

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 2017

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Trustees Report

Trustees	Paul Levensgood (Chairman)	
	Steve Hansch (Treasurer)	
	Dana Freyer	
	E Davisson Hardman Jr	
	Amanda Barnes	
	Keith Allman	<i>Term expired 8 March 2018</i>
	Cenk Aydin	<i>Term expired 8 March 2018</i>
	Dan Bader	
	Rob Cope	
	Sezgin Baran Korkmaz	<i>Term expired 8 March 2018</i>
	Ellen Frost	
	John Gage	
	Leon Irish (Secretary)	
	Irene Wurtzel	
	Eden Collinsworth	
	Debra Davis	<i>Appointed 02 March 2017</i>
	Julia Guth	<i>Appointed 02 March 2017</i>
	Beverly Armstrong	<i>Appointed 28 September 2017</i>
		<i>Resigned 23 October 2017</i>
		<i>Re-appointed 15 May 2018</i>

Key Management Personnel

RI CEO- RI UK	Nancy Wilson
Head of European Operation	Jamie Hall
Chief Financial Officer – RI-UK	Mary Au (resigned October 2017)
	Beverly Armstrong (Interim, from October 2017 through April 2018)
	Eric Fullilove (appointed April 2018)

General Report

Charity number	1098106
Company number	4476247
Registered office	Albert House 256 -260 Old Street London EC1V 9DD

Auditors	Crowe U.K. LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH
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Bankers	The Cooperative Bank plc, Head Office, P.O. Box 101, Balloon Street, Manchester, M60 4EP
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Barclays Corporate
Level 27, 1 Churchill Place
London
E14 5HP

Solicitors	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HS
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Trustees 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 2017.

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

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

RI-UK is an independent organisation. It has an alliance agreement with Relief International Inc; 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 (hereinafter referred to as 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 dignity and long-term well-being.

RI-UK and RI-USA collaborate closely to deliver RI's 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.

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 fund-raising which also meet quarterly in advance of the full Board meeting. The CEO is appointed by the Trustees to manage the day-to-day operations of the charity, and has delegated authority, within terms of delegation approved by the Trustees, for all operational matters including strategy implementation,

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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 organisation's approach to remuneration, including key management personnel, is designed to ensure that RI-UK can attract and retain the talented and motivated people it needs to achieve its mission and deliver its strategic goals. RI-UK aims to pay competitively in the not-for-profit sector within the context of affordability, 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 2017, RI-UK has continued to fulfill its charitable objectives of providing timely and efficient humanitarian and development services to many of the most vulnerable communities in fragile settings across Africa, Asia and the Middle East.

Trustees' Responsibilities

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

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

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

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

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

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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.

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

Risk Management

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

To address these challenges, a culture of risk management and mitigation is embedded in the organisation and both senior management and trustees are involved in the oversight of high risk areas. A risk register is used by management and the trustees to examine and monitor risks to the organisation. The register identifies and priorities risk in relation to the likelihood of the risk emerging and the level of impact it would have on the organisation, outlines the measures in place to safeguard the organisation's assets against such risk, and additional measures planned to further mitigate the risk.

The Board of Trustees seeks to ensure that systems are in place to monitor, manage, and mitigate RI-UK's exposure to major risks. These are reviewed quarterly by the relevant committee of the Board.

Principal risks

The countries in which RI operates

RI 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 works could hamper its ability to work effectively and safely in these locations. These changes may include economic or political collapse, civil conflict, or serious environmental disaster.

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

RI mitigates these risks by adopting an operating model that prioritises community acceptance as a strategic priority. More than 92% 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

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and threats that may affect our work. RI has also introduced a remote management framework to support its ability to continue operating even under circumstances in which access to field locations for senior staff is temporarily limited by spikes in conflict or insecurity. The framework includes a wide range of enhanced operating procedures to address a variety of such operational risks and is being embedded across the organisation.

Regulatory and donor compliance

RI operates in countries with many and varying local laws and requirements. Failure to keep abreast of these requirements could compromise RI's ability to continue operating in these locations. RI-UK is also bound by British law and Charity Commission rules.

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

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

Human Resources

RI'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 positive impact RI has on the lives of the people it serves.

In 2017 RI participated in Benefit and Compensation surveys with other INGO's to collect market data. This information has been utilised as a tool to update the RI UK salary scales at each country to ensure RI UK competitiveness by matching the market within the non-profit sector in each country of operation. This includes at RI-UK's headquarters in London. This helps the organisation establish a compensation scheme that is competitive and equitable while promoting employee engagement and high performance. It helps to attract outside candidates, motivate current staff, and retain key employees and high performing employees.

