

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 2019

Annual Directors' Report

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Trustees Report

Trustees	Paul Levensgood (Chairman)	
	Steve Hansch (Treasurer)	
	Leon Irish (Secretary)	<i>Secretary to March 2019; Trustee to September 2020</i>
	Dana Freyer (Secretary)	<i>From March 2019</i>
	E Davisson Hardman Jr	
	Beverly Morris Armstrong	
	Amanda Barnes	
	Daniel Bader	
	Eden Collinworth	<i>To September 2020</i>
	Rob Cope	<i>To March 2019</i>
	Stéphane Crescitz	<i>From January 2019</i>
	Debra Davis	
	Ellen Frost	
	John Gage	
	Deirdre Guice Minor	<i>From June 2020</i>
	Julia Guth	
	Philippe Oberlin	<i>From January 2019</i>
	Irene Wurtzel	

Key Management Personnel

Chief Executive Officer	Nancy Wilson	
Head of European Operations, VP of Strategy & Risk Management	Jamie Hall	<i>To September 2020</i>
Chief Financial Officer	Eric Fullilove	<i>To August 2020</i>
Chief Financial Officer	Martin Clemmey	<i>From August 2020</i>
Head of Office UK, Vice President for Risk Management & Assurance	Lanre Amao	<i>From September 2020</i>
SVP International Programs	Andy Pugh	
VP Human Resources	Elia Makar	
VP Program Development	Jamie Jones	
SVP Technical Assistance	Ann Koontz	
Senior Development & Communications Director	Courtney Lobel	

General Report

Charity number	1098106
Company number	4476247
Registered office	31-35 Kirby Street Holborn London EC1N 8TE, UK

Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW, UK
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Bankers	The Cooperative Bank plc, Head Office, P.O. Box 101, Balloon Street, Manchester, M60 4EP, UK
	Barclays Corporate Level 27, 1 Churchill Place London E14 5HP, UK

Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE, UK
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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 2019.

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, the Charity (Accounts and Reports) Regulations 2018.

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 a longstanding alliance agreement with Relief International Inc, a USA-based registered not for profit organisation (hereinafter referred to as RI-USA). As at 1st January 2019, this bilateral alliance was strengthened with the addition of new member organisations in France and Belgium, creating a multilateral alliance of four independent organisations - RI-UK, RI-USA, MRCA / RI-France, and RI-Europe (Belgium). Together, the four organisations are known simply as Relief International (hereinafter referred to as RI), a global humanitarian and development 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 collaborates closely with the other alliance members to deliver RI's work. The organisations do not establish separate field offices, but rather support field operations and administration in each country 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 across the organisations, RI avoids duplication, ensures that each organisation's costs are minimised, and is able to operate in a unified manner to effectively manage and monitor overseas activities.

Trustees Report

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 programmes, governance and human resources, finance, audit and risk, and fundraising 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 organisation, 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 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, linking pay to performance, and providing salary progression for those who deliver exceptional results.

In the financial year 2019, 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

Trustees Report

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.
- Observe the methods and principles in the Charities SORP.

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

Each of the trustees confirms that;

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

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

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 in accordance with the principles of the code.

Risk Management

RI works in some of the most challenging areas of the world, undertaking programs with fragile and often conflict affected communities. Risk management is therefore a primary part of RI's work due to the dynamic nature of its operating environments. Regular risk updates and reviews are an essential exercise for management under the periodic review of the Audit and Risk Committee. The Trustees of the charity are responsible for ensuring that these reviews take place, that there is an ongoing assessment of the risks that the charity faces in all areas of its work, and that there are agreed plans for addressing those risks.

RI's internal controls systems are designed around a wide range of core standards contained in a set of global policies including its overarching Code of Conduct, Incident Reporting and Management, Whistleblowing, Financial Crimes, and Safeguarding policies. The Audit and Risk Committee provides the necessary oversight of the risk management process, with support provided through the Global Assurance Plan and the Incident Management System.

The nature of RI's work in fragile settings requires taking risks, which the Board ensures is done within acceptable limits. During 2019, the Board initiated steps to refine its risk tolerance and risk appetite levels and align these with the key risk areas that the charity faces.

RI maintains a global risk register to regularly examine and monitor key risks to the organisation. The register records the risks prioritised in relation to the likelihood of the risk emerging and the level of impact it would have on life, safety and the organisation's ability to achieve its mission, the measures in place to safeguard the organisation's assets against such risk, and additional planned measures to further mitigate the risk.

Trustees Report

Principal Risks

The main risk categories faced by the charity are as follows:

Compliance environment:

This risk relates to the challenges of meeting the complex legal and regulatory requirements at both Head office and Country levels, including location based jurisdictions and donor requirements.

RI mitigates this risk by ensuring a sound policy framework is in place and through the focussed attention of the Global Assurance function, Awards Management and General Counsel.

Operating Environment

As an organisation that specialises at working in fragile settings, there are significant risks for RI as its work often takes place in environments characterised by geo-political tensions, conflict and an absence of state functions.

This risk is mitigated by the employment of about 97% national staff, maintaining good relationships with host governments and a host of security management cornerstones. In addition, the Board and staff have identified 6 RI operating countries for a Security Watchlist. The security assessments and plans for these countries are reviewed specifically annually.

