

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 2014

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Administrative Details of the Charity and the Trustees

Trustees	Geoffrey Bell (Chairman) Barbara Simmonds (Treasurer) Amanda Barnes Rob Cope Paul Levensgood	<i>Resigned 15 May 2015</i>
RI-UK Executive Director	Jamie Hall	
RI Global President and CEO	Nancy Wilson	<i>Appointed 17 March 2014</i>
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	

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 31st December 2014. 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 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 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 world-wide

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, early recovery, 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 in each country of operation and sharing the use of key support staff and systems between the two organizations, RI-UK and RI-USA minimize duplication, ensure that headquarters costs are minimized, and are able to operate in a unified manner to effectively manage and monitor their overseas activities. RI-UK also coordinates its activities closely with UK and other European governments, multilateral agencies and other international and national NGOs to share best practice, avoid duplication, and maximise collaboration to make a positive impact in the lives of the communities we serve.

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 2014, 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' report Year to 31 December 2014

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

Relief International's work is inherently risky, particularly in fragile, complex, and conflict-prone countries. The Trustees therefore recognise that there are inevitable operational and security risks to which Relief International is exposed and that these must be actively accepted in order to achieve the objectives of the charity.

Trustees' report Year to 31 December 2014

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 to which RI-USA is exposed.

The Boards of Trustees of both organizations therefore collaborate closely through the regular work of a shared Strategy and Risk Committee which supports and oversees the two organization's monitoring, management, and mitigation of risk exposure. For 2014, the Trustees requested that risk management be more systematically codified and monitored by Relief International's Senior Management Team.

During the year, this has involved significant internal and external consultation and the updating of a detailed Risk Register which identifies all salient risks facing Relief International, ranked for likelihood and severity. The register also provides details of the mitigating steps management has in place to mitigate these risks. Senior management also ensures that day-to-day risk management processes are embedded across the organization through the effective implementation of policies and procedures.

Principal risks

The countries in which we operate

Relief International operates in places that are inherently challenging because of conflict, corruption, natural disasters, weak infrastructure, and poor governance. Material changes in the countries and regions where we work could hamper our ability to work effectively and safely in these locations. These changes may include economic or political collapse, civil conflict, or serious environmental disaster.

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

Relief International mitigates these risks by adopting an operating model that prioritises community acceptance as a security strategy. More than 95% of global staff are nationals of the countries within which we operate, and are often from the town, district, or province where activities are taking place, increasing our ability to respond quickly and sustainably to changing circumstances. It also enables us to access up-to-date information regularly to ensure programming remains relevant and to give us advance intelligence of risks and threats that may affect our work.

Regulatory and donor compliance

Relief International operates in countries with many varying local laws and requirements. Failure to keep abreast of these requirements could compromise our ability to continue operating in these locations. We are also bound by British law and Charity Commission rules.

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

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

Trustees' report Year to 31 December 2014

Human Resources

Relief International's work requires that we employ highly qualified, competent, and motivated staff. If we do not provide a working environment that attracts, retains, and promotes people with the appropriate skills and attributes then we jeopardise the quality of our programming and consequently the impact we have on the lives of the people we serve.

In 2014, Relief International established a formal training and professional development programme called the RI Academy for all staff worldwide and more rigorous appraisal and evaluation processes to ensure that staff performance is measured, monitored, and rewarded more objectively and comprehensively.

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 conflict and disasters, and;
- Contributing to the UK's agenda for international development and in particular the achievement of the Millennium Development Goals, and;
- 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;

Trustees' report Year to 31 December 2014

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.

Monitoring of Activities

RI-UK has effective internal reporting mechanisms for its activities and provides regular programme and financial reports on project activities and progress as required by all 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 and supervision.

In meeting its stated objectives, RI-UK provided assistance to vulnerable populations in thirteen countries during 2014; Afghanistan, Bangladesh, Iraq, Jordan, Lebanon, Myanmar, Niger, Pakistan, Somalia, Sudan, South Sudan, Turkey, and Yemen.

