

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 2011

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Administrative Details of the Charity and the Trustees

| | | |
|--------------------|---|---|
| Trustees | Mr. Geoffrey Bell (Chairman) Ms. Barbara Simmonds (Treasurer) Mr. John Maris Mr. William Knight Mr. Farshad Rastegar Ms. Amanda Barnes Mr. Rob Cope Ms. Amy Morris | <i>Appointed 19 December 2011</i> <i>Appointed 19 December 2011</i> <i>Resigned 13 October 2011</i> |
| Company secretary | Mr. John Maris | |
| Executive Director | Mr. Jamie Hall | |
| Charity number | 1098106 | |
| Company number | 4476247 | |
| Registered office | Development House, 56 – 64 Leonard Street, London EC2A 4LT | |
| 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 | |

Trustees' report Year to 31 December 2011

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 2011. The financial statements have been prepared under the accounting policies set out therein and comply with applicable law and the requirements of the *Statement of Recommended Practice, Accounting and Reporting by Charities*, issued by the Charity Commission in March 2005.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees and Organisational Structure

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

RI-UK works with UK and European 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 through monthly formal financial and programmatic performance reporting from all country offices, as well as through the submission of regular programme and financial reports on project activities to all its institutional donors.

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

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

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

Trustees' report Year to 31 December 2011

Trustees' Responsibilities

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

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

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company at the year end and of its incoming resources and application of resources for the year. In preparing those financial statements, the Trustees are required to:

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

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.

Trustees' report Year to 31 December 2011

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 organisation, 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 continue to include the unexpected loss of funding from key donor organizations, a breakdown in the relationship with RI-USA, and any major disruption to programmes in countries where the charity operates resulting from factors either within or beyond the organisation's control. The trustees have assessed these and other risks to which the charity are exposed and 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-UK by RI-USA of £243,631 (2010 - (£357,599)).

This figure is constituted by monies advanced by RI-UK to RI-USA projects overseas in anticipation of receipts from donors. 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;

Trustees' report Year to 31 December 2011

- 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 programme delivery, including accountability to beneficiaries and donors alike.

RI-UK ACHIEVEMENTS

Over the course of 2011, RI-UK provided assistance valued at £15,819,249, (2010: £7,405,796) to vulnerable populations in sixteen countries. These countries were Afghanistan, Bangladesh, Haiti, Iran, Iraq, Jordan, Lebanon, Myanmar, Niger, Pakistan, Palestine, Somalia, Sri Lanka, Sudan, South Sudan, and Yemen. RI-UK also delivered development awareness education programming to schools across Greater London and the UK.

In its overseas work, RI-UK employed 987 staff across sixteen 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

Trustees' report Year to 31 December 2011

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 Somalia:

Following months of concern about a drought and food crisis building across East Africa, the UN declared in late July that much of southern Somalia was now experiencing famine, while millions of other people in Kenya and Ethiopia struggled to find sufficient food and water to support their families.

At its height, the 2011 Horn of Africa food crisis affected more than 10 million people, but it was in Somalia, plagued by years of conflict, where families faced the gravest threats, with malnutrition rates climbing higher than 30 percent.

Rarely does one overriding factor cause a famine. In Somalia, a two-year drought caused record food inflation, with the price of red sorghum, a staple grain throughout the region, rocketing 240 percent higher in mid 2011 than it was at the same time in 2010. The drought also killed much of the livestock on which herders in the region depend for food and income, with up to 90% losses in some areas. Coupled to these factors was the ongoing internal conflict that has gripped Somalia for decades, with the Somali government and international community's failure to invest in social services, basic infrastructure, and good governance perpetuating the country's chronic poverty.

RI-UK's work in Somalia began in 2007 and since then has focused on supporting the expansion of basic education services and livelihoods opportunities, particularly in the central and northern regions of Galkayo and Garowe. The 2011 food crisis forced many families from southern Somalia to move into the north to where RI-UK's operations are based, in search of food and water for themselves and their herds, exerting even further pressure on already scarce resources. The result was a combination of overgrazing, an ever increasing scarcity of water and heightened tensions between existing communities and new arrivals.