Beneficiary and Staff Safeguarding

RI-UK has many policies, protocols and trainings in place to safeguard children, vulnerable adults, communities and staff against exploitation, abuse and harassment of any kind (including sexual), as well as mechanisms that allow communities, beneficiaries and staff to report potential cases of abuse to our organisation. We vet all potential job candidates and seek personal and professional references to provide information about the quality of their work and character. Our safeguarding, incident reporting, and whistleblowing policies are also reinforced by a Code of Conduct. As a requirement of RI's induction

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process, we require all employees to sign and commit to behavioural protocols relating to safeguarding / protection, financial propriety, and other behavioural standards articulated in the Code of Conduct, including the commitment to treat all individuals with dignity and respect.

In addition, we recently launched a more comprehensive Incident Reporting and Management policy, with multiple direct and anonymous reporting mechanisms. We simultaneously undertook an organisation-wide communications programme to ensure awareness of safeguarding/protection standards and the reporting processes, with emails, posters and staff meetings, in English and local languages. RI staff and volunteers are encouraged to report any concerns they have about misconduct – indeed it is a violation of policy if staff are aware of a violation and do NOT report it. In addition, we also have feedback and complaints systems for men, women, boys and girls in communities where we work to report concerns.

All concerns/reports are treated seriously, acknowledged, investigated as necessary and addressed by the appropriate management. Any potentially credible allegations of exploitation or abuse would lead to an immediate investigation and the staff member could be suspended, have their employment terminated or be prosecuted depending on the outcome of the investigation. In such cases, RI would report the outcome to all relevant authorities, including donors and the Charity Commission where appropriate.

Future funding opportunities affected by Brexit

RI-UK continues to closely monitor the discussions between the UK government and the European Union. The Charity is well advanced in establishing alternative legal status in alternative European Member States in order to meet requirements for European Commission funding as a long term strategy both to expand the Relief International alliance beyond the UK and US but also to ensure ongoing headquarters presence within the European Union. In addition, RI, along with other British charities, has now received a commitment from the UK Department for International Development (DFID) that it will fully fund all post-March 2019 outputs of any programme funded from the European Union's core budget in the event that no agreement is concluded between the United Kingdom and the EU. This means that short term uncertainties about the status of RI-UK's European Union-funded activity are removed and we anticipate no negative Brexit impact for 2019 as a result. Finally, RI-UK shares \$3.6 million in overhead costs with RI-US which could be reallocated to accommodate any significant structural change in management roles and responsibilities across the Relief International alliance as a result of changes in the flow of revenue.

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;

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

RI-UK's Objectives

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

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

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

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

Monitoring of Activities

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

In meeting its stated objectives, RI-UK provided assistance to vulnerable populations in fifteen countries during 2017: Afghanistan, Bangladesh, Iraq, Iran, Jordan, Lebanon, Myanmar, Philippines, Somalia, Sudan, South Sudan, Syria, Turkey, Uganda and Yemen.

ACHIEVEMENTS AND PERFORMANCE

Organisational Performance

During 2017, RI continued to implement its 2015 – 2020 strategy including a range of organisational change and improvement measures. Key 2017 accomplishments compared with the future plans for 2017 outlined in the 2016 Trustees Report include the following

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Achievements vs Future Plan 1: Increase focus on measuring impact and internal accountability:

RI-UK launched its programme quality strategy launched with support of technical leadership in 2017. Technical leadership is fully engaged in strengthening our portfolio by providing technical assistance that meets best practice to all country offices in programme design, implementation, monitoring & evaluation and knowledge sharing. All active programmes had at least one technical assistance field visit from one or more sector leads. RI-UK developed and rolled out a Remote Management Framework and added five major multi-year grants to our portfolio in Turkey, Lebanon, Somalia and Afghanistan, which strengthen country stability. RI's Global Assurance Director also conducted 5 detailed field visits to audit the quality of implementation leading to a range of improvements in practice across the portfolio.

Achievements vs Future Plan 2: Prepare for Brexit:

RI began detailed planning for a range of Brexit outcomes during 2017. These included the commitment to establish legal entity presence in another European Member State, and to explore the possibility of forming an alliance with an existing European NGO. Both of these plans advanced significantly in 2017, with execution anticipated in 2018.

