



Relief International-UK

Annual Report and Financial Statements

12 months to 31 December 2021

Company Limited by Guarantee

Company Registration No. 4476247(England and Wales)

Charity Registration Number 1098106

Relief International-UK

Annual Report and Financial Statements

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Letter from the Chair and CEO

Embracing challenges and change – Relief International and our partner communities address pressing needs of millions of displaced people and the communities that host them. We delivered essential programs to the top countries that make up the world’s refugee population in 2021 – Afghanistan, Syria, Myanmar, South Sudan, and Sudan – along with the top countries hosting refugees – Jordan, Turkey, Pakistan, Lebanon, and Iran.

Relief International provided 10.4 million vital services to people across 16 countries, experiencing entrenched conflict and increasing impacts from climate change. Relief International raised and spent US\$160 million in 2021 with the UK contribution being \$65 million. We are especially proud of our integrated approaches with communities which delivered vital healthcare; nutrition; water, sanitation, and hygiene; education; food security; and livelihoods services by harnessing local innovation.

Conflict and Climate Change drove displacements with 2021 marking sad milestones for entrenched conflicts in Syria, East Africa, Afghanistan, and Myanmar along with severe climate change impacts in the form of flooding, droughts, and intense storms for most of our partner communities. Relief International has been with these communities since these crises started. Understanding the drivers and needs of both displaced and hosting communities is a hallmark of our new 2021 – 2025 strategy. We are proud of our strategic focus which partners with communities to find durable and sustainable solutions to deliver vital services in the context of climate change and conflict.

Last year we reported that our internal controls had uncovered a serious prohibited parties incident in late 2020 that resulted in a rigorous review of all our activities, practices and policies. Throughout 2021 we continued to make improvements to our ethics and compliance mindset and processes. All our global staff at Relief International maintain an unwavering focus on delivering high-quality programs while continually investing in upgrading our ethics and compliance culture. The staff and Board are guided by our long-term plan to enhance our operating practices in the difficult and fragile settings we work around the world. We are grateful to all our donors who continue to support vital services to so many communities in fragile settings.

As we write this in 2022, the Ukraine war and refugee crisis has added to already record-breaking numbers of globally displaced families. To bring lasting change for vulnerable communities we must work with them to address the root causes of fragility and go beyond providing immediate humanitarian assistance. Most importantly, we cannot forget those whose plights have faded from the headlines. Now more than ever these communities need our support.



Chip Levensgood
Chair
September 28, 2022



Ann Koontz
Chief Executive
September 28, 2022

Objectives and Activities

Our Purpose

Relief International (RI) partners with communities in fragile settings to save lives and build resilience, dignity, and long-term wellbeing.

The challenges facing fragile communities

People living in fragile settings are subject to complex, interconnected, and deep-rooted vulnerabilities. Climate change, conflict, and COVID-19 are now the major drivers accelerating and intensifying fragility around the world, straining the coping capacities of those least able to cope. Families living in fragility are more than twice as likely to be undernourished, more than three times as likely to be unable to send their children to school, twice as likely to see their children die before age five, and more than twice as likely to lack clean water.

Our Vision

All communities in fragile settings can achieve long term wellbeing.

Our Mission

To become a leading innovator in empowering communities in fragile settings to build resilience against vulnerabilities caused by climate change and conflict.

Our Impact Objectives

We aim to:

- Integrate Economic Opportunity, Education, Health and Nutrition, and WASH programming and embed climate change and conflict to build community resilience
- Partner with stakeholders from the private, public, and civil society sectors to holistically build community resilience to climate change and conflict
- Identify, test, and help scale up transformational ideas that can maximize communities in fragile settings' resilience to climate change and / or conflict

RI-UK Activities

RI exists to provide timely and efficient services and material resources to assist people living in fragile settings. We provide emergency, humanitarian and development assistance to 16 countries around the world. We are non-political and non-sectarian and are solely dedicated to reducing human suffering.

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 RI's selective skills

Our Values

Our values are at the heart of what we do and how we do it. They are:

Integrity

We are transparent and accountable in working with participants, partners, donors, Team Members, and the communities with which we work.

Adaptability

We embrace agility and innovative thinking, program approaches and ways of working.

Collaboration

We harness complementary expertise and networks to ensure that each issue, situation, or community gets the best solutions available.

Inclusivity

We embrace practices and policies that provide access to employment, opportunities, and resources for people who might otherwise be excluded or marginalised.

Sustainability

We support communities to build their own long-term resilience and well-being throughout all our work.

Strategic Report

Programmatic Areas

RI works in four key areas:

Health and Nutrition – ensuring access to quality healthcare

Our clinics provide life-saving maternal care, treatment for children combatting malnutrition, and action-oriented prevention programmes for communities threatened by outbreaks of disease.

Education – we open doors to brighter futures through learning

Our education programmes create safe, inclusive and quality learning environments for all genders and backgrounds, teach vocational skills geared towards the job market, and build local capacity through teacher training.

Water Sanitation and Hygiene – we connect communities to clean water and sanitation

Our teams teach basic hygiene practices which go hand in hand with our programmes that restore access to clean, reliable water sources. Together these efforts are the building blocks of healthy lives and preventing disease.

Economic Opportunity – we create income-generating pathways for marginalised groups

Our programmes foster enterprises and create jobs, connect people to markets and empower families to purchase necessities through cash assistance programmes.

We also deliver multi-sectoral support combining two or more of these areas of expertise.

Achievements and Performance

RI-UK works in collaboration with Relief International Inc, a USA-based registered not for profit organisation (RI-US) and MRCA-RI France, a France-based registered not for profit. As an Alliance we collect a unified set of data on the impact of our work. RI-UK contributed towards these global RI impacts:

Total number of people reached	10.4 million
Within this total the numbers reached within our four main programmatic areas is as follows:	
Health	
Number of consultations in RI supported healthcare facilities	5.7 million
Numbers educated on disease prevention or healthy practices	2.6 million
WASH (Water, Sanitation and Hygiene)	
Numbers with increased knowledge of key hygiene factors	1.49 million
Total accessing improved water or sanitation	235,000
Education	
Numbers of teachers and educators trained	5,700
Children / youth accessing educational programmes	32,000
Economic Opportunity	
Numbers trained on critical skills, capacity building and support services	80,000
Numbers of vulnerable people with new jobs or increased income	32,000

Our work in the Field

RI works with fragile communities that are affected by climate change and conflict. Extreme weather events fuelled by climate change are occurring with greater frequency and intensity than ever before. Conflict and war causes many to flee their homes and communities and that numbers of displaced persons across the world now exceeds 100 million.