RI-UK's response focused on supporting the immediate needs of herding households whose livelihoods had been destroyed by the crisis. With support from the UN Office for the Coordination of Humanitarian Affairs (OCHA) and the UN High Commission for Refugees (HCR), RI-UK's team of over 100 national staff worked closely with community committees to identify and deliver appropriate interventions to meet the needs of vulnerable households. This included the distribution of dairy goats to 700 families to support immediate nutritional and livelihood needs, the construction of 105 household latrines to serve the sanitation needs of up to 2,400 families, and the establishment of 11 wells to provide drinking water for up to 7,500 men, women, and children.

Food and Agriculture

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

Focus on Pakistan:

Pakistan's 2010 floods were the country's worst in recorded history. They killed more than 2,000 people and affected 18 million – more than a tenth of the population. A massive cascade of waters, triggered by heavy monsoon rains in late July, swept through the Indus River basin, washing away homes, roads, bridges, crops and livestock. It ploughed a swathe of destruction from north to south and submerged one-fifth of the country.

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The flooding devastated parts of northwest Khyber-Pakhtunkhwa province, which saw some of the fiercest fighting in Pakistan's war against Taliban insurgents. People in the Swat Valley – who had been trying to rebuild their lives following a massive military operation against the Taliban in 2009 – were particularly badly affected. The southern Punjab and Sindh provinces, where the majority of Pakistanis live, were also badly affected, with an estimated 11 million people made homeless by the disaster.

The floods destroyed hundreds of thousands of hectares of cultivatable land and crops in the traditional food-basket regions of Sindh and Punjab, and many farmers lost their seeds. In some areas the water stagnated on the surface for months, making planting difficult. And at least 1.2 million livestock died, crippling poor families who depended on them for food and draught power, with the price of vegetables and other foods rising significantly, making it harder for ordinary people to survive.

RI-UK spent much of 2011 supporting efforts to rebuild the lives and livelihoods of farming communities across Pakistan through the distribution of food parcels and agricultural assets. With more than 300 national staff and many years of experience working in Pakistan, RI-UK was able to quickly scale up and sustain its support, targeting the most vulnerable households including those headed by women whose housing had been destroyed by the floods, and landless households whose total average monthly income was less than five thousand rupees (thirty pounds).

During the course of 2011 and with support from the UN World Food Programme and the European Commission Humanitarian Office, RI-UK delivered more than 17,500 metric tonnes of wheat, rice, cereals, and pulses and 50,000 poultry birds to more than 150,000 households across all affected Provinces in Pakistan.

ii. Education and Empowerment

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

Focus on Bangladesh:

The Sundarban area of southern Bangladesh is the largest mangrove in the world. It is home to some 3.5 million people whose livelihoods in agriculture, forestry, and fishing depend on the continuing viability of this fragile ecosystem. Many of the Sundarban's inhabitants suffer from chronic poverty and lack of access to education, health services, and economic opportunities.

In 2011, RI-UK began working with the most marginalized informal workers in the Sundarban to improve their access to decent work, important skills and basic services such as health and education with a special focus on empowering women and members of the indigenous Munda community, who are particularly vulnerable groups in the area.

In order to improve the social and economic status of the target population, RI-UK is supporting asset and skill development to ensure that they are able to generate appropriate levels of income to support their families, and training the wider community in a range of ways to advocate for their rights to work and social services. Over the coming two years, RI-UK will provide up to 1,000 individuals with livelihoods assets needed for income generation, provide up to 3,000 individuals with skill development and vocational training, and provide up to 300 local trainers with the tools to train other community members.

In addition, more than 5,000 individuals will be able to advocate for sustainable resource use and learn Bangladesh labour and environmental laws; 1,000 children will have access to education and more than

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25,000 family and community members will be able to access health clinics and water/ sanitation services.

iii. 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 Sudan:

The January 2011 referendum was a defining political moment for both Sudan and Southern Sudan and for Africa as a whole. Those living in Sudan have suffered through generations of civil conflict since the country gained national independence in 1956. While the Comprehensive Peace Agreement signed in 2005 ended decades of war between the north and south, communities still struggle to rebuild after years of devastation that claimed countless lives and wrecked vital infrastructure.

