

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



Relief International-UK

Annual Report and Financial Statements

Company Limited by Guarantee

31 December 2013

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Administrative Details of the Charity and the Trustees

Trustees

Geoffrey Bell (Chairman)
Barbara Simmonds (Treasurer)
Amanda Barnes
Rob Cope
Paul Levengood

Appointed 5 December, 2013

Executive Director

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

Barclays Corporate
Level 27, 1 Churchill Place
London
E14 5HP

Solicitors

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London
EC4Y 1HS

Trustees' report Year to 31 December 2013

GENERAL REPORT

The Trustees, who are also directors of the company for the purposes of the Companies Act, present their report along with the financial statements of the charity for the year ended 31 December 2013. 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 directors' report as required by section 418 of the Companies Act of 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees and Organizational Structure

Relief International-UK (RI-UK) is an international relief, rehabilitation and development non-governmental organization (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 organization with the Charity Commission on June 19, 2003. The charity is a company limited by guarantee and is an independent and non-profit making humanitarian agency that is non-discriminatory in its practices.

RI-UK works with UK and European public, governments, companies, and charitable foundations as well as multilateral agencies such as the United Nations to maximize the resources available for relief, rehabilitation, and development activities worldwide.

RI-UK ensures effective internal monitoring and reporting mechanisms for its activities through monthly 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 an independent affiliate of Relief International, a USA-based registered not for profit organization (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 closely to deliver relief, rehabilitation, and development activities across Africa, Asia, and the Middle East. The two organizations 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. In this context, RI-USA provides RI-UK with a range of operational and management support to ensure RI-UK is able to effectively manage and monitor its overseas activities. RI-UK also coordinates its activities closely with UK and other governments, multilateral agencies and other international and national NGOs in order to ensure that available resources for relief and development activities have maximum positive impact in the lives of the communities we serve.

Trustees' report Year to 31 December 2013

Trustees and Organization Structure (continued)

RI-UK's Trustees are satisfied that, in accordance with Section 4 of the Charities Act 2011, the Charity is in full compliance with its public benefit requirements. In the financial year 2013, RI-UK has continued to fulfil its charitable objectives of providing timely and efficient services and material resources to assist victims of natural and man-made disasters world-wide.

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 £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 organization's structure, strategic priorities, and their roles and responsibilities as Board members.

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

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

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

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and ensuring that assets are properly applied in accordance with charity law, hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Each of the Trustees confirms that;

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

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

Risk Management

The Board of Trustees seeks to ensure that systems are in place to monitor, manage, and mitigate RI-UK's exposure to major risks and these systems are reviewed periodically. Due to the close collaboration of RI-UK and RI-USA and through the shared management of activities through a unified set of field operations, many of the risks to which RI-UK is exposed are the same risks as those of RI-USA.

The Boards of Trustees of both organizations therefore collaborate closely through a shared Strategy and Risk Committee to monitor, manage, and mitigate risk exposure. However, due to the nature of Relief International's work in many of the world's most complex and challenging contexts, the Trustees also recognise that there are inevitable risks to which Relief International is exposed and that these must be actively accepted 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 organization's control. The Trustees have assessed these and other risks to which the charity are exposed and whilst they have deemed them to be satisfactorily managed, they have requested that risk management be more systematically codified and monitored by the Senior Management Team going forward.

Financial risks and financial investments

RI-UK's principal financial instruments include bank deposits. In addition, RI-UK has various other financial assets and liabilities such as accrued income and creditors arising directly from operations.

These creditors include amounts owed to RI-USA of \$889,996 (2012 – \$1,767,184)

This figure includes monies advanced to RI-UK for projects in anticipation of receipts from donors in addition to service fees to RI-UK during the year. The figure is therefore expected to fluctuate during the course of the year – depending on the timing of actual donor receipts.

Interest rate risk

RI-UK is exposed to fair value interest rate risks on its bank deposits.

Foreign currency risk

RI-UK's principal currency exposures arise from translations of European donor monies received, into US dollars which is the main currency advanced to its field offices overseas.

STRATEGIC REPORT

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.

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

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

RI-UK'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 victims of natural and man-made disasters worldwide. RI-UK is non-political and non-sectarian, and is solely dedicated to reducing human suffering. Specifically;

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.

During the year, RI-UK reported on six main areas of work;

Trustees' report Year to 31 December 2013

- 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

Monitoring of Activities

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

In meeting its stated objectives, RI-UK provided assistance to vulnerable populations in fifteen countries; Afghanistan, Bangladesh, Haiti, Iran, Iraq, Jordan, Lebanon, Myanmar, Niger, Pakistan, Palestine, Somalia, Sudan, South Sudan, and Yemen.