It is communities already living in fragile settings that are the hardest hit. RI delivers urgent humanitarian aid when crisis strikes. We then partner with communities to develop long lasting, climate and conflict conscious relief and development programs to adapt to the challenging realities of a warming world and one that is so often conflict-ridden.

2021 included delivering the following projects:

Response mechanism for addressing protracted displacement in Rakhine State, Myebon and Mrauk U, Myanmar

Sectors addressed: Economic opportunity

Myanmar faces an unprecedented political, socioeconomic, human rights and humanitarian crisis with needs escalating dramatically since the military coup d'état in 2021 and the continuation of COVID-19. An estimated 14.4 million people are in need of some form of humanitarian or protection assistance (UN OCHA, 2021). The Rohingya population in Rakhine is still suffering the consequences of intercommunal violence ongoing since 2012. The Muslim minority ethnic population faces movement restrictions, limited access to basic services and few livelihood opportunities beyond the confines of their respective communities. For more than 120,000 internally displaced people (IDP) located in 23 IDP camps in southern and central areas of the State, living conditions in the camps remain poor, with overcrowded shelters and inadequate access to services and livelihood opportunities.

Relief International's conflict-sensitive project responds to this challenge by supporting the authorities to enhance service provision in the camps in a manner that is more inclusive of the affected population and ensures adherence to human rights. This includes freedom of movement, adequate access to livelihoods and public services through increased incomes of rural households, increased resilience of rural communities to both economic stresses and climatic shocks and improved policies and effective public expenditure for pro-poor rural development. Specifically, Relief International provides short-term vocational and entrepreneurship trainings accompanied with an introduction of basic governance and development structure directly targeting 350 people in Myebon and 2,695 people in Mrauk U, as well as indirectly benefitting 12,156 people in Myebon and 33,836 in Mrauk U.

By the end of 2021, the project had strengthened the economic resilience of the Muslim and Rakhine communities in Myebon town by improving trade links between the two communities. Relief International has diversified and strengthened livelihoods skills and opportunities through continuous capacity building; for example, by delivering multi-day training sessions for 15 entrepreneurship mentors on financial literacy and entrepreneurship training for 97 women. Furthermore, 20 youths between 21 and 27 years of age were also trained on business development, marketing, record-keeping, price calculation, developing communication and negotiation skills and business plan development, with support from a local Civil Society Organisation (CSO) called Rakhine Youth

Entrepreneurship Association (RYEA). Individuals who had completed short-term vocational trainings and started their own businesses were further introduced to a Gender and Entrepreneurship Together (GET Ahead) training to address some of the barriers women face to starting and running a business including tackling the needs of women with low literacy levels.

Bringing together Relief International's strategic focus on addressing both the causes of conflict and climate change, the project also strengthened community resilience through the planning and implementation of flood mitigation infrastructure in the low-lying areas of Myebon downtown and Taung Paw resettlement site.

Emergency WASH Response to flood-affected populations in Ulang, Longechuk and Maban, Upper Nile

Sectors addressed: Water Sanitation and Hygiene (WASH)

South Sudan remains one of the worst humanitarian crises in the world, with overlapping stress factors undermining community resilience and contributing to high levels of morbidity and mortality. Intra and inter-communal violence is prevalent with high levels of poverty, devastating food insecurity, a decimated public infrastructure system, sustained economic decline, seasonal climatic shocks, widespread trauma, and an ongoing protection crisis. In 2021, an estimated 8.3 million people were in need of some form of humanitarian or protection assistance (UN OCHA, 2021). Relief International operates in Upper Nile State in the north of the country, which is a particular hotspot for both conflict and extreme climatic events, chiefly in the form of flooding caused by intense seasonal rains.

In response to major flooding in late 2021, Relief International implemented an emergency flood response project with funding from UNICEF to provide safe water supply to flood-affected communities in Ulang, Longechuk and Maban counties in Upper Nile through the rehabilitation of school and community boreholes, shock chlorination of boreholes, construction of eight semi-permanent shared communal latrines and installation of hand washing facilities in congested IDP areas.

Amid this complex context impacted by both conflict and climate change, Relief International used its longstanding strong relationships with the affected communities and local authorities to ensure assistance was provided equally without causing or exacerbating community tensions. Relief International was further able to upgrade an existing borehole at Kuich Payam into a solar powered water supply system with an 18m³ storage tank. In addition, 23 flood-resilient boreholes were rehabilitated including 10 in Ulang, 10 in Longechuk and 3 in Maban counties. To ensure that the assistance provided is sustainable, RI facilitated the formation and training of 13 water management committees of 4 members each in Ulang, Longechuk and Maban (comprised of 17 men and 35 women) to support the operation and maintenance of the water points in the future. 13 hand pump mechanics from Ulang were also trained on how to conduct minor maintenance of the water access points such as greasing, to ensure the sustainability of the new water points.

In addition, eight semi-permanent latrines were constructed with eight hand washing stations. Furthermore, 120 girls from Kopuot Primary School, 80 girls from Biel Primary School and 1,000 adolescent women in the community were supported with menstrual hygiene management materials. Overall, the project was able to reach a total of 26,712 flood-affected people through provision of safe

water and sanitation infrastructure, hygiene and sanitation awareness campaigns, COVID-19 messages and distribution of hygiene items.

Delivering health facilities in Yemen

Sectors addressed: Health

Al-Manar Rural Hospital, located in the Al-Haima Al-Kharijiah district in Sana'a governorate, was opened in 1971 to serve a population of close to 95,000 from two neighbouring districts. Its Reproductive Health (RH) services were initially limited to deliveries and family planning with only one nurse managing 34 patients for family planning and delivery services per month. Since the civil war erupted in 2014, Yemen's health system suffered drastically and further deteriorated to the point where health facilities were not functional, lacking medical equipment, supplies, essential pharmaceuticals and without sufficient resources to afford qualified medical staff.