Incident management

Given RI's operating environment, breaches to Security, Financial Management and Safeguarding policies will occasionally occur. RI has invested in an Incident Management System which outlines how wrongdoing or suspicions of wrongdoing should be reported. The system works reasonable well but there is always a risk that an incident may not be properly managed. This may lead to a wrong outcome for staff members and program participants as seen with a number of organisations in the sector.

To manage this risk, management has set up working groups for each of the core areas to further staff awareness of these risks and has continued to support and improve the incident management process. RI also puts together crisis management and crisis communication plans for each of the serious incidents as part of the mitigation measures.

Funding

As with most organisations within the sector, an unpredictable and changing external environment threatens the organisation's ability to secure long term funding and achieve financial stability.

RI mitigates this risk by ensuring its funding relationships and reputation with key institutional donors remains strong, and by investing in unrestricted funding thereby diversifying its income base. The combination of these types of funding allows the organisation to be agile in its response to supporting communities

Program impact

The inability to demonstrate long-term programmatic impact is a challenge for many international charities. RI sees this risk as one that could affect its ability to learn, improve and grow.

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The risk is managed in three ways: by incorporating widely-tested program standards in its program designs, undertaking third party evaluations for longer-term development programs, and by investing in Monitoring, Evaluation and Learning (MEL) and promoting sector design standards which include specific standards on MEL.

Organisational Design

RI has experienced rapid programmatic growth, which puts significant pressure on its structures and systems. The resulting risk could limit effectiveness of internal controls, oversight, information sharing and financial and operational efficiency.

RI manages this risk through a combination of the work of Global Assurance and several projects aimed at improving financial management, operations and security management. The progress of these projects is reviewed regularly by management and the Board.

Brand awareness

The risk here is that RI's limited brand awareness restricts the organisation's ability to raise resources, attract talent and sustain adequate funding to fulfil its mission.

RI has been managing this risk through a redesigned website launched in 2019, an enhanced social media strategy and an email campaign. RI has also been reaching out to the media to build relationships and offering media training to its Country Directors.

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

RI-UK Public Benefit

The trustees have given due consideration to Section 17 of the Charities Act 2011 and the Charity Commission's guidance on the operation of the Public Benefit requirement and are satisfied that RI-UK is in full compliance with its public benefit obligations.

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

- Relieving need through providing timely and appropriate humanitarian aid to vulnerable survivors of conflict and disasters;
- Preserving and protecting health and advancing education in parts of the world affected by natural or man-made 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 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 Core Humanitarian Standard on quality and accountability which sets out the essential elements of principled, accountable, and high quality humanitarian action.

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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 survivors 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 of 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 and its Alliance partners RI-USA and MRCA/RI-FR provided assistance to vulnerable populations in 17 countries during 2019: Afghanistan, Bangladesh, Cameroon, Ghana, Iraq, Iran, Jordan, Lebanon, Myanmar, Pakistan, Philippines, Somalia, Sudan, South Sudan, Syria, Turkey and Yemen.

ACHIEVEMENTS AND PERFORMANCE

Organisational Performance

During 2019, RI continued to implement its 2015 – 2020 strategy including a range of organisational change and improvement measures. Key 2019 accomplishments compared with the future plans for 2019 outlined in the 2018 Trustees Report include the following.

1. Achievements against 2019 Future Plan: Consolidate and strengthen RI's corporate alliance and organisational design

RI successfully integrated MRCA/RI-France into our global alliance. This included consolidating two major program teams in Afghanistan under one country leadership, one financial system, one HR system, etc, all while launching two major new health programs, covering two entire provinces in Afghanistan, under the MRCA banner. RI also established an office in Lyon and deployed a more robust staffing in France. This

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was an important part of our RI-UK Brexit mitigation strategy, as the French alliance member allowed us to smoothly assign new EC funding to the French entity. RI-UK remains custodian of the alliance's DfID UN funding which amounts to about one-third of the alliance's global portfolio. This addition of a third active alliance member (France) and an additional non-operational member (Belgium), afforded the opportunity to test the alliance structure in extended form. RI was able to effectively handle the governance and management of all alliance entities.

Another important strengthening in our organizational design was to review and revise our grants management function, creating a stronger and more embedded Awards Management Unit to ensure donor and country compliance throughout the project life-cycle, from design to close-out. With greater decision-making authority, instead of a largely advisory role, Awards Management has more authority to drive compliance. In 2020, RI will expand this role even further.

2. Achievements against 2019 Future Plan: Build RI's brand awareness as a leading fragile settings specialist

In August, RI launched a completely redesigned RI.org website with 140 pages of new content and a promotional video highlighting the site's best new features. In Q4, the new site yielded 1,000 new email subscribers, 15% increase in overall traffic to the site, and a 150% boost in visits to the donate page. We also sought to increase UK awareness of our CEO. In June, our CEO attended the Chatham House London Conference. In September, we launched our flagship publication: *Risk Management in Fragile Settings: A Toolkit for Field Practitioners*, at a Chatham House roundtable on Delivering Aid in Fragile Settings. The Toolkit is based on our experiences working with communities that may be too hard to reach because of conflict. Finally, also in September, our CEO presented to Google employees in London discussing our work in Iran following the 2017 earthquake and 2019 Norwuz floods.