ACHIEVEMENTS AND PERFORMANCE

Organizational Performance

Over the course of the financial year, RI-UK provided assistance valued at \$18,752,554 (2012: \$15,772,949) to vulnerable populations in fifteen countries. This included the distribution of donated supplies valued at \$139,287 (2012: \$780,543). RI-UK funded 640 staff across RI's global operations during the year.

Africa

Focus on Girls' Education in Somalia

Education is vital to the empowerment of vulnerable communities, particularly in environments affected by conflict or natural disaster. The Millennium Development Goal (MDG) 2 is to "achieve universal primary education," with the specific target to "ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling." To support the effort to meet this goal, RI places a special emphasis on developing the education sector to assure the social and economic integration of future generations, especially children affected by conflict.

With support from DFID, the Educate Girls, End Poverty (EGEP) project's purpose is to enroll more Somali girls in school and to inspire them to continue and graduate school with the knowledge that enables them to break the cycle of poverty. The project will benefit thousands of marginalized girls, aged 6 to 19, who hail from urban poor, rural, and internally displaced (IDP) populations. Within these populations, the project is paying special attention to vulnerable, orphaned, and disabled girls. The project is working within primary, secondary, vocational, and non-traditional schools, and family life education centers. Underlying the theory of change is that the factors affecting marginalized girls' education are

Trustees' report Year to 31 December 2013

multi-faceted and interrelated, and that there is not one measure alone – offering scholarships, training teachers, building latrines – can create a significant impact. The EGEP project aims to tackle the various barriers at once – whether social, psychosocial, political, economic, or cultural – that keep the most marginalized girls out of school across Somalia.

Asia

Focus on Women's Empowerment in Myanmar

A core objective of RI is to enhance economic equality between women and men in the workplace and in the private sphere through improving the implementation and enforcement of national legislation. There is also an acute lack of understanding on Violence Against Women (VAW) issues on the part of local leaders and officials who influence local level enforcement of laws and policies.

This problem is deeply rooted and stems from a societal norm where men are viewed to be superior to women and are allowed to exercise their superiority in the form of violence. The rights of women and girls are a critical issue in this sector, and are incorporated in many of RI-UK's programmes working to empower women in their community. Its approach to civil society development emphasizes cross-cultural understanding and empowerment of vulnerable and under-represented members of society.

With European Union support in 2013, RI initiated work to strengthen the capacity of national and community-level women's cooperatives in Myanmar through the EU funded "Strengthening Women's Cooperatives in Myanmar" program in the Delta Region. The project aims to build the capacity of Thirimay Women's Development Cooperative Society in managerial, financial and project management skills to strengthen the work of the cooperative. Additionally, the organization is building the capacity and ability of women's cooperative to advocate and network at the local, regional, and national levels. RI is providing training in livelihoods, marketing, business planning and access to credit for community level cooperatives to establish sustainable livelihoods for women in rural Myanmar.

Middle East

Focus on Water, Sanitation and Health in Lebanon

In 2010, the Millennium Development Goal for water supply was reached worldwide, halving the number of people lacking access to an improved water source from the 1990 levels. However, much of the developing world has yet to reach the goal. Although progress is being made, large disparities exist between urban and rural, and rich and poor communities.

RI implements programmes increasing access to portable water, improving sanitation facilities and services, and increasing hygiene awareness. Past programmes have focused on ensuring access to WASH services and facilities, particularly in rural areas, through promotion of appropriate technologies, supply chain support, capacity-building, and community-based outreach and support. In all of its programming, RI is committed to working with local communities and authorities to support local ownership of activities and ensure long-term sustainability. As RI operates in a wide range of sectors, programmes can adopt multi-sectoral approaches.

With support from UNICEF in 2013, RI implemented a six-month long programme to assist Syrian refugee and Lebanese host community school children in the North and Mount Lebanon. RI offered 15 schools an Accelerated Learning Programme (ALP) in English, French, Maths, and Arabic. RI's ALP component has proven very successful and reached 2,000 of 800 targeted students. Following a baseline needs assessment, RI rehabilitated WASH facilities, such as toilets, wash stations, and piping. Additionally, RI worked closely with the teachers and administrators to establish hygiene and sanitation clubs in each school. The school clubs received training on best practices in hygiene and sanitation which helped raise awareness throughout the school. RI also provided training to at least ten teachers and/or administrators from each school on how to promote hygiene and sanitation among the students.