ACHIEVEMENTS AND PERFORMANCE

Organizational Performance

During 2014, Relief International initiated a significant process of organizational change and improvement. This has included the following major initiatives;

- The appointment of a new global President and Chief Executive Officer, Nancy Wilson, in March 2014.
- The initiation of a comprehensive strategic review with the aim of focusing Relief International's programming in key sectors of expertise.
- Deepening integration between RI-UK and RI-USA at the level of organizational systems and organizational structure with the aim of achieving increased economies of scale, more efficient back-office support to Country Offices, and improved cooperation, monitoring, and oversight of worldwide activities. This has involved significantly increased collaboration between the Boards of Trustees of the two organizations, and the establishment of a unified set of global support departments with staff located across the two organizations. It has also involved further integration of IT, programme management, and financial management systems to reflect the entire operations of Relief International.
- A process of management decentralization with the aim of improving the quality of programming and impact by moving decision-making and accountability into the three regions of Africa, Asia, and the Middle East in which Relief International's work is carried out. This has involved establishing a set of region-specific teams led by a Regional Director responsible for providing high quality operational, technical, administrative, and managerial support and oversight to Country Offices around the world.

Programmatic Performance

Over the course of the financial year, RI-UK provided assistance valued at \$30,139,956 (2013: \$18,752,554) to vulnerable populations in thirteen countries. This included the distribution of donated supplies valued at \$671,402 (2013: \$139,287). RI-UK funded 710 staff across RI's global operations during the year. Highlights of this assistance include the following work carried out across the world.

Trustees' report Year to 31 December 2014

Africa

Focus on health and nutrition programming in South Sudan

South Sudan is the world's newest nation, in the centre of Africa bordered by six countries. It is rich in oil, but following decades of civil war it is also one of the least developed regions on earth. After independence in 2011, the young state was plunged into crisis in December 2013 amid a power struggle between the president and his deputy. Fighting between government troops and rebel factions erupted into a conflict that has subsequently killed thousands and prompted more than 2.2 million people to flee their homes.

RI's presence in South Sudan goes back to 2006. Programming has adapted to take account of volatility and changing needs, and has been designed with the aim of building long-term local capacity to ensure services and care continue beyond the lifetime of projects. Due to the nature of needs, programming has typically focused on emergency relief and early recovery in refugee and internally displaced persons (IDP) camps as well as in neighbouring host communities.

During 2014, RI's work in South Sudan has continued to address the immediate emergency needs of displaced communities while simultaneously building human capital and creating opportunities to improve the resilience of the South Sudanese people and integrates activities focused on support to nutrition, health, livelihoods, and water, sanitation, and hygiene (WASH).

Throughout the year, RI-UK contributed to the ongoing management of nineteen primary health care units and the employment of six mobile health and nutrition teams targeting hard-to-reach rural villages in Maban and Longechuk counties in Upper Nile State. Services provided at primary health units and centres included preventative care, an expanded programme of immunization, sexual and reproductive health care, sexual and gender-based violence treatment, and maternal health care.

Across its programming, Relief International has worked closely with village health providers and mobile health outreach workers to ensure education and care extends beyond the facilities. Village health care workers have provided an essential link between formal and traditional health care, offering often life-saving maternal and child health, carrying out vaccinations, distributing essential relief commodities, and conducting community health education campaigns, and providing vital sustainability of care even in the midst of crisis and change.

Asia

Focus on food security programming in Afghanistan

Relief International began working in Afghanistan after the fall of the Taliban in 2001, with an initial focus on school rehabilitation and midwifery training. Over the past twelve years, programmes have developed and expanded to include water and sanitation, shelter and reconstruction, natural disaster response, rural development, governance, secure livelihoods, animal health and HIV/AIDS prevention. Relief International concentrates on supporting the most disadvantaged sectors of the population, including returnees, displaced persons and female-headed households while operating in some of the least resourced provinces in the country including Nimroz, Nangarhar, Kunar, Kapisa, and Ghazni.