In South Sudan, fighting, famine and disease during 21 years of civil war claimed the lives of two million people, forced 600,000 to become refugees and displaced more than four million. At the same time, the violent, ongoing conflict in Darfur has torn the country apart since February 2003 – displacing more than 2.5 million individuals, forcing 220,000 to become refugees and killed over 300,000 Sudanese civilians.

During 2011, RI-UK has continued to respond to the widespread ramification of both crises, providing relief and development support to the two countries' most vulnerable populations of women, children and families struggling to survive each day with dignity.

In Darfur, with support from the UN Common Humanitarian Fund, this has focused on the two key sectors of agricultural and livestock-related livelihoods. In agriculture, RI-UK has trained nearly fifty agricultural extensionists, provided community farming education to more than 2,000 individual farmers, and distributed more than 500 kilograms of okra, watermelon, tomato, onion, and cucumber seeds to 3,000 families. In livestock, RI-UK vaccinated more than 90,000 heads of cows, sheep, goats, and camels, benefitting more than 3,000 families. Two livestock treatment centres were constructed during the year and treated more than 66,000 animals.

iv. Shelter and Infrastructure

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

Focus on Afghanistan:

Less than 30% of households in the southern Afghan province of Nimroz have access to safe drinking water and even fewer have access to safe toilet facilities. As a result, the majority of families are exposed to unhygienic conditions that increase the rates of disease, particularly amongst children. Moreover, proximity to a clean water source ranges from having one at home to having one 9km away, where

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women – who have primary responsibility for collecting water for their families – may have to wait in line for up to six hours. This puts women at risk, and the result is that families often opt for less clean but more accessible water from contaminated wells.

During 2011, R-UK continued to work with the European Commission Humanitarian Office to address these water and sanitation needs. Focusing on communities containing significant numbers of female headed households and returnee families from across the border in Iran, RI-UK prioritised three areas in particular: the rehabilitation of communal wells and water points, the construction of household and community latrines and washrooms, and promoting good hygienic practices.

Over the course of the year, RI-UK's team of staff in Nimroz worked closely with communities to repair and replace, and rehabilitate a wide range of water and sanitation infrastructure. This included rehabilitating communal wells in 13 villages in Nimroz, serving a total of more than 350 families, and the construction of nearly 900 household washrooms and latrines. In addition, more than 10,000 individuals participated in village level hygiene awareness sessions. The incorporation of health promotion at schools and the setting up of health clubs reached an additional 2,500 girls and boys in 16 primary, 7 secondary and 6 high schools with a focus on personal hygiene and distribution of hygiene kits.

v. 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 Palestine:

In Palestine, high levels of rural poverty have created an increasing economic imperative for women to enter the workplace. However, the relative weakness of political and legislative institutions to support women in the workplace has created an underclass of female workers whose rights are neither formally recognized nor formally regulated. This has resulted in rural women workers being subjected to poor working conditions, low pay, and frequent exploitation.

Roughly 41% of women, and a far higher percentage of poorer women, work in manufacturing or service industries such as textile factories. These poor women are unable to challenge the widespread rights violations they face in the workplace for a multitude of reasons, including limited knowledge of their legal rights and mechanisms with which to claim them, and the prohibitively high cost of legal services. Even those women who are aware of their legal rights often do not feel able to challenge them as complaints routinely result in dismissal. As a consequence, female workers routinely work excessively long hours for low pay, with most denied maternity leave, vacation, or sick pay.

With the support of the European Commission and in partnership with the Palestinian Centre for the Independence of the Judiciary and the Legal Profession, RI-UK completed a two-year programme in 2011 to raise awareness of women's employment rights among Palestinian public and private sector employers, as well as to establish formal mechanisms through which Palestinian women that have been subjected to discrimination can seek redress. During 2011, RI-UK and Musawa established 152 legal clinics to support women's anti-discrimination appeals against employers. The legal clinics were conducted in cooperation with trained lawyers and members of the inspection department at the Ministry of Labour, and targeted more than 2,660 of the general public, with more than 992 formal consultations provided for female and male workers across the West Bank.