Institutional donor support of RI-UK programmes

- DFID (Department for International Development)
- EC (European Commission)
- EIDHR (European Instrument for Democracy & Human Rights)
- ECHO (European Commission Humanitarian Aid and Civil Protection)
- FAO (Food and Agricultural Organization)
- GTZ Deutsche
- UNDP (United Nations Development Programme)
- UNHCR (Office of the United Nations High Commissioner for Refugees)
- UNICEF (United Nations Children's 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 Organization)
- WFP (World Food Programme)
- WHO (World Health Organization)

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 continuously improve financial operations and systems, and to identify more efficient methods of operations regarding budgeting, accounting, financial reporting, and auditing.

At the beginning of the year, the RI-UK and RI-USA management teams and Boards of Trustees agreed to a range of steps to further integrate the operational management and administration of their shared activities. Most significant amongst these is the decision to integrate RI-UK and RI-USA financial management systems at both field and headquarters level.

This includes harmonizing the RI-UK and RI-USA field accounting system into one set of books in each country and harmonizing the Chart of Accounts structure at every field office. It also includes migrating from the separate RI-UK and RI-USA financial management system to a new accounting platform at the headquarters level so that all RI activities can be tracked together. One consequence of this change has been a shift by RI-UK from GBP to USD as its functional accounting and reporting currency. For this reason, financial performance information in 2013 and comparative 2012 are stated in USD

Financial Performance

In 2013, RI-UK continued to consolidate its charitable activities with grant funding for its overseas projects of \$18,865,402 (2012: \$16,365,774), an increase of \$2,499,628 compared to 2012. Of this total, the

Trustees' report Year to 31 December 2013

amount of income received from institutional donors was \$18,716,220 in 2013 compared to \$15,242,392 in 2012. Funding from DFID for RI-UK's Girls Education Challenge project in Somalia provided revenue of \$1,820,578 through the year, making it the largest single contributor to the increase from 2012. In-kind gifts, that comprised food commodities, equipment, and supplies, decreased from \$780,543 in 2012 to \$139,287 in 2013.

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

- i. Emergency, Health, and Sanitation = \$9,176,756
- ii. Food and Agriculture = \$1,528,626
- iii. Livelihoods and Enterprise = \$696,714
- iv. Shelter and Infrastructure = \$2,941,359
- v. Education and Empowerment = \$2,987,745
- vi. Protection and Human Rights = \$418,450

The charity had no restricted funds as at 31 December 2013 (2012: £0) due to the application of its ongoing revenue recognition policy, which matches revenues to expenses for its institutional donor-funded activities. RI-UK increased its unrestricted reserves during 2013 from \$715,037 to \$827,886, an increase of \$112,884. This increase was the result of maintained tight corporate control of expenditure and the continuing management and administrative support provided by RI-USA.

In line with RI's strategy to further integrate the operations and management of RI-UK and RI-USA during 2014, the Trustees anticipate making a range of unrestricted funds investments during the next year to support RI-wide systems improvements, including the integration of RI-UK and RI-USA's financial management platforms. The Trustees therefore expect to utilise a portion of the reserves for this purpose.

The Trustees recognise that the charity continuing as a going concern is reliant on the mutually supportive relationship with RI-USA, which supports RI-UK to deliver effective programmes through the commitment of its own human and financial resources. The Trustees have no reason to doubt that this support will continue to be made available and RI-USA has committed to continue to support RI-UK in this way as required.

Reserves Policy

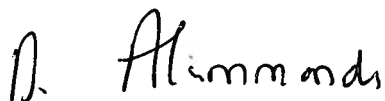
The Trustees have examined the requirement for reserves. RI-UK's aim is to hold the equivalent of between 3 and 6 months operational expenditure i.e. the proportion of costs that are fixed. As at 31st December 2013, RI-UK held \$827,886 in reserves which is within the acceptable range.