Achievements vs Future Plan 3: Engage the Board more directly in risk management processes:

Organisational risk management was given greater prominence with the creation of a department focused on Strategy and Risk, with key responsibilities for overseeing key cross-functional initiatives to address key risk areas. This included active engagement of the Board on areas of risk management. Each Board committee now has a set of assigned risks to monitor on a regular basis, and to report back to the full board on progress in risk mitigation or changes in risk assessments. This work is set to continue to develop and grow during 2018.

Other 2017 Achievements

A focus in fragile settings is now a hallmark of RI's strategy and implementation, as noted in a strategy review undertaken by the Board in 2017: RI's portfolio is growing strongly in fragile settings with a significant increase in funding from key European donors such as from the European Common Humanitarian Organisation (ECHO). RI-UK funding grew by 23% over 2017. RI reached 4.9m people in vulnerable communities. This growth was driven largely by its portfolios in Turkey, Jordan and Yemen. RI also renewed its registration in Iraq – after three years of negotiations with the government. RI responded effectively to several major humanitarian emergencies. In Bangladesh RI was one of the first INGOs to respond to the Rohingya crisis and developed a significant programme within three months. In Uganda RI staffed and funded three health clinics to provide services to 16,000 refugees from South Sudan in the last quarter. In Sudan RI established a new programme in East Darfur to support an influx of refugees from South Sudan. In Iran RI conducted a rapid assessment after the Kharamanshah earthquake in early December laying the groundwork for a significant response in 2018. RI successfully combated cholera and diphtheria outbreaks in Yemen and Bangladesh. A DfID funded small scale emergency response fund, the START Fund, was received to support RI's response to floods in Bangladesh, and tropical storm Vintu in the Philippines.

RI-UK continued the process of management decentralisation with the aim of improving the quality of programming and impact. This has involved recruiting new leaders at the country level and strengthening managerial support and programme development capacity in regional and country offices.

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Senior Management also undertook continued harmonization of 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 monitoring and oversight of worldwide activities.

Programmatic Performance

Over the course of the financial year, RI-UK provided assistance valued at \$71.6m (2016: \$57.9m) to vulnerable populations in fifteen countries. This included the distribution of donated supplies valued at \$12.8m (2016: \$4.7m). RI funded 1,846 (2016: 1500) 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 we continue to strengthen our programming across these four approaches:

Local Participation: At RI, beneficiaries are not recipients of aid. Promoting participation means finding ways to ensure community members are involved at each step in the programme cycle, listening to their ideas and feedback and finding ways to adapt and improve programme design as required.

Integrated Programmes: RI seeks to provide support across its four main sectors – economic opportunity, education, health and water, sanitation, and hygiene (WASH) - reflecting the complexity and connection of the lives of the people we work with. Education boosts health. Better health improves livelihoods. Stronger livelihoods enables families invest in education. Thus RI uses integrated approaches whenever possible. If RI doesn't work in a particular sector, it seeks to expand its programmes to ensure that this services are provided in another way. The majority of RI's programmes integrate two or more of RI's four core sectors.

Partnerships: RI partners with communities, influential local groups (including community based organisations, private sector and other bodies) and leading international organisations to strengthen programmes and ensure that all perspectives and appropriate skills are maximised. Partnerships are also agreed to facilitate access in fragile settings and build local capacity

Civic Skills: People are powerful when they are heard. RI's goal is to help the communities with whom we work acquire new knowledge and skills to strengthen processes of deliberation, accountability and transparency. RI continues to develop its approach to strengthen communication and dialogue, help community members listen to each other and constructively engage to find effective solutions. By engaging communities in project design and execution, RI 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 2017 included:

Africa

Focus on girls' education in Somalia

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Somalia, often regarded as the world's most persistent failed-state, is situated in the Horn of Africa peninsula. For the past 25 years Somalia has experienced civil strife, persistent food shortages, and recurrent droughts and floods leading to mass displacement and chronic crisis. Despite a series of coordinated international interventions the country still remains fragile and the consequences of the long lasting conflict have diminished the quality of state services. As a consequence a generation of Somali children either lack or are denied access to basic education.

RI has been supporting education programmes in Somalia since 2009, responding to the longer-term development needs of children. RI addresses the issue of access, quality, protection and sustainability working in partnership with the government, civil society and communities and schools to ensure girls and boys continue their education without disrupted learning.