3. Achievements against 2019 Future Plan: Launch the 2021 – 2025 strategy development process

As scheduled, in September 2019 RI commenced work on our 2021-2025 strategic plan. A consultancy team was hired with trustee participation, and by end of year the consultants delivered a comprehensive 'conception report' which was endorsed by Leadership and Board. The process will continue into 2020 so that we have a new strategic plan to guide our planning for 2021.

Programmatic Performance

Over the course of the financial year, RI-UK provided assistance valued at \$91.9 m (2018: \$89.8m) to vulnerable populations in seventeen countries. This included the distribution of donated supplies valued at \$26.6m (2018: \$18.4m). Highlights of this assistance include the following work carried out across the world.

In line with RI's 2015 - 2020 strategy, our focus is on delivering services and strengthening local systems across four key sectors; economic opportunities, education, health, and water and sanitation. In each of these sectors, RI aims to embed four key approaches, which we call "the RI Way". These four approaches are local participation, integrated programming, partnerships and civic skills development.

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Highlights from our work during 2019

Focus on the Middle East: Providing Essential Health Services in Lebanon

More than eight years after the start of the crisis in Syria, Lebanon is still at the forefront of one of the worst humanitarian crises in the world and with an estimated 1.5¹ million refugees from Syria remains the country with the most refugees per capita in the world. With an estimated 1.5 million vulnerable Lebanese² nationwide, the refugee crisis has taken a severe toll on the entire country by depleting already scarce resources, impacting the health and education systems as well as the labour market and increasing social tensions. The most vulnerable Syrian refugees are, for the most part, sheltered among the poorest communities of Lebanon, especially in Bekaa and North where two thirds of Syrian refugees reside³. The difficult situation in these areas has worsened as a result of the rapidly deteriorating economic situation in 2019 that has seen unemployment skyrocket and the value of the Lebanese Lira plunge. The strain on Lebanon's healthcare system resulting from the increased vulnerability and number of patients seeking care is underscored by technical capacity gaps and access barriers at both primary and secondary levels of the healthcare system.

In 2019, RI in Lebanon focused on improving both access to and quality of public healthcare in vulnerable locations of Lebanon, such as in North Bekaa, Beirut Month Lebanon and Akkar, providing Primary Health Care Centers (PHCCs) with subsidised consultation and diagnostic procedures along with technical capacity building. RI provided mental health services and community health services in support of the Ministry of Public Health through a variety of approaches, improving access to secondary healthcare for Syrian refugees, implementing vaccination campaigns, and delivering niche health programming targeting people with specific needs, e.g. older persons.

The key achievements of this health program in 2019 include:

- Opening and support to a new PHCC in Bekaa
- Support to 3 PHCCs with 20,734 subsidised consultations for primary health care
- Providing 5,043 Mental Health consultations and 2,788 Non Communicable Disease consultations
- Completion of full vaccination program for 1,179 children under five
- Creation of a network of 20 hospitals under agreement with RI to improve access to secondary healthcare
- Support to 563 most vulnerable elderlies with the patient share of hospitalization bill

Focus on Africa: Advancing Girls Education in Somalia

Somalia has one of the lowest school enrolment rates in the world. Girls in particular face unimaginable hardships when pursuing an education. According to the latest countrywide census, only one out of four children are in school; less than 50% of Somali girls attend primary school and very few are able to complete their education. As a result, only 25% of women aged 15-24 are literate (compared to 38.7% of men).

Since 2013, Relief International has worked directly with students, parents, teachers, community leaders and government ministries to implement tailored interventions to provide students in Somalia, particularly marginalized girls, with access to quality education. In 2019 alone, Relief International enrolled 115,000

¹ Lebanon Crisis Response Plan (LCRP) 2017-2020: <https://reliefweb.int/sites/reliefweb.int/files/resources/67780.pdf>

² *ibid*

³ Vulnerability Assessment of Syrian Refugees in Lebanon 2019

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students in education programs and trained 1,300 teachers and educators across RI's education portfolio in Somalia.

In partnership with the Federal Ministry of Education, the Ministries of Education in Puntland and Somaliland, and two peer international NGOs, ADRA⁴ and CISP⁵, Relief International has been leading the implementation of the *Educate Girls, End Poverty* program in Somaliland, Puntland, Galmudug, Hirshabelle and Banadir. The project is part of UK Aid's flagship global Girls' Education Challenge (GEC) and has been implemented in two phases (2013-2017 and 2017-2020).

The *Educate Girls, End Poverty* program interventions are designed to address the holistic needs of girls and boys, their families, and the community by taking a systems approach enabling students, teachers, school officials, parents and other community members to lead and drive their education goals. In 2019, a comprehensive midline evaluation showed that all students demonstrated improved learning, in particular in Math and English, and that dropout rates declined from 7% to 4% compared to the baseline evaluation conducted in 2017. The data indicates that girls, even those from the most disadvantaged families who received bursary payments, achieved learning improvements across all subjects. For Math and English, bursary girls had statistically significant improvements outperforming the improvements achieved by boys.