RI-UK FUTURE PLANS FOR 2014

RI-UK continues to support programming capacity and to increase support for vulnerable communities worldwide. RI-UK plans to strengthen its focus on delivering high quality impact in a range of ways during 2014. These include;

- *Further integration with RI-USA:* At the levels of management systems, organizational structure, and governance, RI-UK and RI-USA plan to make a range of changes in 2014 to ensure that the two organizations are able to maximise the value they bring to their shared field operations. These changes include the integration of all IT management systems, the consolidation of staffing across the two headquarters, and the establishment of greater coordination between the Boards of Trustees of both organizations.
- *Contribute actively to RI global strategy development and implementation:* With representation on the global senior management team, RI-UK will lead elements of RI global strategy development during 2014, including leading consultations with field teams about devolution of increased operational decision making to regional offices.
- *Deepen relationships with key UK partners:* 2013 saw RI-UK invited to join the Consortium of British Humanitarian Agencies, latterly known as the Start Network. The Start Network is made up of the 19 largest British international NGOs, and its aims include the establishment of innovative funding instruments and sector capacity building. In addition to the Start Network, RI-UK became one of DFID's pre-qualified Rapid Response Facility (RRF) partners during 2013. The RRF enables DFID to commit to rapid humanitarian funding in the first 72 hours following a rapid onset disaster, a spike in a chronic humanitarian emergency, or other disasters. RI-UK will play an active role in both fora during 2014, raising its profile and ability to contribute towards RI's mission and objectives.
- *Increase focus on measuring impact and innovation:* During 2014, RI-UK will establish new impact tracking tools across its programming. This will facilitate improved ability of RI-UK to measure and monitor impact across its work.
- *Continued tight corporate management:* Continue to maintain strict controls and implement procedures to further enhance compliance with donor regulations in the undertaking of humanitarian aid and development.

The Trustees report, which includes the Strategic report, has been reviewed by the Board and approved on its behalf by;



Ms. Barbara Simmonds, Treasurer, Relief International-UK

Date: 26th Dec 2013

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 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 19.

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 Strategic report and the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 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 2013

- 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 Strategic report and 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

29/9/14

Statement of Financial Activities

Year to 31 December 2013

RELIEF INTERNATIONAL UK STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2013

Income and Expenditure	Notes	Unrestricted Funds \$	Restricted Funds \$	2013 Total Funds \$	2012 Total Funds \$
Incoming resources from generated funds					
Voluntary Income					
Donations	2	9,502	-	9,502	18,709
Other Voluntary Income		-	-	-	323,795
Donated commodities	3	-	139,287	139,287	780,543
Investment income	4	393	-	393	336
Incoming resources from charitable activities	5	1,105,856	17,610,364	18,716,220	15,242,392
Total incoming resources		1,115,751	17,749,651	18,865,402	16,365,774
Resources expended					
Costs of generating funds		3,649	-	3,649	2,792
Charitable activities	6	960,125	17,749,651	18,709,776	15,732,905
Governance	7	39,128	-	39,128	37,251
Total resources expended		1,002,903	17,749,651	18,752,554	15,772,949
Net (outgoing resources) for the year		112,848	-	112,848	592,826
Net (expenditure) for the year / Net movement in funds		112,848	-	112,848	592,826
Fund balances at 1 January		715,037	-	715,037	122,212
Fund balances at 31 December		827,885	-	827,885	715,037

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 18 to 24 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

Year to 31 December 2013

RELIEF INTERNATIONAL UK BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	\$	2013 \$	\$	2012 \$
Fixed assets:					
Tangible assets	12		6,498		8,664
Current assets:					
Debtors	13	6,247,091		3,318,933	
Cash at bank and in hand	14	859,650		2,272,207	
			<u>7,106,741</u>	<u>5,591,140</u>	
Creditors:					
amounts falling due within one year	15	(5,077,828)		(4,884,767)	
			<u>2,028,913</u>		<u>706,373</u>
Net current assets					
amounts falling due more than one year	16	(1,207,526)			-
			<u>827,885</u>		<u>715,037</u>
Net assets					
Income funds					
Restricted funds	17		-		-
Unrestricted funds	18		827,885		715,037
			<u>827,885</u>		<u>715,037</u>

D. Almond

The financial statements were approved by the Board on

26th September
2014

Cash flow Statement Year to 31 December 2013

Cash flow Statement For the Year ended 31 December 2013

	Notes	2013 \$	2012 \$
Net Cash (outflow) / inflow from operating Activities	a)	(1,412,950)	36,587
Returns on Investments and Servicing of Finance			
Bank Interest		393	336
Capital Expenditure			
Payments to purchase tangible fixed assets		-	(3,366)
Increase / (Decrease) in Cash in the year	b)	<u>(1,412,557)</u>	<u>33,557</u>