Amongst its programming priorities in 2014, RI-UK targeted its support at improving food security for some of the most vulnerable communities in the rural southern province of Nimroz. With support from the European Commission, this included scaling up an agricultural development project which focuses on seed distribution and farmer training, as well as vegetable gardening and small livestock production for women. Women receive training, tools and seeds for making their own vegetable garden so that their families have increased access to food.

In addition, RI-UK focused on raising awareness about zoonotic diseases (diseases passed between animals and people) among livestock herders, health practitioners and policy makers and works on reporting and response mechanisms. This contributes to a reduction in the incidence of these diseases,

Trustees' report Year to 31 December 2014

such as rabies. The programme trains community animal health workers on awareness and prevention and has formed clubs in local schools, as well as organizing conferences in Kabul to increase coordination and governmental capacity.

Middle East

Focus on the Syria crisis

The crisis in Syria began on March 15, 2011 when Syrian government forces clashed with protesters in several towns and cities across the country. Protest turned to uprising, which transformed into a grinding civil war that has resulted in the deaths of an estimated 220,000 people, with 3.9 million people fleeing the country, and a further 7.6 million internally displaced. Thousands of Syrians continue to cross the border every day seeking refuge in neighbouring Turkey, Lebanon, Jordan, Iraq, Egypt, and beyond.

Many families lack access to the most basic goods and services. Resources are strained, complicating the already alarming human emergency. Children have missed months and years of school due to displacement and are in need of psychosocial support to help them cope with the ongoing effects of the crisis.

As the Syria refugee crisis has deepened, other emergencies in the region have also erupted during 2014. This has included localized emergencies within the context of a protracted emergency in Yemen, and the massive influx of internally displaced persons (IDPs) in North Iraq following the sweeping military victory of the Islamic State of Iraq and the Levant (ISIL) since June 2014.

In the context of this growing regional crisis, RI-UK has supported emergency response programming to assist vulnerable populations affected by the crisis in Iraq, Jordan, Lebanon, Turkey and Yemen. For example, in Jordan, RI-UK has supported educational assistance to more than 8,000 Syrian refugee and host community children in both the camp and urban settings who have missed up to two years of school. These children attend maths, science, and language classes to catch up and continue their education. They also receive psychosocial services to recover from their traumatic experiences in a safe environment and attend organized recreational activities such as sports, arts, drama, and chess.

In Lebanon, RI-UK has provided access to basic life-saving health and nutrition services to Syrian refugees and the vulnerable Lebanese population in urban environments and informal tented settlements in Beirut, Mount Lebanon, North Lebanon and West Bekaa. RI's project directly provides 30,000 vulnerable Syrian refugees and the Lebanese host population with primary healthcare, hygiene promotion, and nutrition services with an integrated psychosocial component.

Institutional donor support of RI-UK programmes

- DFID (Department for International Development)
- EC (European Commission)
- ECHO (European Commission Humanitarian Aid and Civil Protection)
- FAO (Food and Agricultural Organization)
- 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)
- UNDP/ CHF (Common Humanitarian Fund)
- WFP (World Food Programme)
- WHO (World Health Organization)
- World Bank

Trustees' report Year to 31 December 2014

FINANCIAL REVIEW

Statement of Principal Financial Management Policies adopted in the year

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

During 2014, the RI-UK and RI-USA management teams continued to integrate the operational management and administration of their shared activities, and in particular the financial management systems used by the two organizations at both field and headquarters level.

This included 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 included 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.

Financial Performance

In 2014, RI-UK expanded significantly its charitable activities with grant funding for its overseas projects of \$29,818,679 (2013: \$18,865,402), an increase of \$10,953,277 compared to 2013. The increase was largely a result of the escalating Syria regional crisis across Turkey, Lebanon, Iraq, and Jordan, which together accounted for \$13,791,447 of RI-UK's total expenditure. In addition, expenditure in Somalia, including on the DFID-funded Girls Education Challenge project in Somalia increased compared to 2013 to a total of \$5,558,565 through the year.