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In addition, the project's advocacy efforts led directly to the President issuing a decree that International Women's Day on 8th March each year should be recognized as an official paid holiday for working women each year.

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 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 2011, RI-UK expanded its charitable activities significantly with increased grant funding for its overseas projects to £15,819,249 (2010: £7,422,799) including £5,259,463 of in-kind commodities that comprised more than 75,000 metric tonnes of food from the UN World Food Programme for RI-UK's response to the Pakistan floods (2010: £70,880).

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

- i. Emergency, Health, and Sanitation = £5,500,303
- ii. Food and Agriculture = £3,498,833
- iii. Livelihoods and Enterprise = £397,843
- iv. Shelter and Infrastructure = £3,674,255
- v. Education and Empowerment = £974,408
- vi. Protection and Human Rights = £464,884

The charity had no restricted funds as at 31 December 2011 (2010: £0) and unrestricted funds of £75,588 (2010: £204,056). The reduction in RI-UK's unrestricted funds is due to its planned one-off exceptional expenditure of £200,267 in support of RI-USA's school building programme in Pakistan during 2011.

The Trustees recognise that the continued operations of RI-UK as a going concern are reliant on the mutually supportive relationship with RI-USA, 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 continue to develop reserves that are independent of RI-USA. RI-UK aims to establish a three-month operating reserve to be built as quickly as available unrestricted revenues allow. The current level of reserves is less than three months, and RI-USA continues to support the charity while they build unrestricted reserves to this target level.

RI-UK FUTURE PLANS FOR 2012

- Continue to fulfill its mission to provide emergency relief, rehabilitation, development assistance, and programme services to vulnerable communities worldwide.

Trustees' report Year to 31 December 2011

- Increase the proportion of RI-UK revenue from unrestricted sources.
- Increase UK general public awareness of RI-UK 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;



Mr. Geoff Bell, Chairman, Relief International-UK

Date:

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)

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- GTZ Deutsche
- IOM (International Organisation for Migration)
- 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 2011 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 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

Independent auditor's report Year to 31 December 2011

- 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

27 September 2012

Statement of Financial Activities

Year to 31 December 2011

| Income and Expenditure | Notes | Unrestricted Funds | Restricted Funds | 2011 Total Funds | 2010 Total Funds |
|---|-------|-----------------------|---------------------|---------------------|------------------------|
| | | £ | £ | £ | £ |
| Incoming resources from generated funds | | | | | |
| Voluntary Income | | | | | |
| Donations | 2 | 1,220 | - | 1,220 | - |
| Donated commodities | 3 | - | 5,259,463 | 5,259,463 | 70,880 |
| Investment income | 4 | 209 | - | 209 | 418 |
| Incoming resources from charitable activities | 5 | 1,201,551 | 9,251,063 | 10,452,614 | 7,351,501 |
| Total Incoming resources | | 1,202,980 | 14,510,526 | 15,713,506 | 7,422,799 |
| Resources expended | | | | | |
| Costs of generating funds | | | | | |
| Charitable activities | 7 | 1,308,723 | 14,510,526 | 15,819,249 | 7,405,796 |
| Governance | 8 | 22,200 | - | 22,200 | 21,700 |
| Total resources expended | | 1,331,448 | 14,510,526 | 15,841,974 | 7,428,608 |
| Net (outgoing resources) for the year | 9 | (128,468) | - | (128,468) | (5,809) |
| Net (expenditure) for the year / Net movement in funds | | (128,468) | - | (128,468) | (5,809) |
| Fund balances at 1 January | | 204,056 | - | 204,056 | 209,865 |
| Fund balances at 31 December | | 75,588 | - | 75,588 | 204,056 |

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. The notes on pages 20 to 26 form part of those financial statements.

- There are no recognised gains or losses in the current or preceding year other than as shown in the statement of financial activities.