Key achievements of the *Educate Girls, End Poverty* program in 2019 included:

- 121,893 students have consistent access to education;
- 91% of the most marginalized girls remain in school past early primary;
- Trained 3,613 teachers
- 97% of head teachers rate continuous professional development as effective
- Provided 1,881 marginalized girls with bursary support;
- Distributed 11,688 sanitary kits to adolescent girls;
- Provided 3,696 girls with school uniforms;
- Provided 1,009 solar lamps to girls in remote areas to facilitate learning in the evening;
- Provided 1,035 students (403 girls and 632 boys) and 123 teachers (22 women and 101 men) in drought-affected areas with take-home food rations for three months;
- Trained and coached 711 Mathematics and English teachers in topics such as English as a Second Language (ESL), use of learner-centered approaches to enhance student engagement in the classroom, inclusive lesson delivery, teaching English in English, and adopting positive discipline approaches in favour of corporal punishment;
- Supported 349 teachers with financial incentives;
- Provided 98 schools with teaching and learning materials (TLM);
- Conducted remedial classes in 160 primary and 51 secondary schools for low performing students;
- Conducted 23 community dialogue sessions, 22 men and boys' workshops, 36 radio advocacy sessions and 21 back-to-school campaigns to raise awareness about key barriers to girls' education and identify local solutions to eliminate them. To do this effectively, men and boys were engaged to act as change agents in promoting girls education and were encouraged to challenge the existing deep-rooted gender stereotypes and explore their own role in advancing girls education.

⁴ Adventist Development and Relief Agency

⁵ Comitato Internazionale per lo Sviluppo dei Popoli

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Focus on Asia: Providing essential services for IDPs and conflict-affected communities in Rakhine and Shan States, Myanmar

Myanmar's protracted humanitarian crisis in Rakhine and Shan States is driven by ongoing armed conflict, ethnic tensions, and vulnerability to natural hazards. Since 2017, the situation in Rakhine State has deteriorated significantly, and fighting between the Myanmar Armed Forces and Arakan Army has caused mass displacement. In 2017 alone, over 740,000 stateless Rohingya fled Myanmar to seek refuge in Bangladesh. Today, an estimated 600,000 Rohingya remain in Rakhine State, of whom around 126,000 are internally displaced and confined to camps. IDPs face strict movement restrictions which limit their access to essential health and education services and, as a result, they are highly dependent on humanitarian programs to meet their basic needs.⁶

RI first began working in Myanmar in 2008 after Cyclone Nargis killed more than 138,000 people and destroyed much of the country's farmland. Today, RI leads humanitarian response programs across multiple sectors, emphasizing capacity building of local partners and civil society organizations. RI programs span the health, WASH and economic opportunity sectors, with a cross-cutting focus on protection. In 2019, key program achievements included:

- **Improving access to essential health services:** RI partnered with Ethnic Health Organizations (EHOs) to provide an integrated package of health services conflict-affected townships across Rakhine and Shan States. In addition to conducting refresher trainings to EHO area volunteers, RI conducted stakeholder analyses and service mapping, and deployed mobile clinics to hard-to-reach areas. RI programs also emphasized community outreach to increase demand for key health services. To this end, RI helped establish women support groups and village health committees to facilitate emergency patient referrals and to lead awareness raising activities.
- **Emergency WASH service provision:** RI provided access to improved water sources and latrines, distributed hygiene items and conducted hygiene promotion activities for over 2,900 conflict affected people in Myebon Township, Rakhine.
- **IDP resettlement support in protection and livelihoods:** In Mrauk U and Myebon townships, RI worked with local authorities, civil society organizations and conflict-affected communities to provide technical assistance to facilitate the impending IDP resettlement plan. In particular, RI invested in livelihoods opportunities, led protection monitoring activities, and provided direct services for the Muslim IDP camp in Myebon Township. During the first year of implementation, 147 people were trained in new vocational skills through short-term vocational training and entrepreneurship trainings. Over 100 people were reached through protection awareness and sensitization trainings.

Institutional donor support to RI-UK

In 2019, RI-UK received financial support from the following national, multi-lateral and non profit organisations:

- AAH Action Against Hunger
- Crown Agents
- COOPI Cooperazione Internazionale
- DfID (UK Department for International Development)
- EU DEVCO (European Commission International Cooperation and Development)
- EU ECHO (European Commission Humanitarian Aid and Civil Protection)
- GFFO German Federal Foreign Office

⁶ UN OCHA, [Myanmar Humanitarian Response Plan 2020](#)

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- Solidarités International
- Start Network
- UN FAO (United Nations Food and Agricultural Organisation)
- UN FPA (United Nations Population Fund)
- UNDP (United Nations Development Program)
- UNHCR (United Nations High Commissioner for Refugees)
- UNICEF (United Nations Children's Fund)
- UNOCHA (United Nations Office for the Coordination of Humanitarian Affairs)
- UNOPS (United Nations Office for Project Services)
- UNDP/ CHF (United Nations Common Humanitarian Fund)
- UN WFP (United Nations World Food Programme)
- UN WHO (United Nations World Health Organisation)
- 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 to identify more efficient methods of operations regarding budgeting, accounting, financial reporting, and auditing.

During 2019, the RI-UK and RI-USA management teams continued to integrate further the operational management and administration of their shared activities. This included the continuing harmonisation of the RI-UK and RI-USA field accounting systems and Charts of Accounts in each country and the continuing roll out of RI's new integrated financial management system.