During the year, RI-UK supported relief, rehabilitation, and development programmes in 13 countries. Programme expenditure can be disaggregated into the following humanitarian categories;

i.	Emergency, Health, and Sanitation	= \$15,354,186
ii.	Food and Agriculture	= \$1,601,785
iii.	Livelihoods and Enterprise	= \$1,704,110
iv.	Shelter and Infrastructure	= \$2,227,904
v.	Education and Empowerment	= \$6,386,549
vi.	Protection and Human Rights	= \$696,763

The charity had no restricted funds as at 31 December 2014 (2013: £0) due to the application of its ongoing revenue recognition policy, which matches revenues to expenses for its institutional donor-funded activities. Unrestricted reserves during 2014 reduced from \$827,886 to \$506,608, a decrease of \$321,278. This decrease was due to the necessity of writing down the receivable balances from two of RI-UK's projects in Niger and Somalia funded by the European Commission and UNICEF respectively, and Euro currency losses across a number of RI-UK's European Commission funded projects worldwide.

The Trustees recognise that the charity continuing as a going concern is reliant on the mutually supportive relationship with RI-USA. The two organizations support each other to deliver effective programmes through the commitment of their human and financial resources in support of the mission of Relief International worldwide. The Trustees have no reason to doubt that this relationship will continue and are committed to furthering the collaboration between the two organizations.

Reserves Policy


As at 31 December 2014 RI-UK held unrestricted general funds of \$506,608. The Trustees have established a policy whereby the unrestricted general funds should be between 3 and 6 months of RI-UK corporate expenditure. During 2014 the average monthly corporate costs (which exclude direct project costs) were approximately \$80,000 per month.

RI-UK FUTURE PLANS FOR 2015

RI-UK plans to strengthen its focus on delivering high quality impact in a range of ways during 2015. These include;

- *Further integration with RI-USA:* At the levels of management systems, organizational structure, and governance, RI-UK and RI-USA made 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. Critically, they also included the appointment of a new Relief International President and CEO, whose role will include overall oversight of all worldwide activity, including those of RI-UK.
- *Deepen relationships with key UK partners:* 2014 saw RI-UK participate actively in the Consortium of British Humanitarian Agencies, latterly known as the Start Network. During 2014, the Start Network was made up of the 19 largest British international NGOs, and its aims include the establishment of innovative funding instruments and sector capacity building. In 2015, RI-UK's role within the network will expand to support impact measurement and monitoring and evaluation services as part of a large scale DFID-funded initiative called the Disasters and Emergency Preparedness Programme (DEPP). In addition to the Start Network, RI-UK aims to become a more active contributor as one of DFID's pre-qualified Rapid Response Facility (RRF) partners. 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.
- *Increase focus on measuring impact and internal accountability:* During 2015, staff at RI-UK will continue to lead Relief International's commitment to improved impact tracking across its programming. This will facilitate improved ability of RI-UK to measure and monitor impact across its work. Staff at RI-UK will also focus on reviewing and upgrading Relief International's approach to compliance and risk monitoring and management. This will include the recruitment of a Director of Global Assurance and the development of a more rigorous approach to internal audit across the organization.

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

**Barbara Simmonds**

Treasurer of the Board of Relief International-UK
28 September 2015

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 2014 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 2014 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 2014

- 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

28 September 2015

Statement of Financial Activities Year to 31 December 2014
(incorporating the income and expenditure account)

	Notes	Unrestricted Funds	Restricted Funds	2014 Total Funds	2013 Total Funds
		\$	\$	\$	\$
Income and Expenditure					
Incoming resources from generated funds					
Voluntary Income					
Donations	2	239	4,170	4,409	9,502
Donated commodities	3	-	671,402	671,402	139,287
Investment income	4	353	-	353	393
Incoming resources from charitable activities	5	1,846,789	27,295,725	29,142,514	18,716,220
Total incoming resources		1,847,381	27,971,297	29,818,678	18,865,402
Resources expended					
Costs of generating funds		1,367	-	1,367	3,649
Charitable activities	6	2,122,559	27,971,297	30,093,856	18,709,776
Governance	7	44,732	-	44,732	39,128
Total resources expended		2,168,658	27,971,297	30,139,955	18,752,554
Net (outgoing resources) for the year		(321,277)	-	(321,277)	112,848
Net (expenditure) for the year / Net movement in funds		(321,277)	-	(321,277)	112,848
Fund balances at 1 January		827,885	-	827,885	715,037
Fund balances at 31 December		506,608	-	506,608	827,885