Balance Sheet

Year to 31 December 2011

| | Notes | 2011 £ | 2010 £ |
|---|-------|-----------------------------|-----------------------------|
| Fixed assets: | | | |
| Tangible assets | 13 | 5,063 | 6,751 |
| Current assets: | | | |
| Debtors | 14 | 1,688,508 | 1,467,558 |
| Cash at bank and in hand | 15 | 1,384,605 | 1,207,465 |
| | | <u>3,073,113</u> | <u>2,675,023</u> |
| Creditors: amounts falling due within one year | 16 | 3,002,588 | 2,477,718 |
| | | <u> </u> | <u> </u> |
| Net current assets | | 70,525 | 197,305 |
| Net assets | | <u>75,588</u> | <u>204,056</u> |
| Income funds | | | |
| Restricted funds | | - | - |
| Unrestricted funds | 19 | 75,588 | 204,056 |
| | | <u>75,588</u> | <u>204,056</u> |

The financial statements were approved by the Board on 26th September 2012



Mr. Geoffrey Bell Chairman, Relief International UK

Company registration number 4476247

Cash flow Statement

Year to 31 December 2011

| | Notes | 2011 £ | 2010 £ |
|--|-------|----------------|------------------|
| Net Cash (outflow) from operating Activities | a) | 176,931 | (568,877) |
| Returns on Investments and Servicing of Finance | | | |
| Bank Interest | | 209 | 418 |
| Capital Expenditure | | | |
| Payments to purchase tangible fixed assets | | - | (7,402) |
| Increase / (Decrease) in Cash in the year | b) | <u>177,140</u> | <u>(575,861)</u> |

Notes to the cash flow statement for the year to 31 December 2011

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

| | 2011 £ | 2010 £ |
|---|----------------|------------------|
| Net (outgoing) / incoming resources | (128,468) | (5,809) |
| Bank interest received | (209) | (418) |
| Depreciation charges | 1,688 | 2,253 |
| Increase in debtors | (220,950) | (933,547) |
| Increase in creditors | 524,870 | 368,644 |
| Net Cash (Outflow) / Inflow from Operating Activities | <u>176,931</u> | <u>(568,877)</u> |

b) Analysis of Net Cash Resources

| | Opening Balances £ | Cash Flow £ | Closing Balance £ |
|---------------------------------|--------------------------|-------------------|-------------------------|
| Cash at bank and in hand (2011) | <u>1,207,465</u> | 177,140 | 1,384,605 |
| Cash at bank and in hand (2010) | 178,3326 | <u>(575,861)</u> | 1,207,465 |

c) Location of Cash Resources

| | 2011 £ | 2010 £ |
|--------------------------|------------------|------------------|
| HQ Bank Accounts | 793,066 | 564,255 |
| In-Country bank accounts | 591,539 | 643,210 |
| | <u>1,384,605</u> | <u>1,207,465</u> |