Financial Performance

In 2019, RI-UK's income increased to \$96,923,294 (2018: \$89,812,113) including a 71% increase in donations and gifts in kind to \$31,438,519 (2018: \$18,419,368). Programme expenditure during 2019 can be disaggregated into the following categories consistent with RI's strategy:

i.	Economic opportunity	\$ 8,802,103
ii.	Education	\$11,908,282
iii.	Health	\$28,852,013
iv.	Multi-sectoral	\$12,721,958
v.	WASH	\$ 834,747
vi.	Other	\$33,375,181

The charity has very few private donations and recorded no fundraising costs in the year. The charity had restricted reserves as at 31 December 2019 of \$2,136,481 (2018: \$1,091,466). The restricted reserves arise from the accounting treatment of stock in hand from Donations of Gifts in Kind. This will reverse out in the 2020 accounts, once the stock has been distributed. Unrestricted reserves during 2019 decreased from \$919,885 to \$303,880, a decrease of \$616,005. The main reason for the decrease in unrestricted reserves was due to unanticipated exchange losses and unallowable costs.

Reserves Policy

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

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- 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 of non-project operational expenditure.

As at 31 December 2019, RI-UK held unrestricted general funds of \$303,880 (2018: \$919,885) which represented 1 month (2018: 3.5 months) of future non project central expenditure. RI-UK intends to grow its reserve ratio to within the 3-6 month target through tighter cost control and initiating UK based Fundraising.

Going concern

We have set out in this report a review of RI-UK's the financial performance, the reserves position and principal risks and uncertainties. One of the fundamental uncertainties is whether income flows from donors will continue for the foreseeable future. In fact, our donors remain committed to funding projects in fragile settings. In 2020 we have benefitted from additional COVID funding and the pipeline for future projects remains strong at the time of signing this report.

RI-UK has undertaken a scenario-planning exercise of income and planned expenditure including financial and cashflow projections to forecast how various outcomes might affect RI-UK and the Alliances' operations in 2021. This exercise takes into account the risk of decreased income from various sources and the ability of RI to implement its activities across the globe. The results of the scenario planning have been used as a basis from which to formulate a model for strategic planning.

We have conducted detailed cashflow and net asset forecasts for 2020 and 2021 and are confident, based on 2020 income and current pipeline, that in the next 18 months we will not see cashflow difficulties and will experience a gradual rebuilding of unrestricted reserves. This view is supported by the improvements we have made in both financial controls and Awards Management and in our continued strong global risk assurance function. These matters combined mean that we remain confident that the operational and financial risks faced by our operating teams in fragile settings are well managed.

The trustees recognise that the charity's continuation as a going concern is underpinned by the mutually supportive relationship with RI-USA, and the other organisations in the RI Alliance. The organisations support each other to deliver effective programmes through the commitment of their respective 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 organisations. RI-UK is consequently well placed to manage the business risks it faces.

We will continue to monitor the situation and manage our finances accordingly. The results of the scenario planning together with the support from the Alliance, and a continuation to shift to a more adaptable unrestricted cost structure, indicates that RI-UK has sufficient resources to continue in operational existence for the foreseeable future.

Trustees Report

The trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements, and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

RI FUTURE PLANS FOR 2020

RI will continue to focus on the delivery of its 2015 – 2020 strategy over the coming year. In addition, we will focus on the following key priorities;

1. Complete the 2021-2025 strategic plan

The planning process begun in 2019 will be completed in 2020, affording RI-UK to consider how to maximize the impact we can have in the fragile settings where we work. The over-riding objective in our strategic planning will be to clarify how we will engage families and communities in achieving immediate improvements in their well-being, and set in place the skills and abilities for resilience and thriving in the future, particularly in the face of climate change, conflict and economic insecurity.

2. Strengthen our balance sheet.

Set the stage for rebuilding the net assets that were so heavily affected by the adverse financial results of 2019. Key elements for that rebuilding will be eliminating project overspends and managing the sharing of costs with other members of the alliance.

3. Strengthen safeguarding and security management

Unfortunately, both safeguarding and security challenges are endemic in the fragile settings where RI works. In 2018, RI hired a strong safeguarding manager in London who has completed a thorough assessment and program plan to strengthen our policies, procedures and capacity to promote a safeguarding culture and quickly address safeguarding violations when they arise in a survivor-centred manner. 2020 will be the year to put those policies, procedures and capabilities in place.

RI will also strengthen our field security programs. We have now fully integrated security costs into grant budgeting to ensure country offices can appropriately invest in security. At the same time, have set aside global resources to support regional security managers who can support capacity building at the national level.

4. Adjust to the COVID pandemic

2020 was barely underway when the COVID-19 virus became a pandemic. Quickly many of our operational countries shut down pre-emptively, while others (such as Iran) saw caseloads rise early. We quickly assembled an Emergency Management Team, following our usual humanitarian response protocols. We determined the need to conserve global resources as many of our field programs faced pauses or stops because of lockdowns, making program participants inaccessible. At the same time, we prepared to respond to the rising health needs in the communities we serve, since health services are a major program area for us.

Like others in the UK, we also sent our London team members home to work. Because so many of our team travel globally, we already had our systems in place to work remotely, with cloud storage of our

Trustees Report

documents and cloud accessibility of our systems. The biggest challenges were the additional house-hold responsibilities people had to take on, as schools and child-care shut down.