Notes to the cash flow statement for the year to 31 December 2013

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

	2013 \$	2012 \$
Net (outgoing) / incoming resources	112,848	592,826
Bank interest received	(393)	(336)
Depreciation charges	2,166	2,888
Increase in debtors	(2,928,159)	(588,928)
Increase in creditors	1,400,588	30,137
Net Cash (Outflow) / Inflow from Operating Activities	<u>(1,412,950)</u>	<u>36,587</u>

b) Analysis of Net Cash Resources	Opening Balances \$	Cash Flow \$	Closing Balance \$
Cash at bank and in hand (2013)	<u>2,272,207</u>	(1,412,557)	859,650
Cash at bank and in hand (2012)	2,238,650	33,557	<u>2,272,207</u>

c) Location of Cash Resources	2013 \$	2012 \$
UK Bank Accounts	859,650	1,663,169
In-Country Bank Accounts	-	609,038
	<u>859,650</u>	<u>2,272,207</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.

In 2013 Relief International changed its functional currency to US dollars from GBP to match the reporting with Relief International in the US. The 2012 comparative amounts have been converted using the end of year foreign exchange rate.

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 organization 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:

- Office Equipment - 25 % reducing balance
- Furniture and Fixtures - 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 2013

2 Voluntary Income

	Unrestricted Funds	Restricted Funds	2013 Total	2012 Total
	\$	\$	\$	\$
Donations				
Unrestricted	9,502	-	9,502	18,709
Unrestricted - from RI-USA	-	-	-	323,795
	9,502	-	9,502	342,504

3 Donated commodities

	Unrestricted Funds	Restricted Funds	2013 Total	2012 Total
	\$	\$	\$	\$
Restricted donated commodities				
Emergency, Health and Sanitation	-	134,957	134,957	768,973
Food and Agriculture	-	4,330	4,330	3,769
Education and Empowerment	-	-	-	7,801
Total	-	139,287	139,287	780,543

4 Investment Income

	Unrestricted Funds	Restricted Funds	2013 Total	2012 Total
	\$	\$	\$	\$
Interest receivable	393	-	393	336
	393	-	393	336

5 Incoming resources from charitable activities

	Unrestricted Funds	Restricted Funds	2013 Total	2012 Total
	\$	\$	\$	\$
Emergency, Health and Sanitation	656,016	9,041,798	9,697,815	5,701,612
Food and Agriculture	116,228	1,524,296	1,640,524	2,893,770
Livelihoods and Enterprise	52,264	696,714	748,978	1,910,874
Shelter and Infrastructure	201,673	2,941,359	3,143,033	932,883
Education and Empowerment	36,733	2,987,745	3,024,479	1,583,665
Protection and Human rights	42,941	418,450	461,392	2,219,588
TOTAL	1,105,856	17,610,364	18,716,220	15,242,392

Includes the following income from UK Department for International Development (DFID)
 \$275,208 (2012: \$608,260) / £166,881 (2012: £376,209) for Governance Transparency Fund project, Afghanistan
 \$389,205 (2012: 81,829) / £236,006 (2012: £50,611) for Enhancing Primary Education project, Somalia
 \$1,820,578 (2012: \$0) / £1,103,962 (2012: £0) for Girls Education Challenge project, Somalia

Notes to the financial Statement

Year to 31 December 2013

6 Charitable activities

	Project Costs \$	Support Costs \$	2013 Total \$	2012 Total \$
Emergency, Health and Sanitation	8,520,739	656,016	9,176,756	5,996,807
Food and Agriculture	1,412,398	116,228	1,528,626	2,579,278
Livelihoods and Enterprise	644,450	52,264	696,714	1,836,060
Shelter and Infrastructure	2,739,686	201,673	2,941,359	874,470
Education and Empowerment	2,951,012	36,733	2,987,745	1,511,335
Protection and Human rights	375,509	42,941	418,450	2,105,536
	16,643,795	1,105,856	17,749,651	14,903,485

	Project Costs \$	Support Costs \$	2013 Total \$	2012 Total \$
Staff costs	7,085,527	456,682	7,542,210	4,942,034
Project costs	9,558,268	649,174	10,207,441	9,961,451
	16,643,795	1,105,856	17,749,651	14,903,485

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

7 Governance costs

	2013 Total \$	2012 Total \$
Audit costs	39,128	37,251
	39,128	37,251

Project audit cost of \$25,260 (2012:\$24,655) are included within the charitable activities

8 Net Expenditure for the year

	2013 \$	2012 \$
Net incoming resources are stated after charging:		
Auditor's remuneration - Audit fee	39,128	37,251
Foreign exchange losses	24,910	49,163

9 Trustees

None of the Trustees or any persons connected with them received remuneration or expenses from RI-UK during the year. Please see Note 19 for additional information.

