336	21,174,264	22,759,600	14,732,073
WASH	77,634	1,115,014	1,192,648	1,804,912
Other	1,065,193	4,777,641	5,842,834	4,401,543
Total	5,817,042	65,575,703	71,392,745	58,772,227

3. Donated goods, facilities and services

	Unrestricted Funds	Restricted Funds	2018 Total	2017 Total
	\$	\$	\$	\$
Economic opportunity	-	11,574,730	11,574,730	8,728,995
Education	-	-	-	-
Health	-	1,052,324	1,052,324	849,797
Multi-Sectoral	-	1,290,837	1,290,837	835,176
WASH	-	53,282	53,282	-
Other	-	4,448,195	4,448,195	2,430,012
Total	-	18,419,368	18,419,368	12,843,980

Notes to the Financial Statements

4. Charitable activities

	Project Costs \$	Support Costs \$	2018 Total \$	2017 Total \$
Economic opportunity	1,825,511	37,318	1,862,829	18,845,402
Education	13,755,941	553,378	14,309,319	9,174,691
Health	24,271,981	2,272,703	26,544,684	19,949,513
Multi-Sectoral	20,567,371	2,090,711	22,658,082	14,993,320
WASH	1,156,821	9,471	1,166,292	1,787,287
Other	22,158,577	502,575	22,661,152	6,469,955
Total	83,736,203	5,466,156	89,202,359	71,220,168

	Project Costs \$	Support Costs \$	2018 Total \$	2017 Total \$
Staff costs	31,697,462	3,107,250	34,804,711	29,001,801
Project costs	52,038,741	2,358,907	54,397,648	42,218,367
Total	83,736,203	5,466,156	89,202,359	71,220,168

Support costs are those eligible overhead expenses and governance costs required to administer project activities. These costs are allocated against the activities based on percentages of revenue generated by sector and whether the costs are directly related to the sector.

5. Trustees

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

6. Governance costs

	2018 Total \$	2017 Total \$
Audit costs	57,308	50,980
Total	57,308	50,980

Notes to the Financial Statements

7. Net expenditure for the year

	2018 Total \$	2017 Total \$
Net incoming resources are stated after charging:		
Auditor's remuneration - Audit fee	57,308	50,980
Foreign exchange losses/(gains)	288,676	120,196

8. Employee and staff costs

	2018 \$	2017 \$
Staff costs during the year were:		
UK staff wages and salaries	369,013	617,653
UK staff social security costs	44,459	70,705
UK staff pension contribution costs	39,577	31,705

Total UK support staff costs on behalf of RI-UK	453,048	720,063
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RI staff costs on RI-UK projects worldwide	31,697,462	29,001,801
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Total remuneration received by key management personnel charged to RI-UK is \$117,664 (2017: \$134,709), of which pension contributions made up \$29,841 (2017: \$12,100)

The average number of employees during the year was:

The average number of UK staff:	7	9
Total RI staff worldwide	2,010	1,893

There was 1 employee based in the UK whose annual emolument was £60,000/\$75,000 or more in 2018 (2017: 3)

Emolument	2018	2017
£60k - £70k/\$76k - \$89k	1	2
£70k - £80k/\$89k - \$102k	0	1

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

Notes to the Financial Statements

9. Debtors	2018	2017
	\$	\$
Accrued income - Grants receivable	12,648,626	9,553,893
Amounts due from RI-US	3,294,506	3,544,572
Other debtors and prepayments	-	2,682
Advances to Department for International Development (DFID) projects	1,116,116	1,116,116
	<u>17,059,248</u>	<u>14,217,263</u>

10. Creditors: Amounts falling due within one year	2018	2017
	\$	\$
Deferred income	8,926,701	14,716,312
Accrued expenses	6,085,073	-
Other creditors	2,914,567	263,863
	<u>17,926,341</u>	<u>14,980,175</u>

	Opening Balance	Income Received	Income Deferred	Closing Balance
	\$	\$	\$	\$
Deferred income	14,716,312	74,404,543	80,194,154	8,926,701

11. Creditors: Amounts falling due more than one year	2018	2017
	\$	\$
Department for International Development (DFID)	1,233,409	3,083,520
	<u>1,233,409</u>	<u>3,083,520</u>

An interest free loan was given in 2017 for \$3,083,520 to support mobilization of the Girls Education Challenge project in Somalia. This is sitting in the balance sheet as long term liability. The loan balance is due at the project end date, 31st July 2020.