In 2013 RI started the implementation of the Educate Girls, End Poverty (EGEP) project, funded by the UK Department for International Development (DFID) aiming to enrol more girls in school, inspire them to stay and graduate school with the knowledge that enables them to break the cycle of poverty. The project currently benefits nearly 30,000 marginalised girls, aged 6 to 19, who hail from urban poor, rural, and internally displaced (IDP) populations. Within these populations special attention is paid to vulnerable, orphaned and disabled girls. To date, the project supports over 200 primary, secondary, vocational and non-traditional schools, and family life education centres. EGEP has been able to help girls stay in school and has achieved some success in improving test scores.

Across its programming, RI has focused on emergency life-saving responses to address the growing level and scale of acute multi-sectoral humanitarian needs. These programmes aim to restore household and community productive assets and enhance access to essential education, health, nutrition and water and sanitation (WASH) services. RI works to build the capacity of local communities, partners and institutions to facilitate the continuation of long term programming for the Somali people.

Asia

Focus on education programming in Iran

In 1990 Iran was hit by the devastating Manjil-Rudbar earthquake that resulted in a death toll of 40,000. RI-UK's US affiliate, RI-US, was among the first response teams on the ground and has been active in Iran ever since. In 2004 RI-UK and RI-US scaled up its programmes in response to the damage caused by the Bam earthquake. Both RI entities have developed strong networks with government and non-government actors as well as the Iranian people, supporting marginalized populations through programmes focusing on health, sanitation, livelihoods, capacity building, enterprise, infrastructure strengthening, protection and emergency response.

Over recent years, RI has developed its programme in Iran, especially in the education sector, after the Iranian Supreme Leader issued a decree stating that all children, regardless of citizenship status, had the right to enrol in formal schooling in Iran. This opened the door for RI to provide support to the Ministry of Education and Afghan refugee families and enrol more out of school Afghan children into the formal school system in Iran. In 2017, with the support of the European Commission, RI supported 1,800 Afghan children amongst the poorest, aged 7 – 9, by providing a 12 week 'School Readiness Programme' (Non Formal Education or NFE) to get intellectually and emotionally ready to enter Grade One in schools in Mashhad, Yazd, Sistan Baluchistan and Tehran. RI also distributed school kits and a winter coat to all NFE children.

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RI provided the basic Accelerated Education Programme to 1,500 children aged 10 -12 years, who had dropped out of primary school with only grades one and two. Delivered by the Literacy Movement Organization (LMO), this certified 400-hours programme enabled Afghan children to re-enrol into Grade Three of formal primary schools in Iran. To support children's academic potential and encourage them to stay in school, RI provided homework clubs once a week in the 15 RI supported schools. Homework clubs are relaxed safe and child- friendly environments where children can do their homework in the company of other children and can be assisted with literacy, numeracy, etc.

RI supported 15 schools across the three provinces to enable them to enrol more out-of- school Afghan children (with rehabilitation works and equipment). In 2018, RI UK will support the construction of schools in the 3 target provinces to enable more Afghan children to enrol in the formal education system.

Middle East

Focus on the Syrian refugees in Turkey

Turkey hosts more Syrian refugees than any other country. As of December 2017, more than 3.5 million Syrian refugees were registered with the Government of Turkey (GoT). Although the temporary protection status gives access to health care for eligible Syrian refugees, it also presents a large burden on Turkey's national health care system. Turkey's public health infrastructure needs support to cope with the large caseload of refugees, and there is a need to provide direct and targeted support to the most vulnerable refugees who lack access to critical health services.

As a result of being exposed to protracted conflict and dealing with the challenges of displacement, many Syrians now suffer from far-reaching mental health problems. Children, who comprise approximately half of Syrian refugees, are particularly at risk for mental health issues. Public mental health clinics in Turkey lack Arabic- speaking psychiatrists, vastly hindering the access of Syrian refugees to their services, whereas services provided by INGO are often limited to basic psychosocial support. The ongoing conflict has also left a significant number of Syrians with physical disabilities. Studies have shown that 22% of Syrian refugees have impairments, 44% of which are physical, and that persons with disabilities are twice as likely as the general Syrian refugee population to report signs of psychological distress.

The objective of RI programming in Turkey is to fill the gap in health service delivery for refugees, particularly niche services such as specialized mental health services, prosthetics and orthotics, and physiotherapy which are not part of the migrant health centres run by the Ministry of Health. In 2017, with European Commission support, RI partnered with local organisations to provide specialised mental health and physical rehabilitation services in Gaziantep, Hatay and Istanbul – provinces hosting the highest number of Syrian refugees in Turkey. During the year RI, with 6 of their partners, reached a total 2,691 beneficiaries through 2,731 mental health consultations, 1,213 physical rehabilitation consultants, and 72 prosthetic and orthotic devices

Institutional donor support to RI-UK

In 2017, RI-UK received financial support from the following national and multi-lateral organisations:

- DfID (UK Department for International Development)
- EC (European Commission)
- ECHO (European Commission Humanitarian Aid and Civil Protection)
- FAO (Food and Agricultural Organization)

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- 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 2017, 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 organisations at both field and headquarters level.