Since 2019, and despite deterioration due to conflict and the economic situation which extended through 2021, RI in Yemen took the lead to support HFs such as Al-Manar Rural Hospital through OCHA funding with essential medications, supplies, medical equipment, furniture, and coverage of monthly operational costs. With an aim to ensure communities are resilient in the face of ongoing conflict in a particularly fragile setting such as Yemen, RI's multifaceted intervention focused on the rehabilitation of the hospital's departments as well as the training of the nominated technical essential staff, including a gynaecologist and obstetrics specialist, a paediatrician, a general practitioner, four midwives, three additional nurses, two anaesthesia technicians, two operation theatre technicians and 13 paramedical and support staff. With RI support, the scaled-up team of 28 staff has allowed the hospital to tend to up to 868 patients per month in 2021. RI's integrated implementation approach to health facilities includes continuous professional support to health workers on health and nutrition topics to ultimately contribute towards a strengthened, independent, and sustainable health system in Yemen.

In 2021 specifically, RI supported the provision of a total of 114,949 consultations provided through UNOCHA funding across both Sana'a and Amran Governorates, including consultations for diabetic and hypertensive patients, reproductive health consultations, mental health consultations, as well as for communicable diseases across the host community and IDPs population, reaching a total of 108,245 (27,000 boys, 22,048 girls, 27,211 men and 31,986 women) beneficiaries. Additionally, RI trained 66 (31 men and 35 women) health workers and supported 337 (223 men and 114 women) community health volunteers. As an important part of RI's interventions in Yemen, outreach activities through community health volunteers aim at strengthening overall community resilience, awareness, and access to health services for improved quality of life.

Jordan: Opening up a brighter future for high school graduates in refugee camps

Sectors addressed: Education,

Established in 2004, RI Jordan has been supporting Syrian refugees in Za’atari and Azraq Camps since 2013, and in 17 schools within host communities across four governorates since 2019. In 2021, RI provided education services to more than 6,000 students, including remedial education for students at risk of dropping out and classes for drop-out students that enabled their re-entry to formal education. One of the motivating factors for students to complete their education is the chance to improve economic prospects and expand life choices and opportunities through higher education, either through university studies or technical and vocational education.

However, access among Syrian refugees in Jordan to higher education is constrained due to various barriers, including legal documentation, high student fees, lack of capacity in educational institutions, as well as English language. Aiming to enhance the transferrable skills of Syrian refugee students and simultaneously increase their access to higher education and quality vocational trainings, which in turn would pave the way for self-reliance, RI joined the Partnership for Digital Learning and Increased Access (PADILEIA).

Through the PADILEIA consortium, led by King’s College London (KCL), in 2021 RI provided 45 Syrian students in Za’atari Camp with a blended foundation program that incorporated both technology and education support for their needed preparation to successfully pursue and enter higher education. Through the provision of internet bundles, RI provided the students access to on-line learning provided by PADILEIA university partners in Jordan. Subjects included math, science, English, the humanities and digital skills. Volunteer instructors – fellow refugees with university degrees – led study groups and offered additional learning support from RI’s centres in the camp.

Following the completion of the program, 10 of the Syrian students received scholarships to attend universities in Jordan and abroad; the remaining students received scholarships to pursue vocational education in subjects such as computer programming, interior design and logistics management. Through their ability to access higher education, these refugees now have expanded opportunities to build better futures for themselves and their communities.

Plans for the Future

In 2021 Relief International launched its 2021-25 five-year strategy. The strategy was developed with broad consultation from staff and the board and builds on Relief International’s commitment to being a fragile settings specialist that provides integrated economic opportunity, education, health/nutrition, WASH (water, sanitation, and hygiene), and protection programming. In developing our five-year strategy Relief International considered that:

- The number of people living in fragile countries and settings is on the rise - driven by a combination of conflict, poor governance, and climate change
- By 2030, it is projected that 80% of the world’s extreme poor will live in fragile settings.
- Related to the rise in fragile settings is an unprecedented number of enduring, complex crises. Across Relief International’s countries of operation, 22 million need urgent assistance in

Yemen; 12 are million displaced in Syria; tens of thousands of people have been killed and 4 million forced to flee in South Sudan; Bangladesh is struggling to host 750,000 Rohingya refugees.

- The key driver is violent conflict. Ten years ago, 80% of humanitarian crises were caused by natural disaster. Today, 80% are caused by man-made conflict, with violence at a 25-year high, these vulnerabilities
- The changing global climate is amplifying the vulnerabilities of people living in the most fragile settings. It is destabilizing economies, rapidly fuelling insecurity, crippling productivity, and weakening social institutions. Climate variability and extremes are among the key drivers behind the increase in global hunger and severe food crises.
- A growing body of research has drawn links between violent conflict and the role of climate change as a threat multiplier, and extreme weather and disasters are affecting lives and sustainable development on every continent.

Therefore, Relief International UK is proud to be putting five major elements at the forefront of our strategy:

1. Apply programming and operational methods, systems, and skillsets that build community resilience to climate change and conflict
2. Become a leader in putting Communities at the Centre
3. Incubate, test, and help scale-up transformational ideas
4. Create a flexible and diverse funding model
5. Build a more agile, disciplined, and diverse organisation

Relief International is heavily investing in increased compliance and structural change that will make Relief International more disciplined and accountable, embracing greater diversity and retaining agility to best operate in complex environments. The focus on the five strategy elements will build on our successes with communities in education, health and nutrition, WASH, Economic Opportunities, and protection while advancing transformational ideas needed to reduce fragility and increase resilience.

Financial review

Income

Income in the year to 31 December 2021 fell by almost 18% to \$67.7m with charitable activities funding decreasing by 30% to \$41.8m. This reduction in income was anticipated as all the RI Alliance's new European grants were obtained by MRCA-RI France from early in 2019. Charitable activities income is expected to increase slightly in 2022. The main donors supporting RI-UK programmes are arms of the UN, including UNICEF, UNHCR, OCHA, UNFPA and UNOPS. We also received funds from governmental aid agencies such as DFID (now FCDO) in the UK and GFFO in Germany.