Notes to the financial Statement

Year to 31 December 2013

10 Employees and staff costs

	2013	2012
	\$	\$
Staff costs during the year were:		
UK staff wages and salaries	524,922	495,421
UK staff social security costs	57,069	52,697
UK staff pension contribution costs	12,378	6,124
Total UK staff costs	594,369	554,243
RI staff working on RI-UK projects worldwide	6,947,841	4,387,791
Total staff costs (UK and worldwide)	7,542,210	4,942,034

The average number of employees during the year was:

	2013	2012
Total staff worldwide (estimated)	640	621

There was one employee whose annual emolument was \$98,948 or more (2012: nil) / £60,000 or more (2012: nil)
RI-UK covers the full or partial salaries of RI staff employed to work on RI-UK projects worldwide

11 Taxation

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

12 Tangible fixed assets

	Office Equipment \$	Furniture & Fixtures \$	2013 Total \$
Cost			
At 1 January 2013	6,084	17,156	23,240
Additions in year	-	-	-
At 31 December 2013	6,084	17,156	23,240
Depreciation			
At 1 January 2013	5,312	9,264	14,576
Charge for the year	193	1,973	2,166
At 31 December 2013	5,505	11,237	16,742
Net Book Value			
At 31 December 2013	579	5,919	6,498

Notes to the financial Statement

Year to 31 December 2013

At 31 December 2012

772

7,892

8,664

13 Debtors

Due within one year:

	2013	2012
	\$	\$
Accrued income - Grants receivable	6,139,353	3,157,889
Project Debtors Overseas	102,894	148,399
Other debtors and prepayments	4,844	12,645
	6,247,091	3,318,933

14 Cash at bank and in hand

	2013	2012
	\$	\$
Cash held in UK	859,650	1,663,169
Cash held in field offices	-	609,038
	859,650	2,272,207

15 Creditors: Amounts falling due within one year

	2013	2012
	\$	\$
Project creditors	1,254,590	820,351
Deferred income	2,602,983	2,011,701
Amount due to RI*	889,996	1,767,184
Other creditors	330,259	285,530
	5,077,828	4,884,767

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

*This total includes

- (1) recharged salaries and expenses of RI-UK projects of (\$692,051) (2012; \$349,372)
- (2) pre-financing of costs of RI-UK projects of \$203,252 (2012 \$1,114,488)
- (3) pre-financing of cost of Girls education challenge project of \$1,378,795

16 Creditors: Amounts falling due after more than one year

	2013	2012
	\$	\$
Department for International Development (DFID)	1,207,526	-
	1,207,526	-

During the year, DFID provided a \$1,207,526 (£794,000) mobilization fund to RI-UK to support its Girls Education Challenge project in Somalia. The fund is repayable in full in 3 years' time.

17 Restricted funds

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

	At 1 January 2013	Incoming Resources	Outgoing Resources	At 31 December 2013
	\$	\$	\$	\$
Emergency, Health and Sanitation	-	9,176,756	(9,176,756)	-
Food and Agriculture	-	1,528,626	(1,528,626)	-
Livelihoods and Enterprise	-	696,714	(696,714)	-
Shelter and Infrastructure	-	2,941,359	(2,941,359)	-
Education and Empowerment	-	2,987,745	(2,987,745)	-
Protection and Human rights	-	418,450	(418,450)	-
	-	17,749,651	(17,749,651)	-

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	2013 Total	2012 Total
	\$	\$	\$	\$
Fixed assets	6,498	-	6,498	8,664
Current assets	821,387	6,285,354	7,106,742	5,591,140
Creditors: amounts falling due within one year	-	(5,077,828)	(5,077,828)	(4,884,767)
Creditors: amounts falling due more than one year	-	(1,207,527)	(1,207,527)	-
Total net assets	827,885	-	827,885	715,037

19 Connected persons

Geoffrey Bell, who is a member of the RI-UK Board of Trustees, is also a member of the RI-US Board of Directors. During a leadership gap at RI-US, Mr Bell also served as interim CEO of RI-US between 8 August 2013 and 15 March, 2014, after which time he stepped down from that role. During 2013, RI-US compensated Mr. Bell in the amount of \$50,000 and reimbursed expenses of \$14,765. The basis of the compensation was 75% of the budgeted 2014 salary of the previous incumbent CEO, thereby representing a reasonable level of compensation. The basis for reimbursement of expenses was against actual receipts for travel and lodging expenses.