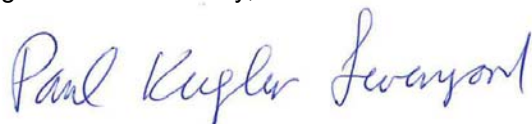
The COVID pandemic could certainly be a threat to our successful achievement of goals 1, 2, and 3. But, we seem to have found ways to not just survive, but thrive, with growing programs through adaptation, innovation and starting from scratch. Sustaining our program portfolio and our teams amid the pandemic, particularly as it is likely to stretch into 2021, will not be easy. But for the most part, we see that our services and approaches are needed more now than ever.

AUDITORS

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.

AUTHORISATION

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

A handwritten signature in blue ink that reads "Paul Kepler Levenson". The signature is written in a cursive, flowing style.

PK Levenson
Chair of the Board of Relief International-UK
Date: 15 December 2020

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 2019 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 2019 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.

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.

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.

N. Hashemi

Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
16 December 2020

Statement of Financial Activities

(incorporating an income and expenditure account)

	Notes	Unrestricted Funds \$	Restricted Funds \$	2019 Total Funds \$	2018 Total Funds \$
Incoming from					
Donations and gifts in kind	3	0	31,438,519	31,438,519	18,419,368
Charitable activities	2	4,027,931	61,456,844	65,484,775	71,392,745
Total income		4,027,931	92,895,363	96,923,294	89,812,113
Expenditure on					
Charitable activities	4	4,643,936	91,850,350	96,494,286	89,202,359
Total expenditure		4,643,936	91,850,350	96,494,286	89,202,359
Net income/movement in funds		(616,005)	1,045,013	429,008	609,754
Reconciliation of funds					
Funds balance at 1 January		919,885	1,091,466	2,011,351	1,401,597
Funds balance at 31 December		303,880	2,136,479	2,440,359	2,011,351

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

The notes on pages 22 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	2019 \$	2018 \$
Current assets			
Debtors	9	15,258,140	17,059,248
Cash at bank and in hand		1,570,200	3,020,387
Stock		2,136,480	1,091,466
		<u>18,964,820</u>	<u>21,171,101</u>
Liabilities			
Creditors: amounts falling due within one year	10	<u>(16,524,461)</u>	<u>(17,926,341)</u>
Net current assets		2,440,359	3,244,760
Creditors: amounts falling due after more than one year	11	-	(1,233,409)
Total net assets/liabilities		<u>2,440,359</u>	<u>2,011,351</u>
The funds of the charity			
Restricted funds	12	2,136,479	1,091,466
Unrestricted funds	13	303,880	919,885
Total charity funds		<u>2,440,359</u>	<u>2,011,351</u>

Notes 1 to 15 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: 15 December 2020

Company registration number 4476247

Cash Flow Statement

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Net cash provided by (used in) operating activities	(a)	(1,450,186)	(1,616,984)
		<hr/>	<hr/>
Cash and cash equivalents in the reporting period	(b)	(1,450,186)	(1,616,984)
Cash and cash equivalents at the beginning of the reporting period		3,020,387	4,637,371
Cash and cash equivalents at the end of the reporting period		1,570,201	3,020,387

Notes to the cash flow statement for the year to 31 December 2019**Reconciliation of cash flows from operating activities**

	Notes (a)	2019 \$	2018 \$
Net income for the reporting period (as per the statement of financial activities)		429,008	609,754
Adjustments for:			
(Increase)/decrease in debtors		1,801,108	(2,841,985)
(Increase)/decrease in stock		(1,045,014)	(480,808)
Increase/(decrease) in creditors		(1,401,880)	2,946,166
Increase/(decrease) in long term creditors		(1,233,409)	(1,850,111)
		<hr/>	<hr/>
Net cash provided by (used in) operating activities		(1,450,186)	(1,616,984)
Analysis of cash and cash equivalents			
	(b)	2019 \$	2018 \$
Total cash and cash equivalents		1,570,200	3,020,387

Notes to the Financial Statements

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 and registered as a charitable organisation with the Charity Commission on June 19, 2003. The charity is a company limited by guarantee and is an independent and non-profit making humanitarian agency that is non-discriminatory in its practices. The 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 (FRS 102) 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 Accounting 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 underpinned by the mutually supportive relationship with RI-US and the other organisations in the RI alliance. The Trustees have no reason to doubt that this support will continue to be available. The RI alliance continues to implement high performing programs that meet the needs of the communities we serve and that comply with donor requirements. While our revenue base of many short-term (12 months or less) humanitarian grants implies that there are significant uncertainties with respect to income and cash flow, we have processes in place for monitoring and managing unfolding conditions and adjusting accordingly. Our donors remain committed to funding projects in fragile settings. In 2020 we have benefitted from additional COVID funding and the pipeline for future projects remains strong at the time of signing this report. We have undertaken a scenario-planning exercise of income and planned expenditure including financial and cashflow projections to forecast how various outcomes might affect RI-UK and the Alliances' operations in 2021. This exercise takes into account the risk of decreased income from various sources and the ability of RI to implement its activities across the globe. The results of the scenario planning have been used as a basis from which to formulate a model for strategic planning.

We have conducted detailed cashflow and net asset forecasts for 2020 and 2021 and are confident, based on 2020 income and current pipeline, that in the next 18 months we will not see cashflow difficulties and will experience a gradual rebuilding of unrestricted reserves. This view is supported by the improvements we have made in both financial controls and Awards Management and in our continued strong global risk assurance function. These matters combined mean that we remain confident that the operational and financial risks faced by our operating teams in fragile settings are well managed.