Expenditure

Expenditure on charitable activity in the year also fell in value from \$83.9m to \$65.6m, a fall of almost 22%, due mainly to the transfer of European grants to MCRA-RI France and the ending of the FCDO funded Education program in Somalia, a 5-year award that was not available for renewal. Further lack of continuation for a UNDP funding in Sudan and South Sudan, AAH funding in Yemen, and WHO funding in Yemen also contributed to the decrease in activity. Revenue exceeded expenditure by \$2.15m, primarily due to the movement of \$1.77m in Gifts in Kind into restricted reserves. The charity has very few private donations and incurred only \$6,669 in fundraising costs in the year.

Balance Sheet and Cashflow

The charity had restricted reserves as at 31 December 2021 of \$2,028,367 (2020: \$261,899). The restricted reserves arise from the accounting treatment of stock in hand from Donations of Gifts in Kind. This increased in 2021 as more stock was received than distributed. Unrestricted reserves during 2021 increased from \$560,590 to \$943,056, an increase of \$328,467. Despite this cashflow was \$686,065 negative in the year due to the timing of debtor and creditor cashflows.

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 of non-project operational expenditure.

As at 31 December 2021, RI-UK held unrestricted general funds of \$943,057 (2020: \$560,590) which represented over 4 months (2020: 2 months) of future non project central expenditure. RI-UK intends to maintain its reserve ratio to within the 3-6 month target through tighter cost control and initiating UK based Fundraising.

Serious Incident

In 2020 our internal controls identified a prohibited parties issue within our Alliance partner MRCA-RI France and this was reported to the Charity Commission as a serious incident in December 2020. RI reported this to all donors and in 2021 this led to RI-US being suspended from bidding for new US government grants in March 2021. This suspension was lifted in May 2021. The incident also led to a delayed issuance of the ECHO framework partnership agreement (FPA) for MRCA-RI France.

The incident led to an overhaul of several policies with the introduction of a Prohibited Parties Policy (which updated RI's previous terrorist financing policy) and additional training for all staff and partners. RI-US is now in an Administrative Agreement with the US government and has an external monitor in place who is also supporting the further strengthening of our internal controls. For further information see mitigating actions taken under Principal Risks and Uncertainties below. Trustees are confident that in future there are mechanisms in place not just to identify such incidents (as actually happened) but to prevent them taking place at all.

It is possible that the US government will seek to impose a fine on RI-US and there remains a possibility of governmental fines being levied on MRCA-RI France, but the latter is considered remote. The US approach to such levies is subject to ability to pay. The Charity Commission has written to say that it is satisfied that RI-UK has taken all necessary actions and has closed its interest in the incident.

Going Concern

We have set out in this report a review of RI-UK's 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. During the year we benefitted from 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 other Alliance entities' operations in 2022. 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 into the second half of 2023 and are confident, based on 2022 income and current pipeline, that in the next 15 months we will not see critical cashflow difficulties and will experience a further 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-US and MRCA-RI France. The RI entities 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 charity does not face material uncertainties itself but both RI-US and MRCA-RI France do face potential penalties from their respective governments into the serious incident reported late in 2020. Trustees believe that it is likely these potential liabilities can be settled out of court without any material financial risk to RI-UK.

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.

Structure, governance, and management

Board of Trustees and Organisational Structure

RI-UK is an independent organisation. It has a longstanding Corporate Alliance Agreement with RI-US, MRCA-RI France and RI-Europe. Together, the four organisations are known simply as Relief International (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. The Charity's objects as stated in the Articles of Association are to act as an emergency relief, rehabilitation and development agency providing timely and efficient services and material resources to assist victims of natural and man-made disasters world-wide.

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, protection 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.

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 has a number of committees meeting quarterly in advance, as follows:

- Strategy and programmes – overseeing development of strategy and implementation of programs
- HR & Governance – overseeing Board governance and receiving updates on HR matters world-wide
- Finance – monitoring Finance strategy and financial performance
- Audit and risk – overseeing/cooperating with each RI Alliance member's audit and assessing and monitoring risk
- Advancement – understand RI's donor context, review the fund-raising strategy and annual plan, advise on communications plan to ensure it supports the purposes of the fundraising strategy, and access directors' engagement and networks
- Executive – overseeing Committee activity and taking some delegated decision making from the main Board

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.

Trustee induction

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.

Trustee Attendance in 2021

Trustee Name	Committee Membership	Board		Committees	
		Total	Attended	Total	Attended
Paul Levensgood (Chairman)	A, D, E, F, H, S	25	25	8	8
Steve Hansch (Treasurer)	A, D, E, F, H, S	25	21	8	7
Dana Freyer	D, E, H	25	25	8	8
Beverly Morris Armstrong	A, F	25	24	0	0
Amanda Barnes	A, S	25	23	6	6
Daniel Bader	D, E	25	16	7	6
Stéphane Crescitz	F	25	24	6	6
Debra Davis	A, E, F,	25	23	7	7
Ellen Frost	H, S	25	24	1	1
John Gage	F, S	25	24	0	0
Deirdre Guice Minor (to February 2021)	A	3	3	0	0
Julia Guth	D, H	25	20	1	1
Edwin Davisson Hardman Jr.	E, S	25	23	7	7
Philippe Oberlin	S	25	22	0	0

Key:

A – Audit & Risk

D – Advancement /Development

E – Executive Committee

F – Finance

H – Human Resources & Governance

S – Strategy & Programming

Attendance patterns were unusual in 2021 as the Board opted to suspend most Committee meetings whilst regular fortnightly Board meetings were held to navigate through the critical issues raised by the prohibited parties incident.

Trustee interests

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. All trustees are also members or directors of the other RI Alliance members. In making decisions about RI-UK they are required to consider what is in the best interests of the company rather than the Alliance as whole, though these interests are usually seen to be aligned. No trustee had any beneficial interest in any contract that RI has with third parties. Trustees are asked to fill out a conflict of interest form annually and to keep the form updated.

