

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 2016

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Trustees Report

GENERAL REPORT

The Trustees, who are also directors of the company for the purposes of the Companies Act, are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st December 2016.

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

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

Principal activity

Relief International-UK (RI-UK) is an international relief, rehabilitation, and development non-governmental organisation (NGO) with its headquarters in London. RI-UK was incorporated as a company limited by guarantee in England and Wales on July 2, 2002 (registration number 4476247) and registered as a charitable organisation with the Charity Commission on June 19, 2003 (registration number 1098106). The charity is a company limited by guarantee and is an independent and non-profit making humanitarian agency that is nondiscriminatory in its practices.

STRUCTURE, GOVERNANCE, AND MANAGEMENT

Trustees and Organizational Structure

RI-UK is an independent organization. It has an alliance agreement with Relief International; a USA-based registered not for profit organisation (hereinafter referred to as RI-USA). Together, RI-UK and RI-USA are known simply as Relief International (RI), a global humanitarian alliance whose mission is to work with communities in fragile settings to escape from poverty by supporting their response to crises, building their resilience to disasters and emergencies, and advancing the dignity and long-term well-being of people in the communities that RI serves.

RI-UK and RI-USA collaborate closely to deliver its work. The two organisations do not establish separate field offices, but rather jointly support field operations and administration by contributing financial and technical assistance to emergency response, early recovery, and longer-term poverty-reduction programming across a wide range of sectors, including education, economic opportunity, health and nutrition, and water and sanitation.

By combining support to one field office in each country of operation and sharing the use of key support staff and systems between the two organisations, RI-UK and RI-USA avoid duplication, ensure that headquarters costs are minimised, 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 it serves.

Trustees Report

RI-UK's Board of Trustees administers the charity. The board normally meets quarterly, and there are subcommittees covering strategy and risk, governance and human resources, finance, audit, and fundraising which also meet quarterly in advance of the full Board meeting. The CEO is appointed by Trustees to manage the day-to-day operations of the charity, and has delegated authority, within terms of delegation approved by the Trustees, for all operational matters including strategy implementation, programmatic and fiduciary oversight and the management of key risks. The CEO is supported by a Senior Management Team (SMT) across key functions, who as leadership personnel themselves are responsible for the management of staff across departments and countries of operation.

The organization's approach to remuneration, including key management personnel, is designed to ensure we can attract and retain the talented and motivated people it needs to achieve our mission and deliver our strategic goals. It is applied consistently across the organisation. RE-UK aims to pay competitively in the not-for-profit sector within the context of affordability, and link pay to performance, and provide salary progression for those who deliver exceptional performance.

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 2016, RI-UK has continued to fulfill 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 organisation's structure, strategic priorities, and their roles and responsibilities as Board members.

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

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Trustees Report

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.

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.

For 2016, 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 action steps management has in place to prevent or mitigate these risks. Senior management also ensures that day-to-day risk management processes are embedded across the organisation 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 RI-UK works could hamper our ability to work effectively and safely in these locations. These changes may include economic or political collapse, civil conflict, or serious environmental disaster.

Trustees Report

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 90% of global staff are nationals of the countries within which it operates, 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 RI-UK 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. RI-UK is 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, RI-UK has in-country teams which are responsible for ensuring compliance with local requirements including registration, tax compliance, and statutory reporting. RI-UK also monitors changes to British and Charity Commission regulations and 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 to comply with the various requirements of funders.

Human Resources

Relief International's work requires that it employs highly qualified, competent, and motivated staff. If the organisation does 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 RI-UK has on the lives of the people it serves.

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.

Trustees Report

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 people living in fragile settings through emergency, humanitarian and development assistance, around the world. RI-UK is non-political and non-sectarian and is solely dedicated to reducing human suffering.

Specifically;

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

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

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

Monitoring of Activities

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

Trustees Report

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 2016; Afghanistan, Bangladesh, Iraq, Iran, Jordan, Lebanon, Myanmar, Nepal, Pakistan, Phillipines, Somalia, Sudan, South Sudan, Turkey, and Yemen.