This included harmonizing the RI-UK and RI-USA field accounting system and Chart of Accounts in each country and migrating to a new RI financial management system that enables both RI-UK and RI-USA activity to be viewed side-by-side. During 2017, and into 2018, the system has been implemented across RI.

Financial Performance

In 2017, RI-UK expanded significantly its charitable activities with grant funding for overseas projects of \$71,616,062 (2016: \$57,908,313), an increase of \$13,707,894 compared to 2016. Almost 60% (\$8,113,137) of the increase was due to the increase in Donations of Gifts in Kind, largely through the World Food Programme. During the year, RI-UK supported humanitarian and development programmes in 15 countries. Programme expenditure can be disaggregated (excluding Gift in Kind) into the following categories consistent with RI’s strategy;

i.	Economic Opportunity	\$ 9,664,386
ii.	Education	\$ 8,852,064
iii.	Health	\$19,317,249
iv.	Multi-Sectoral	\$14,732,073
v.	WASH	\$ 1,804,912
vi.	Other	\$ 4,401,543

The charity had restricted reserves as at 31 December 2017 \$610,658 (2016: £0). The restricted reserves arise from the accounting treatment of stock in hand from Donations of Gifts in Kind. This will reverse out in the 2018 accounts, once the stock has been distributed. Unrestricted reserves during 2017 decreased from \$1,005,558 to \$790,939 a decrease of \$214,619. The main reasons for the fall in unrestricted reserves were currency losses, and the completion of the DFID grant where currency differences resulted in an over spend on the project. There were no fund raising costs this year, but there will be costs again in 2019 as we add capacity in the UK.

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The Trustees recognise that the charity's continuation as a going concern is reliant on the mutually supportive relationship with RI-USA. The two organisations support each other to deliver effective programmes through the commitment of their human and financial resources in support of their shared mission of partnering with people in vulnerable communities to achieve relief from poverty. 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-UK holds financial reserves to be applied to future activities in the following categories:

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

Each year the Trustees consider the appropriate level of unrestricted reserves. They review RI-UK's requirements and consider a sustained fall in income to be a reasonable basis for setting a minimum level. It is the intention of the trustees to hold sufficient reserves to enable expenditure to be reduced in a managed fashion, should the need arise, avoiding the need to halt work abruptly. The Trustees have agreed that free reserves should normally be within a range of 3-6 months' (\$517,725-\$1,035,450) of non-project operational expenditure.

As at 31 December, 2017 RI-UK held unrestricted general funds of \$790,939 (2016: \$1,005,558) reserves which represented just over 4 months' of future corporate expenditure which exclude direct project costs).

Going concern

RI-UK is well placed to manage the business risks it faces. This position is supported by a strong cash flow, expected improvement in the level of reserves, and robust financial projections. A good relationship with our key donors and proven ability to secure new services. The Charity is in advanced stages of establishing continuing legal status in an alternative European Member State in order to meet requirements of the European Commission funding and has received guidance that under certain circumstances for newer grants, the UK Department for International Development (DfID) will provide funding to fill gaps arising from EU ECHO awards that run beyond the projected Brexit date of March 29, 2019. However, the Trustees have a reasonable expectation that the organisation has sufficient resources and access to sources of funding to continue in operational existence for the foreseeable future and believe that there are no other uncertainties that call into doubt the ability of RI-UK to continue as a going concern.

RI FUTURE PLANS FOR 2018

1. Update policy architecture in key areas

The external environment within which RI operates constantly evolves, and it is important that RI's policy architecture remains up-to-date. Key policy updates scheduled for 2018 include:

- Protection policies, covering child protection, trafficking and sexual exploitation, abuse and harassment which is in process.
- Completion of Financial Crimes policies, covering waste, fraud and abuse, money laundering and terrorist financing.
- Global Data Protection Regulation (GDPR) – in advance of the May 25th 2018 deadline. RI had a policy and set of procedures in place to ensure compliance across beneficiary, employee and donor data sets and is in compliance with the regulation.

Trustees Report

- Completion of Incident Reporting and Management policies, including reporting of policy violations, management complaints and security incidents, as well as whistleblowing protection.
- Completion of our Risk management framework, including updates to RI's risk register and associated processes for risk identification, assessment and mitigation.