Principal Risks and Uncertainties

RI works in some of the most challenging areas of the world working with fragile communities affected by conflict and climate change. Risk management is therefore integral to RI's work due to the dynamic nature of its operating environments. Regular risk updates and reviews are an essential exercise for both management and the Audit and Risk Committee. The Trustees of the charities are responsible for ensuring that these reviews take place, that there is an ongoing assessment of the risks that RI 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, Ethics and Security Incidents Reporting and Management, Prohibited parties, 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. In addition, under an Administrative Agreement the US government lifted the suspension imposed on RI-US and there is an Independent Consultant in place to advise further on controls and compliance.

As part of its Enterprise Risk Management approach 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 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.

The principal risks faced by Relief International and the control and mitigation strategies employed are as follows:

	Principal Risk	Control and Mitigation
1	<p>Reputation</p> <p>The risks under Reputation are those relating to a failure to put in place the appropriate capabilities to implement the strategy and threats to business continuity. The implementation of the Administrative Agreement with the US government following a Prohibited Parties transaction in 2020 continues to be a priority for RI.</p>	<ul style="list-style-type: none"> • The set-up of an Ethics and Compliance working group and a CECO role • The agreement of a 'path to sustainability' with the Boards
2	<p>Ethics and Compliance</p> <p>The key risks under this heading are breaches of key policies (including Financial Crimes, Prohibited Parties, Data Privacy and Safeguarding).</p>	<ul style="list-style-type: none"> • Optimising process, procedures and policies through the Optimise Finance Programme. <p>Enhanced due diligence implementation for high-risk countries.</p>

	Principal Risk	Control and Mitigation
3	<p>Structure and Governance</p> <p>The key risks under this heading are the capacity of the Senior Management Team (SMT) and the challenges within RI's alliance structure.</p>	<ul style="list-style-type: none"> • Strengthening the SMT with five new additions including the CECO, General Counsel, VP security and the two Regional Directors. • Assessment and coordination of country legal risks by the General Counsel.
4	<p>Programme Delivery</p> <p>The key risks under Programmes are around programme implementation challenges, program quality and programme capacity.</p>	<ul style="list-style-type: none"> • Harmonising approaches to support to Country Offices by the two Regional Support Offices. • Building MEAL systems across RI to adhere to MEAL global standards to support project quality. • Provide training on climate change to support the implementation of the new strategy.
5	<p>Security</p> <p>The main risk here is on the exposure of staff and those associated with RI to harm or danger as a result of RI's work in fragile settings.</p>	<ul style="list-style-type: none"> • Roll out basic analysis, support tools and security documentation for countries • Conduct Incident Management Training for SMT at Country level and hire additional security staff as approved in the 2022 budget.
6	<p>Financial</p> <p>The risks under this category are related to financial mismanagement and the organisation's business model.</p>	<ul style="list-style-type: none"> • Continued operational improvements to Finance, particularly with respect to foreign exchange, accounts payable, accounts receivable, audits and the Negotiated Indirect Cost Rate (NICRA) • Review Common Costs allocation policy and procedure • Implement agreed actions under 'path to sustainability'
7	<p>Revenue Generation</p> <p>The key areas of risk are around RI's reliance on institutional income and its private fundraising programme.</p>	<ul style="list-style-type: none"> • Maximising emerging funding opportunities in existing markets

	Principal Risk	Control and Mitigation
		<ul style="list-style-type: none"> • Building strong partnerships and working in consortia
8	<p>Operations</p> <p>The key risks under Operations are on people management and cyber-security.</p>	<ul style="list-style-type: none"> • Embracing a new approach to talent pipelines, linking this with talent development initiatives. • Increase/enforce training and awareness around cyber-security on RI's training portal • Continue technology update programme to improve network resilience.

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.

Policies

Grants

The vast majority of our income is derived from government and transnational organisation grants. These tend to be for one-to-three-year periods. There is a formal approval process that is followed before a grant is approved internally. Once programs are underway, they are systematically monitored throughout their implementation period. Major programs are subject to a final evaluation process, and most are subject to detailed donor audits. Monies advanced to our delivery partners in

the field are also subject to monitoring and evaluation according to specific performance measured agreed in advance.

People

Our ability to deliver programs around the world depends on the skills, capability and motivation of our staff. There have been some recent changes in our management structure, including the appointment of a new Africa/Asia Regional Director and the creation of a new Chief of Staff role. Our Chief Ethics & Compliance Officer left in June and recruitment for his successor is underway. Our interim HR Director is retiring, and her successor has been recruited and will join in September 2022 in the revised role of Chief HR Officer. Our CEO, Ann Koontz, is also transitioning out of RI and a search firm – Heidrick & Struggles – has been appointed to find Ann’s successor.

UK Staff

During 2021 the average number of Global Support Office staff (all entities) was 54. The average number of people employed by RI in the UK was 17 (i.e., those employed on UK contracts) which is relatively low, compared with the US GSO workforce. This is due to the fact that management and support of nearly all projects is carried out by RI-US.

Remuneration

Relief International’s remuneration approach is to leverage a combination of factors in the employment market as well as internal equity considerations. Factors of supply and demand of skills, experience and education, and external benchmarking surveys, are used when determining compensation levels. Our internal compensation structure includes grade levels and a spread of 12 steps, thereby allowing staff members growth within their grade as they progress in their jobs. Remuneration for key management personnel is agreed by the remuneration Committee of the Board.

Diversity

It is our policy to respect the diversity of all employees, treating all equally regardless of gender, sexual orientation, disability, race, caste, culture, nationality, ethnic origin, religious belief, or age.

Relief International promotes diversity and inclusion in our hiring, compensation, promotional, and training opportunities. We take several actions to ensure that our employment practices are consistent across gender, race, and ethnicity. In 2021 we engaged a consultant to help us develop our Diversity, Equity & Inclusion approach. This is now in place in the form of a multi-year DE&I Plan and the roll out has begun with ‘Mitigating Bias’ training for the Board and SMT.

Learning and Development

We are committed to increasing the skills and competencies of our staff and RI provides a plethora of training through the RI Academy (RI’s newly relaunched learning management system). This includes a Local Leadership Development Program (LLDP) for exemplary performers.