ACHIEVEMENTS AND PERFORMANCE**Organizational Performance**

During 2016, Relief International continued to implement its 2015 – 2020 strategy including a range of organizational change and improvement measures. This has included the following major initiatives;

- *Increasing technical expertise in Relief International's core sectors:* During 2016, RI has recruited headquarters-level technical leadership for each of its core sector of Health, Education, Economic Opportunity, and Water, Sanitation, and Hygiene. The role of this team is to provide direct technical support and oversight to their country colleagues in each of the respective sectors. This has involved establishing global communities of Practice to bring together and share learning from across the worldwide team, and to foster a culture of identifying and implementing an innovative solution to common and complex challenges.
- *Deepening relationships with the key UK and European partners:* During 2016, RI's funding relationship with the European Commission expanded significantly, in particular in the Middle East, where RI became a key partner of DG ECHO in delivering humanitarian assistance to vulnerable Syrians across the region. In addition, RI stepped up its engagement with the Start Network in the UK, strengthening its relationships with peer organisations and partners and enabling it to respond rapidly to a number of crises, notably in Yemen and Somalia, within 48 hours.
- *Continuing deepening integration between RI-UK and RI-USA at the level of organisational systems and organisational 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 integrating the work of the Boards of Trustees of the two organisations, and the establishment of a unified set of global support departments with staff located across the two organisations. It has also involved further integration of IT, programme management, and financial management systems to reflect the entire operations of Relief International.
- *Continuing the process of management decentralisation 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 the strengthening of 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 \$57,448,473 (2015: \$42,765,481) to vulnerable populations in thirteen countries. This included the distribution of donated supplies valued at \$4,729,704 (2015: \$955,202). RI-UK funded 1500 (2015: 722) staff across RI's global operations during the year. Highlights of this assistance include the following work carried out across the world.

In line with RI's 2015 - 2020 strategy, the organisation's focus is on embedding four key approaches of "the RI Way" across its programming. In practice, this means;

Trustees Report

Local Participation: At Relief International, beneficiaries are not recipients of aid. They are participants in their own solutions. We engage local communities at the program design stage because programs designed, built and judged by the community they serve are more likely to succeed. And to last.

Integrated Programmes: Relief International designs projects to cover more than just once slice of life. Because lives are complicated. Education boosts health. Better health improves livelihoods. Stronger livelihoods let families invest in education. Integrated solutions serve people living in the real world.

Partnerships: We partner with communities, governments, and leading international organizations. These relationships let us harness complementary expertise and networks to ensure that each community gets the best solutions available.

Civic Skills: People are powerful when they are heard. By engaging communities in project design and execution, Relief International fosters skills such as transparency, accountability and open public debate — the cornerstones of effective civil society. And a strong civil society supports good governance, the critical force behind long-term development and stability.

Examples of these approaches in action during 2016 included:

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 extend beyond the facilities. Village health care workers have provided an essential link between formal and traditional health care, often offering 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.

Trustees Report***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.

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, 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 EastFocus 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. The protest turned into the 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 Northern 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

Trustees Report

- 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

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 2016, the RI-UK and RI-USA management teams continued to integrate further 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 2016, RI-UK expanded significantly its charitable activities with grant funding for its overseas projects of \$57,448,473 (2015: \$42,765,481), an increase of \$15,103,723 compared to 2015. During the year, RI-UK supported relief, rehabilitation, and development programmes in 14 countries. Programme expenditure can be disaggregated into the following humanitarian categories;

i.	Economic Opportunity	\$6,345,542
ii.	Education	\$11,654,399
iii.	Health	\$22,287,217
iv.	Multi-Sectoral	\$7,799,113
v.	WASH	\$5,540,127
vi.	Other	\$3,912,076

The charity had no restricted funds as at 31 December 2016 (2015: £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 2016 increased from \$545,718 to \$1,005,557, an increase of \$459,840.