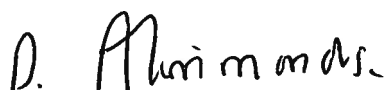
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. The notes on pages 19 to 26 form part of those financial statements. There are no recognized gains or losses in the current or preceding year other than as shown in the statement of financial activities.

Balance Sheet

Year to 31 December 2014

	Notes	\$	2014 \$	\$	2013 \$
Fixed assets:					
Tangible assets	12		4,873		6,498
Current assets:					
Debtors	13	7,351,878		6,247,091	
Cash at bank and in hand	14	1,824,112		859,650	
		<u>9,175,990</u>		<u>7,106,741</u>	
Creditors:					
Amounts falling due within one year	15	(7,440,829)		(5,077,828)	
		<u></u>		<u></u>	
Net current assets			1,735,161		2,028,913
Amounts falling due after one year	16		(1,233,426)		(1,207,526)
Net assets			<u>506,608</u>		<u>827,885</u>
Income funds					
Restricted funds	17		-		-
Unrestricted funds	18		506,608		827,885
			<u>506,608</u>		<u>827,885</u>

The financial statements were approved on the authority of the Board and signed on its behalf by:



Barbara Simmonds
Treasurer of the Relief International-UK Board of Trustees
28 September 2015

Cash flow Statement Year to 31 December 2014

	Notes	2014 \$	2013 \$
Net Cash (outflow) from operating activities	a)	964,108	(1,412,950)
Returns on investments and servicing of finance			
Bank Interest		353	393
Capital Expenditure			
Payments to purchase tangible fixed assets		-	-
Increase / (Decrease) in Cash in the year	b)	<u>964,461</u>	<u>(1,412,557)</u>

Notes to the cash flow statement for the year to 31 December 2014

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

a)

	2014 \$	2013 \$
Net (outgoing) / incoming resources	(321,277)	112,848
Bank interest received	(353)	(393)
Depreciation charges	1,624	2,166
Increase in debtors	(1,104,787)	(2,928,159)
Increase in creditors	2,388,901	1,400,588
Net Cash (Outflow) / Inflow from Operating Activities	<u>964,108</u>	<u>(1,412,950)</u>

b) Analysis of Net Cash Resources

	Opening Balances \$	Cash Flow \$	Closing Balance \$
Cash at bank and in hand (2014)	<u>859,650</u>	<u>964,462</u>	<u>1,824,112</u>

c) Location of Cash Resources

	2014 \$	2013 \$
HQ Bank Accounts	1,824,112	859,650
	<u>1,824,112</u>	<u>859,650</u>

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.

RI-UK changed its functional currency to US dollars from GBP to match the reporting with RI-USA in 2013 and to support the integration of financial management systems and global management accounting.

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.

Notes to the financial Statement

Year to 31 December 2014

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 at a value above \$750 and stated at cost minus depreciation. Depreciation is provided at rates calculated to write off the cost over its expected useful life:

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

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

1.7. Foreign currency

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

1.8. Accumulated funds

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

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

1.9 Pension scheme

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

Notes to the financial Statement

Year to 31 December 2014

2 Voluntary Income

	Unrestricted Funds	Restricted Funds	2014 Total	2013 Total
	\$	\$	\$	\$
Donations				
Unrestricted	239	4,170	4,409	9,502
	<u>239</u>	<u>4,170</u>	<u>4,409</u>	<u>9,502</u>

3 Donated commodities

	Unrestricted Funds	Restricted Funds	2014 Total	2013 Total
	\$	\$	\$	\$
Emergency, Health & Sanitation	-	427,276	531,721	134,957
Education and Empowerment	-	244,126	22,756	4,330
Total	<u>-</u>	<u>671,402</u>	<u>554,477</u>	<u>139,287</u>