2. Adapt programming for changing fragile settings contexts

- Remote Management Framework (RMF) The RMF has now been tested and is being rolled out across RI's Middle East and Asia country offices. The tools of the framework are also being integrated into RI's Programme Management Framework (PMF). This includes a set of analytical tools and implementation guidelines/procedures tailored to fragile settings for use throughout the project life-cycle: in assessment, programme design, implementation, monitoring, evaluation, and close out.
- A Systems Approach. – RI's Technical Assistance Department (TAD) has completed the development and roll out of a system analysis tool to be used routinely at the start of programme design. This ensures programmes will be fully cognizant of the range of actors and conditions that might provide opportunities or constraints in addressing local challenges, and will result in better design and results, as well as being a Local Participation, a key element of the RI Way.
- Improved quality and impact measurements – RI is continuing to invest in technical leadership across its core sectors of health, education, economic opportunities, and water sanitation and hygiene. In addition RI will focus additional resources on strengthening the organisation's approach to protection programming, and to upgrading its impact measurement capabilities.

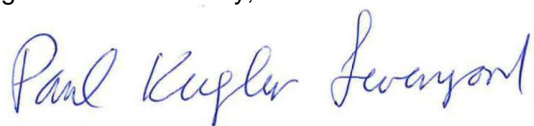
3. Prepare for Brexit

With Brexit due to take effect in March 2019, RI will focus significant attention during 2018 on making contingency plans to ensure continuing eligibility for partnerships with the European Commission and other European funders. The Charity is in advanced stages of establishing continuing legal status in an alternative European Member State in order to meet requirements of the European Commission funding and has received guidance that under certain circumstances for newer grants, the UK Department for International Development (DfID) will provide funding to fill gaps arising from EU ECHO awards that run beyond the projected Brexit date of March 29, 2019.

AUDITORS

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor and a resolution proposing their re-appointment will be submitted to the forthcoming General Meeting.

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



PK Levenson
Chair of the Board of Relief International-UK
Date: 17 December 2018

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Relief International UK for the year ended 31st December 2017 which comprise Trustees report, Statement of financial activities incorporating an income and expenditure account, a balance sheet and a cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Independent Auditor's Report

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

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

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

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial statements

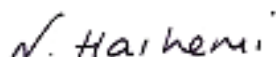
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

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

Use of our report

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



Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

18 December 2018

Statement of Financial Activities

(incorporating an income and expenditure account)

		Unrestricted	Restricted	2017 Total	2016 Total
	Notes	Funds	Funds	Funds	Funds
		\$	\$	\$	\$
Incoming from					
Donations and gifts in kind	3	145	12,843,835	12,843,980	4,730,843
Charitable activities	2	4,082,908	54,689,319	58,772,227	53,173,718
Investments				-	3,731
Total Income		4,083,053	67,533,154	71,616,207	57,908,313
Expenditure on:					
Raising funds				-	345,872
Charitable activities		4,297,672	66,922,496	71,220,168	57,102,601
Total Expenditure		4,297,672	66,922,496	71,220,168	57,448,473
Net income/movement in funds		(214,619)	610,658	396,039	459,840
Reconciliation of funds:					
Fund balances at 1 January		1,005,558	-	1,005,558	545,718
Fund balances at 31 December		790,939	610,658	1,401,597	1,005,558

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 21 to 33 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	2017 \$	2016 \$
Fixed assets:			
Tangible assets	9	-	2,740
		-	2,740
Current assets:			
Debtors	10	14,217,263	9,037,289
Cash at bank and in hand		4,637,371	5,297,012
Stock		610,658	-
		19,465,292	14,334,301
Liabilities:			
Creditors: Amounts falling due within one year	11	(14,980,175)	(13,331,483)
Net current assets		4,485,117	1,002,818
Creditors: Amounts falling due after more than one year	12	(3,083,520)	-
Total net assets or liabilities:		1,401,597	1,005,558
The funds of the charity:			
Restricted funds	13	610,658	-
Unrestricted funds	14	790,939	1,005,558
Total charity funds		1,401,597	1,005,558

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. PK Levenson
Chairman of the Relief International UK Board of Trustees
Date: 17 December 2018

Company registration number 4476247

Cash Flow Statement

	Notes	2017 \$	2016 \$
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	a)	(659,641)	4,131,888
Returns on investments and servicing of finance:			
Bank Interest		-	2,492
Cash and cash equivalents in the reporting period	b)	(659,641)	4,134,380
Cash and cash equivalents at the beginning of the reporting period		5,297,012	1,162,633
Cash and cash equivalents at the end of the reporting period		4,637,371	5,297,013