As part of our ethics & compliance commitments, all staff are required to complete mandatory orientation training on the following:

- RI Code of Conduct

- Prohibited Parties Policy
- Conflict of Interest
- Safeguarding Essentials
- Combatting Human Trafficking
- Incident Reporting
- Whistleblowing
- Preventing Harassment in the Workplace
- Preventing Support for Prohibited Parties
- IT Cyber Security
- BSAFE (UNDSS) - Safety and Security training

We continuously assess staff training needs through the RI performance management system and recommend content for staff from within the RI Academy and through external sources such as WHO, Humanitarian Leadership Academy (Kayaconnect.org) and, eCornell University.

Staff Wellbeing

All RI staff around the world have access to in-country psychological support and counselling. In the UK this is provided through an external Employee Assistance Program and also a modest health insurance policy.

Safeguarding

We are committed to promoting the safety and wellbeing of staff, volunteers, partners and programme participants involved in our efforts at delivering humanitarian aid and development assistance. We take a zero tolerance approach to breaches of our safeguarding policies and code of conduct and put the wellbeing and rights of our staff and stakeholders at the heart of what we do. Ultimate responsibility for safeguarding rests with the Audit & Risk Committee, which receives regular reports on safeguarding matters.

We have made good progress on the Safeguarding Framework that we developed in 2020. The framework lays out our overarching approach to safeguarding against Sexual Exploitation, Abuse and Harassment (SEAH) and allows us to measure ourselves across each standard in order to identify strengths and areas for development. This framework outlines 6 core standards that are interlinked:

1. *Safeguarding culture*: RI's values, beliefs and codes of practice are conducive with an organisational culture that is committed to preventing harm and abuse
2. *Governance and accountability*: Safeguarding policies and procedures are in place and roles and responsibilities for safeguarding assigned.
3. *Safe people*: All staff are safely recruited and trained in safeguarding
4. *Safe programmes*: Potential safeguarding risks in programmes and project are identified and addressed and this includes partners.
5. *Safe reporting and response*: A comprehensive complaints mechanism is in place and safeguarding reports and concerns are investigated.
6. *Safe communications and media*: Safeguarding measures are incorporated into all communications and media activities.

Each standard has a strategic lead that works alongside the Global Safeguarding Manager to review the project plan, identify areas we already adhere to, review missing indicators, risk assess and prioritise plans, identify stakeholders and embed resources. The framework is currently informing the

revision of our safeguarding policies which is aimed at making them more responsive to our current safeguarding challenges.

In 2021, the number of safeguarding incidents reported reached record levels in the organisation. The increase in reporting is attributed to the embedding of the safeguarding focal point role in each country and increased training and awareness raising activities. The increase in reporting is also in line with trends across the sector for INGOs.

The safeguarding approach in RI remains underpinned by the 'do no harm' principle and survivor-centred work. RI's safeguarding program is still maturing with the focus of the organisation firmly set on safeguarding becoming an integral part of how we operate at every level, from managers leading by example to equipping staff with the skills they need.

Safety and Security

RI has faced numerous safety and security challenges in 2021 including increased tension in Afghanistan, ongoing coup concerns in Myanmar, continuing ethnic and tribal/political conflict in South Sudan and a war-ravaged Yemen. RI has carefully managed its risk budget, with incremental improvements and a strengthened focus being placed upon safety and security.

As we have done extensive implementation of due diligence processes across the organisation, we have concurrently sought to not only raise our standards of duty of care but also implement systems to ensure staff are able to make educated and informed consent decisions. Our staff continue to deliver humanitarian services sometimes at great risk to themselves but within an improved security risk management framework within RI.

We continue to refine and update to industry standards within RI structured risk management. This has been well received across the organisation as senior management have championed the clear expectation of a strong synergy between security risk management and programme delivery.

RI has begun to embark on a process of not only a defensive posture in security mitigation but has begun a forward looking process of employing a team of security analysts, who can plan security, as well as scenario build, giving RI a predictive edge on security for improved implementation of the programme. This along with a full-time security trainer will over the next 18 months help build on our strong approach to risk management. Security is now firmly embedded in the monthly programme management reporting system and our current risk appetite is built into organisational decision making.

Fundraising

The vast majority of our funding comes from international donors, but we do have an aim to increase funding from private donations. We are registered with the Fundraising Regulator and are committed to the Code of Fundraising Practice. We ensure that all fundraising activity is compliant with the Code and monitor this regularly. We do not routinely use agencies or fundraising partners, but we do undertake checks on all new suppliers to ensure they are financially viable and meet our ethical criteria prior to working with them. We listen to our supporters and endeavour to build long term relationships with them. During 2021 we did not receive any complaints about our fundraising activity.

Statement of Trustees' Responsibilities

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 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.

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



PK Levengood

Chair of the Board of Relief International-UK

Date: 28 September 2022

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

Opinion

We have audited the financial statements of Relief International-UK ('the charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including 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 31 December 2021 and of 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 their 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 and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; 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 23 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), employment legislations, taxation legislations and anti-fraud, bribery and corruption legislation. We also considered compliance with local legislation for the charity's overseas operating segments.

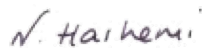
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, review of overseas office audit reports, review of donor audit reports, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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
Date: 30th September 2022

Statement of Financial Activities

(incorporating an income and expenditure account)

	Notes	Unrestricted Funds \$	Restricted Funds \$	2021 Total Funds \$	2020 Total Funds \$
Incoming from					
Donations and gifts in kind	3	-	25,975,640	25,975,640	22,509,245
Charitable activities	2	2,673,184	39,089,685	41,762,869	59,760,202
Total income		2,673,184	65,065,325	67,738,509	82,269,447
Expenditure on					
Charitable activities	4	2,199,742	63,338,040	65,537,782	84,142,954
Total expenditure		2,199,742	63,338,040	65,537,782	84,142,954
Foreign exchange losses/(gains)	7	51,791	-	51,791	(255,637)
Net income/movement in funds		421,651	1,727,285	2,148,936	(1,617,870)
Reconciliation of funds					
Funds balance at 1 January		560,590	261,899	822,489	2,440,359
Funds balance at 31 December		982,241	1,989,184	2,971,425	822,489