4 Investment Income

	Unrestricted Funds	Restricted Funds	2014 Total	2013 Total
	\$	\$	\$	\$
Interest receivable	353	-	353	393
	<u>353</u>	<u>-</u>	<u>353</u>	<u>393</u>

5 Incoming resources from charitable activities

	Unrestricted Funds	Restricted Funds	2014 Total	2013 Total
	\$	\$	\$	\$
Emergency, Health & Sanitation	1,110,025	14,818,345	15,928,370	9,697,815
Education and Empowerment	301,397	6,363,792	6,665,189	1,640,524
Food & Agriculture	109,523	1,501,150	1,610,673	748,978
Livelihoods & Enterprise	115,354	1,687,820	1,803,174	3,143,033
Protection & Human Rights	49,002	696,713	745,715	3,024,479
Shelters & Infrastructure	161,488	2,227,904	2,389,392	461,392
TOTAL	<u>1,846,789</u>	<u>27,295,724</u>	<u>29,142,512</u>	<u>18,716,220</u>

Includes the following income from UK Department for International Development (DFID) \$3,865,015 (2013: \$1,820,578) for RI-UK's Girls Education Challenge project in Somalia.

Notes to the financial Statement

Year to 31 December 2014

6 Charitable activities

	Project Costs \$	Support Costs \$	2014 Total \$	2013 Total \$
Emergency, Health & Sanitation	14,244,161	1,110,025	15,354,186	9,176,756
Education and Empowerment	6,085,152	301,397	6,386,549	1,528,626
Food & Agriculture	1,492,262	109,523	1,601,785	696,714
Livelihoods & Enterprise	1,588,756	115,354	1,704,110	2,941,359
Protection & Human Rights	647,761	49,002	696,763	2,987,745
Shelters & Infrastructure	2,066,416	161,488	2,227,904	418,450
	26,124,508	1,846,789	27,971,297	17,749,651
	Project Costs \$	Support Costs \$	2014 Total \$	2013 Total \$
Staff costs	11,441,484		11,441,484	7,542,210
Project costs	14,683,024	1,846,789	16,529,813	10,207,441
	26,124,508	1,846,789	27,971,297	17,749,651

*Support costs are those eligible overhead expenses required to administer project activities.

7 Governance costs

	2014 Total \$	2013 Total \$
Audit costs	44,732	39,128
	44,732	39,128

Notes to the financial Statement

Year to 31 December 2014

8 Net Expenditure for the year	2014	2013
	\$	\$
Net incoming resources are stated after charging:		
Auditor's remuneration - Audit fee	44,732	39,128
Foreign exchange losses / (gains)	61,547	24,910
	<hr/>	<hr/>

9 Trustees

None of the trustees or any persons connected with them received remuneration or expenses through RI-UK during the year. Mr. Geoffrey Bell, RI-UK's Chair until 15 March 2015, served as the RI-USA interim CEO during a leadership gap between 8 August 2013 and 31 March 2014. His remuneration, inclusive of benefits, was \$45,000 for 2014.

10 Employees and staff costs

	2014	2013
	\$	\$
Staff costs during the year were:		
UK staff wages and salaries	506,401	524,922
UK staff social security costs	55,530	57,069
UK staff pension contribution costs	16,941	12,378
	<hr/>	<hr/>
Total UK support staff costs on behalf of RI-UK	578,872	594,369

RI staff working on RI-UK projects worldwide	<hr/>	<hr/>
	11,325,710	6,947,841
Total staff costs (UK and worldwide)	<hr/>	<hr/>
	12,495,347	7,542,210

The average number of employees during the year was:

	2014	2013
Total UK staff	10	9
Total global staff working on RI-UK projects	710	640

There was one RI-UK employee whose annual emolument was £60,000 or more (2013 - 1)

11 Taxation

RI-UK is a registered charity and as such is potentially exempt from taxation of its income and gains to the extent that they fall within charity exemptions in the Corporate Taxes Act 2010 or Section 256 Taxation of Chargeable Gains Act 1992. No tax charge has arisen in the year. In common with many other charities, RI-UK is unable to recover VAT on purchases of goods and services in the UK.