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

1.1. Accounting Convention

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

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

1.2. Compliance with accounting standards

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

1.3. Incoming Resources

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

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

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

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

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

1.4. Liabilities

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

1.5. Resources expended and the basis of apportioning costs

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

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

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

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

1.6. Tangible fixed assets and depreciation

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

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

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

1.7. Foreign currency

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

1.8. Accumulated funds

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

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

Notes to the financial Statement

Year to 31 December 2011

| Voluntary Income | | | | | |
|-------------------------|--|---------------------|-------------------|-------------------|------------------|
| 2 | Donations | Unrestricted | Restricted | 2011 | 2010 |
| | | Funds | Funds | Total | Total |
| | | £ | £ | £ | £ |
| | Unrestricted | 1,220 | - | 1,220 | - |
| | | 1,220 | - | 1,220 | - |
| 3 | Donations in kind | | | | |
| | Restricted donated commodities | Unrestricted | Restricted | 2011 | 2010 |
| | | Funds | Funds | Total | Total |
| | | £ | £ | £ | £ |
| | Emergency, Health and Sanitation | - | 2,764,990 | 2,764,990 | 18,073 |
| | Food and Agriculture | - | 2,494,473 | 2,494,473 | 52,807 |
| | TOTAL | - | 5,259,463 | 5,259,463 | 70,880 |
| 4 | Investment Income | Unrestricted | Restricted | 2011 | 2010 |
| | | Funds | Funds | Total | Total |
| | | £ | £ | £ | £ |
| | Interest receivable | 209 | - | 209 | 418 |
| | | 209 | - | 209 | 418 |
| 5 | Incoming resources from charitable activities | Unrestricted | Restricted | 2011 | 2010 |
| | | Funds | Funds | Total | Total |
| | | £ | £ | £ | £ |
| | Emergency, Health and Sanitation | 608,816 | 2,735,313 | 3,344,128 | 1,828,034 |
| | Food and Agriculture | 261,561 | 1,004,360 | 1,265,921 | 1,629,362 |
| | Livelihoods and Enterprise | 71,957 | 397,843 | 469,800 | 727,726 |
| | Shelter and Infrastructure | 204,781 | 3,674,255 | 3,879,037 | 1,883,443 |
| | Education and Empowerment | 24,413 | 974,408 | 998,821 | 731,020 |
| | Protection and Human rights | 30,024 | 464,884 | 494,908 | 551,916 |
| | TOTAL | 1,201,551 | 9,251,063 | 10,452,614 | 7,351,501 |

Includes the following income from UK Department for International Development (DFID) £273,397 (2010 £22,125) for RI-UK Local Voices project, Afghanistan - Governance Transparency Fund £63,694 (2010 £68,630) for RI-UK Act Global project - Development Awareness Fund

Notes to the financial Statement

Year to 31 December 2011

6 Charitable activities

| | Project Costs £ | Support Costs £ | 2011 Total £ | 2010 Total £ |
|----------------------------------|--------------------------------|--------------------------------|-----------------------------|-----------------------------|
| Emergency, Health and Sanitation | 5,348,837 | 151,465 | 5,500,303 | 1,909,205 |
| Food and Agriculture | 3,452,573 | 46,260 | 3,498,833 | 1,512,781 |
| Livelihoods and Enterprise | 325,887 | 71,957 | 397,843 | 787,490 |
| Shelter and Infrastructure | 3,674,255 | - | 3,674,255 | 1,913,375 |
| Education and Empowerment | 949,994 | 24,413 | 974,408 | 731,022 |
| Protection and Human rights | 434,860 | 30,024 | 464,884 | 551,923 |
| | 14,186,407 | 324,119 | 14,510,526 | 7,405,796 |
| | Project Costs £ | Support Costs £ | 2011 Total £ | 2010 Total £ |
| Staff costs | 2,241,297 | 245,945 | 2,487,242 | 2,740,192 |
| Project costs | 11,945,111 | 78,173 | 12,023,284 | 4,665,604 |
| | 14,186,407 | 324,119 | 14,510,526 | 7,405,796 |

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

7 Governance costs

| | UK Audit Costs £ | Project Audit Costs £ | 2011 Total £ | 2010 Total £ |
|-------------|---------------------------------|--|-----------------------------|-----------------------------|
| Audit costs | 22,200 | 23,741 | 45,941 | 21,700 |
| | 22,200 | 23,741 | 45,941 | 21,700 |

8 Net Expenditure for the year

| | 2011 £ | 2010 £ |
|---|-------------------|-------------------|
| Net incoming resources are stated after charging: | | |
| Auditor's remuneration - Audit fee | 22,200 | 21,700 |
| Foreign exchange losses / (gains) | 34,242 | 34,891 |

Notes to the financial Statement

Year to 31 December 2011

9 Trustees

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

10 Employees and staff costs

| | 2011 £ | 2010 £ |
|--|------------------|------------------|
| Staff costs during the year were: | | |
| UK staff wages and salaries | 284,801 | 236,919 |
| UK staff social security costs | 30,073 | 24,398 |
| Total UK staff costs | <u>314,874</u> | <u>261,317</u> |
| RI staff working on RI-UK projects worldwide | <u>2,172,367</u> | <u>2,478,875</u> |
| Total staff costs (UK and worldwide) | <u>2,487,242</u> | <u>2,740,192</u> |

The average number of employees during the year was:

| | 2011 | 2010 |
|-----------------------------------|------------|------------|
| Total staff worldwide (estimated) | <u>590</u> | <u>695</u> |