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 30 to 40 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	2021 \$	2020 \$
Current assets			
Debtors	9	11,030,925	14,154,963
Cash at bank and in hand		1,994,363	2,680,428
Stock		1,989,184	261,898
		<u>15,014,472</u>	<u>17,097,289</u>
Liabilities			
Creditors: amounts falling due within one year	10	<u>(12,043,047)</u>	<u>(16,274,800)</u>
Net current assets		2,971,425	822,489
Total net assets/liabilities		<u>2,971,425</u>	<u>822,489</u>
The funds of the charity			
Restricted funds	11,12	1,989,184	261,899
Unrestricted funds	13,14	982,241	560,590
Total charity funds		<u>2,971,425</u>	<u>822,489</u>

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 Levengood
Chairman of the Relief International UK Board of Trustees
Date: 28 September 2022

Company registration number **4476247**

Cash Flow Statement

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Net cash provided by (used in) operating activities	(a)	(686,065)	1,110,228
<hr/>			
Cash and cash equivalents in the reporting period	(b)	<u>(686,065)</u>	<u>1,110,228</u>
Cash and cash equivalents at the beginning of the reporting period		2,680,428	1,570,200
Cash and cash equivalents at the end of the reporting period		<u>1,994,363</u>	<u>2,680,428</u>

Notes to the cash flow statement for the year to 31 December 2021

Reconciliation of cash flows from operating activities

	Notes	2021 \$	2020 \$
Net income for the reporting period (as per the statement of financial activities)	(a)	2,148,936	(1,617,870)
Adjustments for:			
(Increase)/decrease in debtors		3,124,038	1,103,177
(Increase)/decrease in stock		(1,727,286)	1,874,582
Increase/(decrease) in creditors		<u>(4,231,753)</u>	<u>(249,661)</u>
Net cash provided by (used in) operating activities		<u>(686,065)</u>	<u>1,110,228</u>
Analysis of cash and cash equivalents			
	(b)	2021 \$	2020 \$
Total cash and cash equivalents		<u>1,994,363</u>	<u>2,680,428</u>

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.

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 2022-23. 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 2022 and 2023 and are confident, based on 2022 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.

Notes to the Financial Statements

1.1 Basis of preparation (continued)

The trustees recognise that the charity's continuation as a going concern is underpinned by the mutually supportive relationship with RI-US 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 charity does not face material uncertainties itself but both RI-US and MRCA-RI France do face potential penalties from their respective governments into the serious incident reported late in 2020. Trustees believe that it is likely these potential liabilities can be settled out of court without materially affecting RI-UK financially.

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.

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. Due to the fragile nature of the areas that we work programmatic income is only recognised when the underlying expenditure has been incurred.

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.

Notes to the Financial Statements

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.

1.3 Incoming resources (continued)

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 organisation 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.

1.6 Tangible fixed assets and depreciation

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

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

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

Notes to the Financial Statements

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.

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 order to prepare the accounts trustees and management have made judgements and estimates. The most significant of these are:

- Revenue recognition: The charity receives a range of income streams and the approach to accounting for them is covered in Note 1.3 above.
- Provisions and accruals: Provisions such as bad debts, possible disallowed expenditure and accruals for expenditure require assumptions and estimation techniques. There are based on experience, knowledge of management and evidence of past experience.
- Cost allocation: The allocation of support costs requires a judgement as to what the most appropriate cost drivers are to apply.
- Gifts in Kind: Non cash gifts are valued at their estimated market value at the time the goods or services are received.

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.

Notes to the Financial Statements

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.

2. Incoming resources from charitable activities

	Unrestricted Funds \$	Restricted Funds \$	2021 Total \$	2020 Total \$
Economic opportunity	403,551	5,708,278	6,111,829	6,186,123
Education	200,933	2,870,479	3,071,412	9,927,636
Health	870,923	13,636,483	14,507,406	21,940,191
Multi-Sectoral	732,108	10,742,887	11,474,995	13,597,487
WASH	12,749	154,907	167,656	1,599,599
Other	452,920	5,976,651	6,429,571	6,509,166
	<u>2,673,184</u>	<u>39,089,685</u>	<u>41,762,869</u>	<u>59,760,202</u>
Total				

3. Donated goods, facilities and services

	Unrestricted Funds \$	Restricted Funds \$	2021 Total \$	2020 Total \$
Economic opportunity	-	-	-	-
Education	-	-	-	9,023,228
Health	-	1,970,219	1,970,219	1,773,119
Multi-Sectoral	-	127,264	127,264	85,088
WASH	-	-	-	16,787
Other	-	23,878,157	23,878,157	11,611,023
	<u>-</u>	<u>25,975,640</u>	<u>25,975,640</u>	<u>22,509,245</u>
Total				

Notes to the Financial Statements

4. Charitable activities

	Project Costs \$	Support Costs \$	2021 Total \$	2020 Total \$
Economic opportunity	5,707,919	200,926	5,908,845	6,705,972
Education	2,870,479	115,661	2,986,140	19,217,544
Health	15,559,229	530,549	16,089,778	23,577,896
Multi-Sectoral	10,879,598	369,785	11,249,383	13,363,176
WASH	154,907	5,276	160,183	1,577,018
Other	28,165,908	977,545	29,143,453	19,701,348
Total	63,338,040	2,199,742	65,537,782	84,142,954

	Project Costs \$	Support Costs \$	2021 Total \$	2020 Total \$
Staff costs	22,694,412	1,316,960	24,011,372	28,232,019
Project costs	40,643,628	882,782	41,526,410	55,910,935
Total	63,338,040	2,199,742	65,537,782	84,142,954

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.

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

	2021 Total \$	2020 Total \$
Audit costs 2019	-	51,642
Audit costs 2020	40,313	65,000
Audit costs 2021	65,000	-
Total	105,313	116,642

Notes to the Financial Statements

7. Net expenditure for the year

	2021	2020
	Total	Total
	\$	\$
Net incoming resources are stated after charging:		
Auditor's remuneration - Audit fee	105,313	116,642
Foreign exchange losses/(gains)	51,791	(255,637)

8. Employee and staff costs

	2021	2020
	\$	\$
Staff costs during the year were:		
UK staff wages and salaries	1,209,593	1,467,427
UK staff social security costs	138,922	148,977
UK staff pension contribution costs	42,644	88,885
Total UK support staff costs on behalf of RI-UK	<u>1,391,159</u>	<u>1,705,289</u>
RI staff working on RI-UK projects worldwide	22,694,412	26,526,730

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 (KMP) 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 \$554,483 (2020 - \$527,708).