Notes to the financial Statement

Year to 31 December 2014

12 Tangible fixed assets

	Office Equipment \$	Furniture & Fixtures \$	2014 Total \$
Cost			
At 1 January 2014	6,084	17,156	23,240
Additions in year	-	-	-
<hr/>			
At 31 December 2014	6,084	17,156	23,240
Depreciation			
At 1 January 2014	5,505	11,237	16,742
Charge for the year	145	1,480	1,625
<hr/>			
At 31 December 2013	5,650	12,717	18,377
Net Book Value			
<hr/>			
At 31 December 2014	434	4,439	4,873
<hr/>			
At 31 December 2013	579	5,919	6,498

13 Debtors

	2014 \$	2013 \$
Due within one year:		
Accrued income - Grants receivable	5,259,324	6,139,353
Amount due from RI	1,458,471	-
Project debtors Overseas	-	102,894
Other debtors and prepayments	4,844	4,844
Due after more than one year		
Advances to DFID Girls Education Challenge project partners	629,239	-
	7,351,878	6,247,091

Notes to the financial Statement

Year to 31 December 2014

14 Cash at bank and in hand

	2014	2013
	\$	\$
Cash held in UK	1,824,112	859,650
	1,824,112	859,650

15 Creditors: Amounts falling due within one year

	2014	2013
	\$	\$
Project creditors	-	1,254,590
Deferred income	4,495,716	2,602,983
Amount due to RI	-	889,996
Other creditors	2,945,112	330,259
	7,440,828	5,077,828

Movement on deferred income in the year

	2014	2013
	\$	\$
Balance brought forward	2,602,983	2,011,701
Released to income	(2,602,983)	2,011,701
Received in year	4,495,716	2,602,983
Balance carried forward	4,495,716	2,602,983

16 Creditors: Amounts falling due more than one year

	2014	2013
	\$	\$
Department for International Development (DFID)	1,233,426	1,207,526
	1,233,426	1,207,526

* During 2013, DFID provided an interest free loan of £794,000 to support the mobilization of RI-UK's Girls Education Challenge project in Somalia. The loan is due to be repaid by the project's end in April 2017.

Notes to the financial Statement

Year to 31 December 2014

17 Restricted funds

	At 1 January 2014	Incoming Resources	Outgoing Resources	At 31 December 2014
	\$	\$	\$	\$
Emergency, Health & Sanitation	-	15,350,066	(15,350,066)	-
Education and Empowerment	-	6,386,549	(6,386,549)	-
Food & Agriculture	-	1,601,785	(1,601,785)	-
Livelihoods & Enterprise	-	1,704,110	(1,704,110)	-
Protection & Human Rights	-	696,713	(696,713)	-
Shelters & Infrastructure	-	2,227,904	(2,227,904)	-
	-	27,967,127	(27,967,127)	-

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	2014 Total	2013 Total
	\$	\$	\$	\$
Fixed assets	4,873	-	4,873	6,498
Current assets	501,735	8,674,255	9,175,990	7,106,742
Creditors: amounts falling due within one year	-	(7,440,829)	(7,440,829)	(5,077,828)
Creditors: amounts falling due more than one year	-	(1,233,426)	(1,233,426)	(1,207,527)
Total net assets	506,608	-	506,608	827,885

19 Related parties

RI-UK and RI-USA are related parties. They collaborate closely to deliver relief, rehabilitation, and development activities by contributing financial, technical, managerial, and administrative assistance to country offices across Africa, Asia, and the Middle East. RI-UK and RI-USA routinely advance monies to country offices on each other's behalves to fulfil project activities in anticipation of payments from donors. The amounts advanced to country offices from one organization on behalf of the other fluctuates during the year depending on the timing of actual donor receipts. At the end of 2014, the amount due from RI-USA was \$1,458,471. In 2013, RI-UK had an amount due to RI-USA of \$889,996.