Notes to the cash flow statement for the year to 31 December 2017

Reconciliation of cash flows from operating activities

	Notes	2017 \$	2016 \$
Net income for the reporting period (as per the statement of financial activities)	a)	396,039	459,840
Adjustments for:			
Depreciation charges		2,740	915
Investment Income		-	(2,492)
(Increase)/decrease in debtors		(5,179,974)	1,982,803
(Increase)/decrease in stock		(610,658)	-
Increase in creditors		1,648,692	1,690,822
Increase in Long term creditors		3,083,520	-
Net cash provided by (used in) operating activities		(659,641)	4,131,888
Analysis of cash and cash equivalents	b)	2017 \$	2016 \$
Total cash and cash equivalents		4,637,371	5,297,012

Notes to the Financial Statement

Relief International-UK (RI-UK) is an international humanitarian 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.

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

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

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.

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.

Notes to the Financial Statement

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 charity's debtors excluding prepayments and accrued income. Financial liabilities held at amortised cost comprise the charity's short and long term creditors excluding deferred income and accrued expenditure. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial. The values of basic financial instruments are given in note 15.

Notes to the Financial Statement

2. Incoming resources from charitable activities

	Unrestricted Funds \$	Restricted Funds \$	2017 Total \$	2016 Total \$
Economic Opportunity	697,429	8,966,957	9,664,386	6,385,693
Education	472,663	8,379,401	8,852,064	11,695,682
Health	1,394,027	17,923,222	19,317,249	18,985,585
Multi-Sectoral	1,063,138	13,668,935	14,732,073	7,775,257
WASH	130,251	1,674,661	1,804,912	5,505,502
Other	325,400	4,076,143	4,401,543	2,827,248
	4,082,908	54,689,319	58,772,227	53,174,978
TOTAL				

The above includes the following income from UK Department for International Development (DFID) \$1,828,054 (2016 \$6,244,684) for RI-UK Girls Education Challenge project in Somalia. A new grant was awarded during 2017 by DFID to continue Girls Education Challenge project in Somalia and the above also includes income of \$1,481,677

3. Donated goods, facilities and services

	Unrestricted Funds \$	Restricted Funds \$	2017 Total \$	2016 Total \$
Economic Opportunity		8,728,995	8,728,995	-
Education				49,435
Health		849,797	849,797	3,447,406
Multi-Sectoral		835,176	835,176	103,433
Other	145	2,429,867	2,430,012	1,129,430
Total	145	12,843,835	12,843,980	4,729,704

Notes to the Financial Statement

4. Charitable Activities

	Project Costs \$	Support Costs \$	2017 Total \$	2016 Total \$
Economic Opportunity	17,708,205	1,137,197	18,845,402	6,345,542
Education	8,621,058	553,633	9,174,691	11,654,299
Health	18,745,690	1,203,823	19,949,513	22,287,217
Multi-Sectoral	14,088,571	904,749	14,993,320	7,799,113
WASH	1,679,436	107,851	1,787,287	5,450,127
Other	6,079,536	390,419	6,469,955	3,912,076
	66,922,496	4,297,672	71,220,168	57,448,473

	Project Costs \$	Support Costs \$	2017 Total \$	2016 Total \$
Staff costs	26,930,894	2,070,907	29,001,801	20,498,893
Project costs	39,991,602	2,226,765	42,218,367	36,949,609
	66,922,496	4,297,672	71,220,168	57,448,473

* 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 and whether the costs are directly related to that sector.

Notes to the Financial Statement

5. Trustees

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

6. Governance Costs

	2017	2016
	Total	Total
	\$	\$
Audit costs	50,980	38,257
	<u>50,980</u>	<u>38,257</u>

7. Net Expenditures for the year

	2017	2016
	\$	\$
Net incoming resources are stated after charging:		
Auditor's remuneration - Audit fee	50,980	38,257
Foreign exchange losses / (gains)	120,196	(68,643)
	<u>171,176</u>	<u>(30,386)</u>

Notes to the Financial Statement

8. Employee and Staff Costs

	2017 \$	2016 \$
Staff costs during the year were:		
UK staff wages and salaries	617,653	928,340
UK staff social security costs	70,705	103,994
UK staff pension contribution costs	31,705	48,103
	<hr/>	<hr/>
Total UK support staff costs on behalf of RI-UK	720,063	1,080,437
	<hr/>	<hr/>
RI staff working on RI-UK projects worldwide	29,001,801	20,498,863