The trustees recognise that the charity's continuation as a going concern is underpinned by the mutually supportive relationship with RI-USA, and the other organisations in the RI Alliance. The organisations support each other to deliver effective programmes through the commitment of their respective 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 organisations. RI-UK is consequently well placed to manage the business risks it faces.

We will continue to monitor the situation and manage our finances accordingly. The results of the scenario planning together with the support from the Alliance, and a continuation to shift to a more adaptable unrestricted cost structure, indicates that RI-UK has sufficient resources to continue in operational existence for the foreseeable future. The trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements, and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

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.

Notes to the Financial Statements

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

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

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 with 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 RI-US on a percentage 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.

Notes to the Financial Statements

1.6. Tangible fixed assets and depreciation

Assets for use at RI-UK headquarters are capitalised at a value above \$750 and stated at cost minus depreciation. Depreciation is provided at rates calculated to write off the cost over its expected useful life:

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

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

1.7. Foreign currency

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

1.8. Accumulated funds

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

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

1.9. Pension scheme

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

2. Incoming resources from charitable activities

	Unrestricted Funds \$	Restricted Funds \$	2019 Total \$	2018 Total \$
Economic opportunity	271,337	4,107,920	4,379,257	1,831,726
Education	379,830	11,467,903	11,847,733	14,754,948
Health	1,735,093	25,357,701	27,092,794	25,010,989
Multi-Sectoral	809,513	11,511,156	12,320,669	22,759,600
WASH	56,706	765,159	821,865	1,192,648
Other	775,451	8,247,006	9,022,457	5,842,834
	4,027,931	61,456,844	65,484,775	71,392,745

3. Donated goods, facilities and services

	Unrestricted Funds \$	Restricted Funds \$	2019 Total \$	2018 Total \$
Economic opportunity	-	5,351,816	5,351,816	11,574,730
Education	-	-	-	-
Health	-	1,101,189	1,101,189	1,052,324
Multi-Sectoral	-	-	-	1,290,837
WASH	-	57,881	57,881	53,282
Other	-	24,927,633	24,927,633	4,448,195
	-	31,438,519	31,438,519	18,419,368

Notes to the Financial Statements

4. Charitable activities

	Project Costs \$	Support Costs \$	2019 Total \$	2018 Total \$
Economic opportunity	8,510,975	291,128	8,802,103	1,862,829
Education	11,462,314	445,968	11,908,282	14,309,319
Health	26,444,820	2,407,194	28,852,013	26,544,684
Multi-Sectoral	11,434,170	1,287,788	12,721,958	22,658,082
WASH	827,599	7,147	834,747	1,166,292
Other	33,170,472	204,710	33,375,183	22,661,152
	91,850,350	4,643,936	96,494,286	89,202,358

	Project Costs \$	Support Costs \$	2019 Total \$	2018 Total \$
Staff costs	28,245,292	2,785,461	31,030,753	34,804,711
Project costs	63,605,058	1,858,475	65,463,533	54,397,648
	91,850,350	4,643,936	96,494,286	89,202,359

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

Notes to the Financial Statements

5. Trustees

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

6. Governance costs

	2019 Total \$	2018 Total \$
Audit costs	71,846	57,308
Total	<u>71,846</u>	<u>57,308</u>

7. Net expenditure for the year

	2019 Total \$	2018 Total \$
Net incoming resources are stated after charging:		
Auditor's remuneration - Audit fee	71,846	57,308
Foreign exchange losses/(gains)	<u>672,484</u>	<u>288,676</u>

Notes to the Financial Statements

8. Employee and staff costs

	2019 \$	2018 \$ (Restated)
Staff costs during the year were:		
UK staff wages and salaries	1,100,778	822,389
UK staff social security costs	113,130	70,830
UK staff pension contribution costs	77,452	88,282
	<hr/>	<hr/>
Total UK support staff costs on behalf of RI-UK	1,291,360	981,501
	<hr/>	<hr/>
RI staff working on RI-UK projects worldwide	28,245,292	31,697,462

RI-UK collaborates closely with the other alliance members to deliver RI's work.

The organisations do not establish separate field offices, but rather support field operations and administration in each country 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 across the organisations, RI avoids duplication, ensures that each organisation's costs are minimised, and is able to operate in a unified manner to effectively manage and monitor overseas activities.

The CEO is supported by a senior management team (SMT) who are together the Key Management Personnel and work across key functions and are responsible for the management of staff across departments and countries of operation for RI.

The staff costs note above includes the salaries of individuals who are employed directly by RI-UK as well as a proportion of the salaries of the KMP employed by RI-US.

Total remuneration paid to KMP whether through RI-UK or RI-US was \$474,556 (2018 - \$573,392).

Total cost of RI staff working on UK projects worldwide was \$28,245,292 (2018- \$31,697,462).

These costs are not included within the staff costs note above and are included as direct project costs (see note 4).