There were no employees whose annual emoluments were £60,000 or more (2010 - nil)

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

11 Taxation

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

12 Tangible fixed assets

| | Plant & Machinery £ | Fixtures, Fittings & Equipment £ | 2011 Total £ |
|-----------------------|---------------------------|---|--------------------|
| Cost | | | |
| At 1 January 2011 | 3,763 | 8,529 | 12,292 |
| Additions in year | - | - | - |
| At 31 December 2011 | 3,763 | 8,529 | 12,292 |
| Depreciation | | | |
| At 1 January 2011 | 2,913 | 2,628 | 5,541 |
| Charge for the year | 213 | 1,475 | 1,688 |
| At 31 December 2011 | <u>3,126</u> | <u>4,103</u> | <u>7,229</u> |
| Net Book Value | | | |
| At 31 December 2011 | <u>638</u> | <u>4,426</u> | <u>5,063</u> |
| At 31 December 2010 | <u>850</u> | <u>5,901</u> | <u>6,751</u> |

Notes to the financial Statement

Year to 31 December 2011

13 Debtors

| Due within one year: | 2011 | 2010 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Accrued income - Grants receivable | 1,352,724 | 1,407,150 |
| Amount due from RI * | 243,631 | - |
| Project Debtors Overseas | 66,079 | 52,956 |
| Other debtors and prepayments | 26,074 | 7,452 |
| | 1,688,508 | 1,467,558 |

*This total includes (1) recharged salaries and expenses of RI-UK projects of £98,103 (2010 -£198,243) and (2) pre-financing of costs of RI-UK projects of £ 145,528 (2010 -£159,356)

14 Cash at bank and in hand

| | 2011 | 2010 |
|----------------------------|------------------|------------------|
| | £ | £ |
| Cash held in UK | 793,066 | 564,255 |
| Cash held in field offices | 591,539 | 643,210 |
| | 1,384,605 | 1,207,465 |

15 Creditors: Amounts falling due within one year

| | 2011 | 2010 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Project creditors | 283,814 | 285,995 |
| Deferred income * | 2,638,839 | 1,706,723 |
| Amount due to RI | - | 357,599 |
| Other creditors | 72,656 | 107,617 |
| Taxation and social security | 7,279 | 5,427 |
| Other Creditors and accruals | - | 14,357 |
| | 3,002,588 | 2,477,718 |

* For explanation of deferred income, see Accounting Policies 1.3 Incoming Resources. All deferred income is related to current year

16 Restricted funds

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

| | At 1 January 2011 £ | Incoming Resources £ | Outgoing Resources £ | At 31 December 2011 £ |
|----------------------------------|------------------------------|----------------------------|----------------------------|--------------------------------|
| Emergency, Health and Sanitation | - | 5,500,303 | (5,500,303) | - |
| Food and Agriculture | - | 3,498,833 | (3,498,833) | - |
| Livelihoods and Enterprise | - | 397,843 | (397,843) | - |
| Shelter and Infrastructure | - | 3,674,255 | (3,674,255) | - |
| Education and Empowerment | - | 974,408 | (974,408) | - |
| Protection and Human rights | - | 464,884 | (464,884) | - |
| | - | 14,510,526 | (14,510,526) | - |

Notes to the financial Statement

Year to 31 December 2011

17 Analysis of net assets between funds

| | Unrestricted Funds | Restricted Funds | 2011 Total | 2010 Total |
|--|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Fixed assets | 5,063 | - | 5,063 | 6,751 |
| Current assets | 150,460 | 2,922,653 | 3,073,113 | 2,675,023 |
| Creditors: amounts falling due within one year | (79,935) | (2,922,653) | (3,002,588) | (2,477,718) |
| Total net assets | 75,588 | - | 75,588 | 204,056 |

18 Connected persons

Mr. Farshad Rastegar and Mr. John Maris, who are members of the Board of Directors of RI-UK, are also respectively the CEO and Vice President of Programmes of RI-USA. Mr. Geoffrey Bell, who is the Chairman of RI-UK, is also a member of the Board of Directors of RI-USA.