Notes to the Financial Statements

12. Restricted funds

The programme income funds include restricted funds unexpended at the year end held to be applied for specific purposes. This includes donation in kind.

	At January 2018 \$	Income \$	Expenditure \$	At December 2018 \$
Economic opportunity	-	12,955,415	12,955,415	-
Education	-	13,760,239	13,760,239	-
Health	-	24,420,185	24,071,528	348,656
Multi-Sectoral	488,708	22,465,101	22,557,258	396,551
WASH	-	1,168,296	1,168,296	-
Other	121,950	9,225,836	9,001,527	346,259
	610,658	83,995,071	83,514,262	1,091,466

13. Analysis of net assets between funds

	Unrestricted Funds \$	Restricted Funds \$	2018 Total \$	2017 Total \$
Current assets	919,885	20,251,216	21,171,101	19,465,292
Creditors: amounts falling due within one year	-	(17,926,341)	(17,926,341)	(14,980,175)
Creditors: amounts falling due more than one year	-	(1,233,409)	(1,233,409)	(3,083,520)
Total net assets	919,885	1,091,466	2,011,351	1,401,597

14. Financial instruments

	2018 \$	2017 \$
Financial assets measured at amortised costs	21,171,101	19,465,292
Financial liabilities measured at amortised costs	(3,083,520)	(3,083,520)

15. Related Parties

RI-UK and RI-US are related parties. They collaborate closely to deliver relief, rehabilitation and development activities by contributing financial, technical, managerial and administrative assistance to country offices across Africa, Asia and the Middle East. RI-UK and RI-US routinely advance monies to country offices on each other's behalf to fulfil project activities in anticipation of payments from donors. The amounts advanced to country offices from one organisation on behalf of the other fluctuates during the year depending on the timing of actual donor receipts. All transactions have been carried out at arm's length. At the end of 2018, the amount due from RI-US was \$3,294,506 (2017: \$3,544,572).

Notes to the Financial Statements – 2017 Information

2017 Statement of Financial Activities

	Unrestricted Funds \$	Restricted Funds \$	2017 Total Funds \$
Income and Expenditure			
Incoming from			
Donations and gifts in kind	145	12,843,835	12,843,980
Charitable activities	4,082,908	54,689,319	58,772,227
Total incoming resources	4,083,053	67,533,154	71,616,207
Expenditure on			
Charitable activities	4,297,672	66,922,496	71,220,168
Total outgoing resources	4,297,672	66,922,496	71,220,168
Net income/movement in funds	(214,619)	610,658	396,039
Funds balance at 1 January 2017	1,005,558	-	1,005,558
Funds balance at 31 December 2017	790,939	610,658	1,401,597

Notes to the Financial Statements – 2017 Information

2017 Restricted funds

	At 1 January 2017 \$	Incoming Resources \$	Outgoing Resources \$	At 31 December 2017 \$
Economic opportunity	-	17,695,952	(17,695,952)	-
Education	-	8,379,401	(8,379,401)	-
Health	-	18,773,019	(18,773,019)	-
Multi-sectoral	-	14,504,111	(14,015,403)	488,708
WASH	-	1,674,661	(1,674,661)	-
Other	-	6,506,010	(6,384,060)	121,950
	-	67,533,154	(66,922,496)	610,658

2017 Net Assets

	Unrestricted Funds \$	Restricted Funds \$	2017 Funds \$	2016 Funds \$
Fixed assets	-	-	-	2,740
Current assets	790,939	18,674,353	19,465,292	14,334,302
Creditors: amounts falling due within one year	-	(14,980,175)	(14,980,175)	(13,331,483)
Creditors: amounts falling due more than one year	-	(3,083,520)	(3,083,520)	-
Total net assets	790,939	610,658	1,401,597	1,005,559