Total remuneration received by key management personnel charged to RI-UK is \$134,709 (2016:\$142,558), of which pension contributions made up \$ 12,100 (2016\$10,994)

The average number of employees during the year was:

9 15

The average number of UK staff was:

Total RI staff worldwide	<hr/> 1,893 <hr/>	<hr/> 1,808 <hr/>
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There were three (3) employees whose annual emolument was £60,000 or more in 2017 (2016: 6)

Emolument	2017	2016
£60k - £ 70k	2	4
£70k - £ 80k	1	1
£90k - £100k	0	1

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

Notes to the Financial Statement

9. Tangible Fixed Assets

	Office Equipment \$	Furniture & Fixtures \$	2017 Total \$
Cost			
At 1 January 2017	6,084	17,156	23,240
At 31 December 2017	6,084	17,156	23,240
Depreciation			
At 1 January 2017	5,758	14,742	20,500
Charge for the year	326	2,414	2,740
At 31 December 2017	6,084	17,156	23,240
At 31 December 2017	0	0	0
	326	2,414	2,740
At 31 December 2016			

10. Debtors

	2017 \$	2016 \$
Accrued income - Grants receivable	9,553,893	6,887,972
Amounts due from RI-US	3,544,572	1,929,275
Other debtors and prepayments	2,682	7,497
Advances to Department for International Development (DFID) project partners	1,116,116	212,545
	14,217,263	9,037,289

Notes to the Financial Statement

11. Creditors: Amounts falling due within one year

	2017 \$	2016 \$
Deferred income *	14,716,312	10,939,605
Other creditors	263,863	1,412,745
Department for International Development (DFID)	-	979,134
	14,980,175	13,331,484

During 2013 DFID has provided an interest free loan of 2017 \$0k (2016 £1,207K) to support mobilization of the Girls Education Challenge project in Somalia. Loan balance due at project's end date in April 2017.

	Opening Balance	Income Received	Income Deferred	Closing Balance
Deferred Income*	10,939,605	61,699,102	57,922,395	14,716,312

12 Creditors: Amounts falling due more than one year

	2017 \$	2016 \$
Department for International Development (DFID)	3,083,520	-
	3,083,520	-

A new interest free loan was given in 2017 for \$3,083,520 (2016 nil) to support mobilization of the Girls Education Challenge project in Somalia. This is sitting in the balance sheet as long term liability. The loan balance is due at the project end date is 31st July 2020.

Notes to the Financial Statement

13. Restricted Funds

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

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

14. Analysis of Net Assets Between Funds

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

15. Financial Instruments

	2017 Total \$	2016 Total \$
Financial assets measured at amortised costs	19,465,292	14,334,301
Financial liabilities measured at amortised cost	(3,083,520)	(1,285,596)
Total interest income for financial assets held at amortised cost	-	2,425

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 2017, the amount due from RI-USA was \$3,544,572 (2016: \$1,929,275).

Notes to the Financial Statement – 2016 Information

2016 Statement of Financial Activities

Income and Expenditure	Unrestricted Funds	Restricted Funds	2016 Total Funds
	\$	\$	\$
Voluntary Income			
Donations	1,160	0	1,160
Charitable Activities	3,497,907	49,675,812	53,173,719
Investments	3,731	0	3,731
Gifts in Kind from Donors	-	4,729,682	4,729,682
	<hr/>		
Total incoming resources	3,502,798	54,405,494	57,908,292
	<hr/>		
Expenditure On:			
Raising funds	345,872		345,872
Charitable activities	2,697,086	54,405,515	57,102,601
	<hr/>		
Total	3,042,958	54,405,515	57,448,473
	<hr/>		
Net (outgoing resources) for the year	459,840	21	459,819
	<hr/>		
Net (expenditure) for the year / Net movement in funds	459,840	-	459,840
	<hr/>		
Fund balances at 1 January	545,718	-	545,718
	<hr/>		
Fund balances at 31 December	1,005,558	-	1,005,558
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Notes to the Financial Statement – 2016 Information

2016 Restricted Funds

	At 1 January 2016 \$	Incoming Resources \$	Outgoing Resources \$	At 31 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)	-

2016 Net Assets

	Unrestricted Funds \$	Restricted Funds \$	2016 Total \$	2015 Total \$
Fixed assets	2,740	-	2,740	3,655
Current assets	1,002,818	13,331,483	14,334,301	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	-	1,005,559	545,718