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 UK employed staff was:	<u>17</u>	<u>16</u>
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Total RI staff worldwide for information was 2669 in 2021 (2020: 3049)

Notes to the Financial Statements

8. Employee and staff costs (continued)

There were 5 employees based in the UK whose annual emoluments were £60,000/\$75,000 or more in 2021 (2020: 5)

Emolument	2021	2020
£60k - £70k/\$79k - \$92k	-	1
£70k - £80k/\$92k - \$105k	2	4
£80k - £90k/\$105k - \$118k	2	-
£90k - £100k/\$117k - \$130k	1	-

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

9. Debtors

	2021	2020
	\$	\$
Accrued income - Grants receivable	4,809,745	8,507,374
Amounts due from RI-US	6,221,180	5,647,589
	11,030,925	14,154,963

10. Creditors: Amounts falling due within one year

	2021	2020
	\$	\$
Deferred income	6,651,630	4,572,720
Accrued expenses	3,584,753	2,844,480
Amounts due to RI-France	200,000	7,060,343
Advances refundable to donor	802,000	988,815
Other creditors	804,664	808,442
	12,043,047	16,274,800

	Opening Balance	Income Received	Income Deferred	Closing Balance
	\$	\$	\$	\$
Deferred income	4,572,720	3,706,889	6,587,799	6,651,630

Notes to the Financial Statements

11. Restricted funds

	At January 2021	Income	Expenditure	At December 2021
	\$	\$	\$	\$
Economic opportunity	280,861	5,708,278	5,707,919	281,220
Education	-	2,870,479	2,870,479	-
Health	131,702	15,606,702	15,559,229	179,175
Multi-Sectoral	87,910	10,870,151	10,879,598	78,463
WASH	411	154,907	154,907	411
Other	(238,985)	29,854,808	28,165,908	1,449,915
	261,899	65,065,325	63,298,855	1,989,184

The programme income funds include restricted funds unexpended at the year-end held to be applied for specific purposes. This includes donation in kind of \$25,975,640.

12. Analysis of Prior Year Restricted funds

	At 1 January 2020	Incoming Resources	Outgoing Resources	At December 2020
	\$	\$	\$	\$
Economic opportunity	945,500	5,776,180	6,440,819	280,861
Education	33,446	18,415,767	18,449,212	1
Health	81,184	22,474,221	22,423,703	131,702
Multi-sectoral	89,243	12,820,889	12,822,222	87,910
WASH	6,480	1,507,971	1,514,040	411
Other	980,626	17,663,312	18,882,923	(238,985)
	2,136,479	78,658,340	80,532,919	261,899

13. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	\$	\$	\$	\$
Current assets	982,241	14,032,231	15,014,472	17,097,289
Creditors: amounts falling due within one year	-	(12,043,047)	(12,043,047)	(16,274,800)
Total net assets	982,241	1,989,184	2,971,425	822,489

Notes to the Financial Statements

14. Analysis of Prior Year net assets between funds

	Unrestricted Funds \$	Restricted Funds \$	2020 Funds \$	2019 Funds \$
Current assets	560,590	16,536,699	17,097,289	18,964,820
Creditors: amounts falling due within one year	-	(16,274,800)	(16,274,800)	(16,524,461)
Total net assets	560,590	261,899	822,489	2,440,359

15. 2020 Statement of Financial Activities

	Unrestricted Funds \$	Restricted Funds \$	2020 Total Funds \$
Income and Expenditure			
Incoming from			
Donations and gifts in kind	-	22,509,245	22,509,245
Charitable activities	3,611,107	56,149,095	59,760,202
Total incoming resources	3,611,107	78,658,340	82,269,447
Expenditure on			
Charitable activities	3,377,038	80,765,916	84,142,954
Foreign exchange losses/(gains)	(22,641)	(232,996)	(255,637)
Total outgoing resources	3,354,397	80,532,920	83,887,317
Net income/movement in funds	256,710	(1,874,580)	(1,617,870)
Funds balance at 1 January 2020	303,880	2,136,479	2,440,359
Funds balance at 31 December 2020	560,590	261,899	822,489

Notes to the Financial Statements

16. Related parties

RI-France, RI-UK and RI-US 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-US 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 organisation 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 2021, the amount due from RI-US was \$6,221,180 (2020: \$5,647,589) and the amount due to RI-France was \$200,000 (2020: \$7,060,343).

Reference and Administrative Details

Board of Trustees

Chair

Paul Kugler Levengood

Other Trustees

Steven Hansch (Treasurer)

Dana Freyer

Beverly Morris Armstrong

Amanda Barnes

Daniel Bader

Stéphane Crescitz

Debra Davis

Ellen Frost

John Gage

Deirdre Guice Minor (June 2020–January 2021)

Julia Guth

Edwin Davisson Hardman, Jr.

Philippe Oberlin

Registered Details

Charity Number 1098106

Company Number 4476247

Registered Office

31-35 Holborn

London

EX1N 8TE, UK

Auditors

Crowe UK LLP

55 Ludgate Hill

London

EC4M 7JW, UK

Solicitors

Bates Wells

10 Queen Street Place

London EC4R 1BE, UK

Executive Officers

Chief Executive Officer

Ann Koontz

Other Officers

Chief Financial Officer

Martin Clemmey

Head of Office, VP Risk & Assurance

Lanre Amao

SVP International Programs

Andy Pugh – to June 2021

Chief Program Officer

Jamie Jones – June 2021 to December 2021

Jody Yasinowsky – from December 2021

VP Human Resources

Elia Makar – to March 2021

Lead Human Resources Director

Joan Coyle – from February 2021

Regional Director Asia / Africa

Valerie Rowles (interim) – from June 2021

Regional Director Middle East

Valerie Rowles – to June 2021

Morgane Aveline (interim) – June to October

Neil Elliott (interim) – October to December

Isotta Pivato (interim) – from December 2021

General Counsel & Corp. Secretary (non-voting)

Lara Kalwinski

VP Global Security

Raymond Bonniwell

Chief Ethics and Compliance Officer

Scott Avelino – November 2021 – May 2022

Bankers

Barclays Corporate

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