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

Trustees Report

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

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

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

Each year the Trustees consider the appropriate level of unrestricted reserves. They review RI's requirements and consider a sustained fall in income to be a reasonable basis for setting a minimum level. It is the intention of the trustees to hold sufficient reserves to enable expenditure to be reduced in a managed fashion, should the need arise, avoiding the need to halt work abruptly. The trustees have agreed that free reserves should normally be within a range of 3-6 months' of operational expenditure. As at 31 December, 2016 RI-UK held unrestricted general funds of \$1,005,558 (2015: \$545,718) reserves which represented over 6 months' of future corporate expenditure (which exclude direct project costs).

Going concern

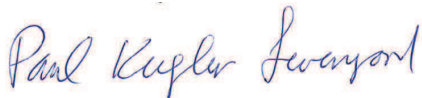
Relief International is well placed to manage the business risks they face. This position is supported by a strong cash flow, a sufficient level of reserves, a good relationship with our key funders and proven ability to secure new services. We, therefore, have a reasonable expectation that the organization has sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of Relief International to continue as a going concern.

Our planning processes, including financial projections, take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

RI-UK FUTURE PLANS FOR 2017

- *Increase focus on measuring impact and internal accountability:* During 2016, the staff at RI-UK will continue to lead Relief International's commitment to improved impact tracking across its programming. This will facilitate the 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.
- *Preparing for Brexit*
- *Engage the board more directly in the high-level Risk Management process, to clearly identify their risk appetite across a range of risks.*

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



PK Levengood
Chair of the Board of Relief International-UK
28 September 2017

Independent Auditor's Report

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 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, the Financial Reporting Standards applicable in the UK and Republic of Ireland.

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.

Independent Auditor's 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with FRS 102, the Financial Reporting Standards applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

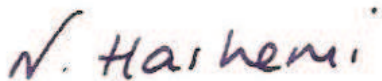
Opinion on other matter prescribed by the Companies Act 2006

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.



Naziar Hashemi

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

28 September 2017

Statement of Financial Activities incorporating an income and expenditure account

Income and Expenditure	Notes	Unrestricted Funds	Restricted Funds	2016 Total Funds	2015 Total Funds
		\$	\$	\$	\$
Incoming resources from generated funds					
Donations and gifts in kind	3	1,160	4,729,682	4,730,843	964,472
Charitable activities	4	3,497,907	49,675,812	53,173,718	41,838,785
Investments		3,731		3,731	1,333
Total incoming resources		3,502,798	54,405,516	57,908,313	42,804,590
Expenditure on:					
Raising funds		345,872	-	345,872	72,644
Charitable activities	4	2,697,086	54,405,515	57,102,601	42,692,837
Total		3,042,958	54,405,515	57,448,473	42,765,481
Net income/movement in funds		459,840	-	459,840	39,110
Reconciliation of funds:					
Fund balances at 1 January		545,718	-	545,718	506,608
Fund balances at 31 December		1,005,558	-	1,005,558	545,718

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

Notes 1 to 16 form part of those financial statements.

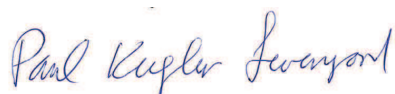
There are no recognized gains or losses in the current or preceding year other than as shown in the statement of financial activities.

Balance Sheet

	Notes	2016 \$	2015 \$
Fixed assets:			
Tangible assets	9	<u>2,740</u>	<u>3,655</u>
Current assets:			
Debtors	10	9,037,289	11,020,093
Cash at bank and in hand		<u>5,297,012</u>	<u>1,162,633</u>
		14,334,301	12,182,725
Liabilities:			
Creditors:			
Amounts falling due within one year	11	<u>(13,331,483)</u>	<u>(10,463,483)</u>
Net current assets		1,002,818	1,719,242
Creditors:			
Amounts falling due after more than one year	12	<u>-</u>	<u>(1,177,179)</u>
Total net assets or liabilities:		<u>1,005,558</u>	<u>545,718</u>
The funds of the charity			
Restricted Funds	13		
Unrestricted Funds	14	<u>1,005,558</u>	<u>545,718</u>
Total Charity Funds		1,005,558	545,718

Notes 1 to 16 form a part of these financial statements.