The average number of employees during the year was:

The average number of UK staff was:	<hr/> <hr/>	<hr/> <hr/>
	12	7

Total RI staff worldwide for information 3220 in 2019 (2018: 2010)

There were 3 employees based in the UK whose annual emoluments were £60,000/\$75,000 or more in 2019 (2018: 1)

Emolument	2019	2018
£60k - £70k/\$79k - \$92k	-	1
£70k - £80k/\$92k - \$105k	2	-
£80k - £90k/\$105k - \$118k	1	-

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

Notes to the Financial Statements

9. Debtors

	2019	2018
	\$	\$
Accrued income - Grants receivable	12,412,656	12,648,626
Amounts due from RI-US	2,176,696	3,294,506
Advances to Department for International Development (DFID) projects	668,787	1,116,116
	<u>15,258,140</u>	<u>17,059,248</u>

10. Creditors: Amounts falling due within one year

	2019	2018
	\$	\$
Deferred income	4,793,795	8,926,701
Accrued expenses	2,956,750	6,085,073
Amounts due to RI-France	6,385,469	-
Other creditors	2,388,447	2,914,567
	<u>16,524,461</u>	<u>17,926,341</u>

	Opening Balance	Income Received	Income Deferred	Closing Balance
	\$	\$	\$	\$
Deferred income	8,926,701	60,174,825	64,307,733	4,793,793

11. Creditors: Amounts falling due more than one year

	2019	2018
	\$	\$
Department for International Development (DFID)	-	1,233,409
	<u>-</u>	<u>1,233,409</u>

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

Notes to the Financial Statements

12. 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 2019 \$	Income \$	Expenditure \$	At December 2019 \$
Economic opportunity	-	9,459,736	8,514,236	945,500
Education	-	11,467,903	11,434,457	33,446
Health	348,656	26,458,890	26,726,362	81,184
Multi-Sectoral	396,551	11,511,156	11,818,464	89,243
WASH	-	823,040	816,560	6,480
Other	346,259	33,174,638	32,540,271	980,626
	1,091,466	92,895,363	91,850,350	2,136,479

13. Analysis of net assets between funds

	Unrestricted Funds \$	Restricted Funds \$	2019 Total \$	2018 Total \$
Current assets	303,880	18,660,940	18,964,820	21,171,101
Creditors: amounts falling due within one year	-	(16,524,461)	(16,524,461)	(17,926,341)
Creditors: amounts falling due more than one year	-	-	-	(1,233,409)
Total net assets	303,880	2,136,479	2,440,359	2,011,351

Notes to the Financial Statements

14. Related parties

RI-France, 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-France, RI-UK and RI-USA routinely advance monies to country offices on each other's behalf 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 2019, the amount due from RI-US was \$2,176,696 (2018: \$3,294,506) and the amount due to RI-France was \$6,385,469 (2018: \$0).

15. Post Balance sheet events

2020 was barely underway when the COVID-19 virus became a pandemic. Many of our field programs faced pauses or stops because of lockdowns, especially in Education. At the same time, we saw the rising health needs in the communities we serve, and health services are a major program area for us.

Like others in the UK, we also sent our London team members home to work. Because so many of our team travel globally, we already had our systems in place to work remotely, with cloud storage of our documents and cloud accessibility of our systems.

The biggest challenges were the additional house-hold responsibilities people had to take on, as schools and child-care shut down. Overall, the COVID pandemic could certainly be a threat to the successful achievement of some of our goals. But, we seem to have found ways to not just survive, but thrive, with growing programs through adaptation, innovation and starting from scratch. Sustaining our program portfolio and our teams amid the pandemic, particularly as it is likely to stretch into 2021, will not be easy. But for the most part, we see that our services and approaches are needed more now than ever.

Notes to the Financial Statement - 2018 Information

2018 Statement of Financial Activities

Income and Expenditure	Unrestricted Funds \$	Restricted Funds \$	2018 Total Funds \$
Incoming from			
Donations and gifts in kind	-	18,419,368	18,419,368
Charitable activities	5,817,042	65,575,703	71,392,745
Total incoming resources	5,817,042	83,995,071	89,812,113
Expenditure on			
Charitable activities	5,688,097	83,514,262	89,202,359
Total outgoing resources	5,688,097	83,514,262	89,202,359
Net income/movement in funds	128,945	480,809	609,754
Funds balance at 1 January 2018	790,939	610,658	1,401,597
Funds balance at 31 December 2018	919,884	1,091,467	2,011,351

Notes to the Financial Statement - 2018 Information

2018 Restricted funds

	At 1 January 2018 \$	Incoming Resources \$	Outgoing Resources \$	At 31 December 2018 \$
Economic opportunity	-	12,955,415	(12,955,415)	-
Education	-	13,760,239	(13,760,239)	-
Health	-	24,420,185	(24,071,528)	348,657
Multi-sectoral	488,708	22,465,101	(22,557,258)	396,551
WASH	-	1,168,296	(1,168,296)	-
Other	121,950	9,225,836	(9,001,527)	346,259
	610,658	83,995,072	(83,514,263)	1,091,467

2018 Net Assets

	Unrestricted Funds \$	Restricted Funds \$	2018 Funds \$	2017 Funds \$
Current assets	919,885	20,251,216	21,171,101	19,465,292
Creditors: amounts falling due within one year	-	(17,926,341)	(17,926,341)	(14,980,175)
Creditors: amounts falling due more than one year	-	(1,233,409)	(1,233,409)	(3,083,520)
Total net assets	919,885	1,091,466	2,011,351	1,401,597