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



Mr. Paul Levensgood
Chairman of the Relief International UK Board of Trustees
28 September 2017

Company registration number 4476247

Cash Flow Statement

	Notes	2016 \$	2015 \$
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	a)	4,131,888	(662,812)
Returns on investments and servicing of finance:			
Bank Interest		2,492	1,333
Cash and cash equivalents in the reporting period	b)	<u>4,134,380</u>	<u>(661,479)</u>
Cash and cash equivalents at the beginning of the reporting period		1,162,633	1,824,112
Cash and cash equivalents at the end of the reporting period		5,297,013	1,162,633

Notes to the cash flow statement for the year to 31 December 2016

Reconciliation of cash flows from operating activities

	Notes	2016 \$	2015 \$
Net income for the reporting period (as per the statement of financial activities)	a)	459,840	39,110
Adjustments for:			
Depreciation charges		915	1,218
Investment Income		(2,492)	(1,333)
Decrease/(increase) in debtors		1,982,803	(3,668,214)
Increase in creditors		1,690,822	2,966,407
Net cash provided by (used in) operating activities		<u>4,131,888</u>	<u>(662,812)</u>
Analysis of cash and cash equivalents	b)	2016 \$	2015 \$
Total cash and cash equivalents		5,297,012	1,162,633

Notes to the Financial Statement

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. Its registered company number is 4476247 and charity number is 1098106.

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

1. Accounting policies**1.1. Basis of preparation**

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

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

1.2. Functional currency

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

1.3. Incoming Resources

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

Donations comprise of gifts from individuals, corporations, and charitable trusts and is included in full in the statement of financial activities when receivable.

Gifts in kind are shown as incoming resources and accounted as grants in kind. The value of gifts in kind from institutional donors is pre-determined by the donor according to grant agreements, typically based on market prices for the relevant goods. An amount equal to the value of distributions to beneficiaries is included as in-kind expenditure in the statement of financial activities.

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.

Notes to the Financial Statement

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

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

1.4. Liabilities

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

1.5. Resources expended and the basis of apportioning costs

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

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

Notes to the Financial Statement

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.

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

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

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

1.11 Financial instruments

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

Notes to the Financial Statement

2.0 Incoming resources from charitable activities

	Unrestricted Funds \$	Restricted Funds \$	2016 Total \$	2015 Total \$
Economic Opportunity	435,268	5,950,426	6,385,693	7,435,473
Education	578,219	11,117,463	11,695,682	9,419,112
Health	1,428,844	17,556,751	18,985,595	19,452,289
Multi-Sectoral	515,861	7,259,396	7,775,257	279,308
WASH	371,188	5,134,314	5,505,502	3,065,888
Other	168,527	2,658,722	2,827,248	2,186,716
TOTAL	3,497,907	49,677,072	53,174,978	41,838,785

The above includes the following income from UK Department for International Development (DFID) \$6,244,684 (2015 \$7,294,383) for RI-UK Girls Education Challenge project in Somalia

3.0 Donated goods, facilities and services

Restricted donated commodities	Unrestricted Funds \$	Restricted Funds \$	2016 Total \$	2015 Total \$
Economic Opportunity	-	-	-	-
Education	-	49,435	49,435	49,320
Health	-	3,447,406	3,447,406	826,773
Multi-Sectoral	-	103,433	103,433	-
WASH	-	-	-	79,110
Other	-	1,129,430	1,129,430	-
Total	-	4,729,704	4,729,704	955,202

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

Notes to the Financial Statement

4.0 Charitable Activities

	Project Costs \$	Support Costs \$	2016 Total \$	2015 Total \$
Economic Opportunity	5,971,815	373,727	6,345,542	7,409,973
Education	11,163,350	491,049	11,654,399	9,486,546
Health	21,192,138	1,095,079	22,287,217	20,040,017
Multi-Sectoral	7,345,302	453,810	7,799,113	280,850
WASH	5,133,703	316,424	5,450,127	3,135,093
Other	3,856,942	55,134	3,912,076	2,413,001
	54,663,250	2,785,223	57,448,473	42,765,481

	Project Costs \$	Support Costs \$	2016 Total \$	2015 Total \$
Staff costs	20,498,863	-	20,498,863	16,541,304
Project costs	34,164,387	2,785,223	36,949,609	26,224,177
	54,663,250	2,785,223	57,448,473	42,765,481

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

5.0 Trustees

None of the trustees or any persons connected with them received no remuneration or expenses through RI-UK during the year.

Notes to the Financial Statement

6.0 Governance Costs

	2016	2015
	Total	Total
	\$	\$
Audit costs	38,257	43,120
	<hr/>	<hr/>
	38,257	43,120
	<hr/> <hr/>	<hr/> <hr/>

7.0 Net Expenditures for the year

	2016	2015
	\$	\$
Net incoming resources are stated after charging:		
Auditor's remuneration - Audit fee	38,257	43,120
Foreign exchange losses / (gains)	(69,643)	(5,900)
	<hr/>	<hr/>

Notes to the Financial Statement

8.0 Employee and Staff Costs

	2016	2015
Staff costs during the year were:	\$	\$
UK staff wages and salaries	928,340	597,380
UK staff social security costs	103,994	60,530
UK staff pension contribution costs	48,103	20,941
	<hr/>	<hr/>
Total UK support staff costs on behalf of RI-UK	1,080,437	678,851
	<hr/>	<hr/>
RI staff working on RI-UK projects worldwide	20,498,863	16,541,304

Total remuneration received by key management personnel charged to RI-UK is \$142,558 (2015:\$151,069), of which pension contributions made up \$ 10,994 (2015:\$10,237)

The average number of employees during the year was:

The average number of UK staff was:

	2016	2015
Total staff worldwide	1,808	1,412
Average UK staff	15	10

There were eight (6) employees whose annual emolument was £60,000 or more in 2016 (2015: 2)

Emolument	2016	2015
£60-£70k	4	2
£70k - £80k	1	
£90k - £10k	1	

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

Notes to the Financial Statement

9.0 Tangible Fixed Assets

	Office Equipment \$	Furniture & Fixtures \$	2016 Total \$
Cost			
At 1 January 2016	6,084	17,156	23,240
At 31 December 2016	6,084	17,156	23,240
Depreciation			
At 1 January 2016	5,758	13,827	19,585
Charge for the year	-	915	915
At 31 December 2016	5,758	14,742	20,500
At 31 December 2016	326	2,414	2,740
At 31 December 2015	326	3,329	3,655

10.0 Debtors

	2016 \$	2015 \$
Accrued income - Grants receivable	6,887,972	10,295,930
Amounts due from RI-US	1,929,275	157,804
Other debtors and prepayments	7,497	7,497
Advances to Department for International Development (DFID) project partners	212,545	558,862
	9,037,289	11,020,093

Notes to the Financial Statement

11 Creditors: Amounts falling due within one year

	2016 \$	2015 \$
Deferred income *	10,939,605	8,365,671
Other creditors	1,412,745	2,097,812
Department for International Development (DFID)	979,134	-
	13,331,483	10,463,483

During 2013 DFID has provided an interest free loan of \$1,207k (£794K) to support mobilization of the Girls Education Challenge project in Somalia. Loan balance due at project's end date in April 2017.

Amounts remaining as at 31 December total \$979,134 now included in the Deferred Income falling due within one year

	Opening Balance	Income Received	Income Deferred	Closing Balance
Deferred Income*	8,365,671	47,393,242	(44,819,308)	10,939,605

12 Creditors: Amounts falling due more than one year

	2016 \$	2015 \$
Department for International Development (DFID)	-	1,177,179
	-	-
	-	1,177,179

13. Restricted Funds

	At January 2016 \$	Incoming Resources \$	Outgoing Resources \$	At December 2016 \$
Economic Opportunity	-	5,950,426	(5,950,426)	-
Education	-	11,117,463	(11,117,463)	-
Health	-	17,556,751	(17,556,751)	-
Multi-Sectoral	-	7,259,396	(7,259,396)	-
WASH	-	5,134,314	(5,134,314)	-
Other	-	2,657,462	(2,657,462)	-
	-	49,675,812	(49,675,812)	-

Notes to the Financial Statement

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

14. Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	2016 Total	2015 Total
	\$	\$	\$	\$
Fixed assets	2,740	-	2,740	3,655
Current assets	1,002,818	13,331,483	14,334,302	12,182,725
Creditors: amounts falling due within one year	-	(13,331,483)	(13,331,483)	(10,463,483)
Creditors: amounts falling due more than one year	-	-	-	(1,177,179)
Total net assets	1,005,558	-	1,005,558	545,718

15. Financial Instruments

	2016 Total	2015 Total
	\$	\$
Financial assets measured at amortised costs	14,334,301	12,182,725
Financial liabilities measured at amortised cost	(1,285,596)	(2,864,991)
Total interest income for financial assets held at amortised cost	2,425	1,333

Notes to the Financial Statement**16. 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. All transactions have been carried out at arm's length. At the end of 2016, the amount due from RI-USA was \$1,929,275 (2015: \$157,804).

Notes to the Financial Statement – 2015 Information

2015 Statement of Financial Activity

Income and Expenditure	Unrestricted Funds	Restricted Funds	2015 Total Funds	2014 Total Funds
	\$	\$	\$	\$
Incoming resources from generated funds				
Voluntary Income				
Donations	7,881	1,389	9,270	4,409
Charitable Activities	2,469,911	39,368,874	41,838,785	29,142,514
Investments	217	1,115	1,333	353
Gifts in Kind from Donors	-	955,202	955,202	671,402
Total incoming resources	2,478,010	40,326,580	42,804,590	29,818,678
Expenditure On:				
Raising funds	72,644	-	72,644	1,367
Charitable activities	2,366,257	40,326,580	42,692,837	30,138,588
Total	2,438,900	40,326,580	42,765,481	18,752,554
Net (outgoing resources) for the year	39,110	-	39,110	(321,277)
Net (expenditure) for the year / Net movement in funds	39,110	-	39,110	(321,277)
Fund balances at 1 January	506,608	-	506,608	827,885
Fund balances at 31 December	545,718	-	545,718	506,608

Notes to the Financial Statement – 2015 Information

2015 Restricted Funds

	At 1 January 2015 \$	Incoming Resources \$	Outgoing Resources \$	At 31 December 2015 \$
Economic Opportunity	-	6,956,370	(6,956,370)	-
Education	-	9,130,289	(9,130,289)	-
Health	-	18,941,777	(18,941,777)	-
Multi-Sectoral	-	263,323	(263,323)	-
WASH	-	2,984,120	(2,984,120)	-
Other	-	2,048,197	(2,048,197)	-
	-	40,324,076	(40,324,076)	-

2015 Net Assets

	Unrestricted Funds \$	Restricted Funds \$	2015 Total \$	2014 Total \$
Fixed assets	3,655	-	3,655	4,873
Current assets	542,063	11,640,662	12,182,725	9,175,990
Creditors: amounts falling due within one year	-	(11,169,790)	(11,169,790)	(8,180,885)
Creditors: amounts falling due more than one year	-	(470,872)	(470,872)	(493,371)
Total net assets	545,718	-	545,718	506,608