



International Rescue Committee, UK

Annual Report and Financial Statements

30 September 2013

Company Limited by Guarantee
Registration Number
3458056 (England and Wales)

Charity Registration Number
1065972

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Reference and administrative details of the charity, its trustees and advisers

Trustees	<p>Sir John Holmes GCVO, KBE, CMG (Chair)</p> <p>George Biddle</p> <p>Glenda Burkhart</p> <p>Susan Gibson</p> <p>François-Xavier de Mallman</p> <p>Kathleen O'Donovan</p> <p>Dylan Pereira</p> <p>The Hon Richard Sharp</p> <p>Diane Simpson</p> <p>Iliane Ogilvie Thompson</p> <p>Jake Ulrich</p>
Executive Director	Carolyn Makinson
Registered office and principal operating address	<p>3 Bloomsbury Place</p> <p>London WC1A 2QL</p>
Company registration number	3458056 (England and Wales)
Charity registration number	1065972
Auditor	<p>Buzzacott LLP</p> <p>130 Wood Street</p> <p>London EC2V 6DL</p>
Bankers	<p>National Westminster Bank plc</p> <p>Cavell House</p> <p>2a Charing Cross Road</p> <p>London WC2H 0PD</p> <p>Standard Chartered Bank</p> <p>1 Basinghall Avenue</p> <p>London EC2V 5DD</p>
Solicitors	<p>White & Case</p> <p>5 Old Broad Street</p> <p>London EC2N 1DW</p>

Trustees' report Year to 30 September 2013

The trustees present their statutory report together with the financial statements of International Rescue Committee, UK (IRC-UK) for the year ended 30 September 2013.

The trustees report has been prepared in accordance with Part 8 of the Charities Act 2011 and the statement of recommended practice (SORP). It also meets the requirements for a directors' report set out in the Companies Act 2006. Sections on "Report on progress against strategic priorities", "Financial report for the year", "Future plans" and "Principal risks and uncertainties", included within the trustees report, meet the requirements for a strategic report as outlined in 'The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013'.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 25 therein and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities".

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

IRC-UK is constituted as a company limited by guarantee, Company Registration No 3458056, and is registered for charitable purposes with the Charity Commission, Charity Registration No 1065972. Its governing document is the Memorandum and Articles of Association.

Liability of members

In the event of the charitable company being wound up, company members are each required to contribute an amount not exceeding £1.

Organisation

IRC-UK is managed by a senior staff person with the title Executive Director, who is not a director for the purposes of company law, and who reports to the Board of Trustees.

The Executive Director works with a Senior Management Team, comprising Departmental Directors, who meet regularly to review organisational business.

The Board guides the Executive Director in relation to the charitable purpose of IRC-UK and overseas implementation of the Framework Agreement with the IRC (see p3 Connected charities and related parties).

The Board has constituted a committee for Audit and Governance from its trustees, and also a Development Committee, which includes several trustees, who advise the Executive Director and staff and report back to the Board.

Trustees

The directors of the charitable company are the charity's trustees for the purposes of charity law and for ease of reference are referred to as the trustees throughout this report.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees (continued)

As set out in the Articles of Association, the members of IRC-UK shall have power to appoint a person or persons to be trustees by (i) ordinary resolution passed at a meeting of the members; or (ii) by written resolution signed by at least three quarters of the members for the time being. The trustees shall have power at any time and from time to time to appoint any person to be a trustee either to fill a vacancy or as an additional trustee.

The following trustees were in office at 30 September 2013 and served throughout the year except where indicated.

Trustees

Kathleen O'Donovan	Retired as co-chair 16 Oct 2013
Sir John Holmes GCVO, KBE, CMG	Chair
George Biddle	
Mary Blewitt OBE	Retired 10 July 2013
Glenda Burkhart	
François-Xavier de Mallman	
Susan Gibson	Appointed 24 October 2012
Dylan Pereira	Appointed 24 October 2012
The Hon Richard Sharp	
Diane Simpson	
Iliane Ogilvie Thompson	
Jake Ulrich	

No trustee received any remuneration for services as a trustee (2012 - £nil) and travel expenses of £7,083 (2012 - £6,036) relating to Board field visits were paid on behalf of 5 trustees (2012 - 3). No trustee had any beneficial interest in any contract with the charity during the year.

On appointment, Trustees are provided with a comprehensive induction pack including all relevant statutory documents and background to the organisation and the programme of Board visits to IRC field programmes is open to all trustees.

Connected charities and related parties

IRC-UK is affiliated with the International Rescue Committee Inc, (including the Women's Refugee Commission) hereafter "IRC Inc" a not-for-profit agency based in New York, USA; the International Rescue Committee Belgium ASBL, based in Brussels; and associated agencies and offices worldwide. Collectively, these agencies make up the network referred to as the International Rescue Committee (IRC).

The relationship between the IRC and IRC-UK is governed by a Framework Agreement, which covers matters relating to programmes, funding, governance, intellectual property and other legal affairs.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Subsidiary company

IRC-UK owns 100% of the issued ordinary share capital of IRC-UK Trading Limited, a company incorporated in England and Wales (Company Registration Number 07170021). The company was incorporated on 25 February 2010.

The principal activities of the subsidiary are to manage the trading activities of IRC-UK. The company was dormant throughout the year.

Statement of trustees' responsibilities

The trustees, who are also directors of IRC-UK for the purposes of company law, are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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 and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 charity will continue in operation.

The trustees have considered the public benefit reporting requirement introduced by the Charities Act 2006 and the subsequent Regulations, and are satisfied that they are compliant with this requirement.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make him/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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

STRATEGIC REPORT

Principal aims and objects

The objectives of the charity as stated in its Memorandum of Association are to:

- ◆ relieve poverty, distress and suffering in any part of the world in particular for the benefit of refugees and victims of oppression, violent conflict or natural disaster, and to administer such relief without regard to the race, nationality or religion of the beneficiaries; and
- ◆ carry out programmes in global emergency relief so as to assist the victims of oppression, violent conflict or natural disaster, and to administer such assistance without regard to the race, nationality or religion of the beneficiaries.

IRC-UK is part of the IRC global network and shares its aims to:

- ◆ save lives (including the delivery of health services, and water, sanitation and shelter);
- ◆ protect the vulnerable (including child protection, women's protection and empowerment, and programmes that promote the rule of law);
- ◆ rebuild communities (including programmes that promote livelihoods, economic and community development, and education);

It also aims to improve policies, programmes and resources in the humanitarian and development fields, and promote greater awareness and understanding among the general public, through research and advocacy across all the above aims.

The principal funding sources for the charity were:

- ◆ Grants from statutory donors and trusts (as detailed in the financial statements), almost entirely restricted to specific field programmes; and
- ◆ Voluntary income and individual donations.

Report on progress against strategic priorities

During 2013, IRC-UK continued to implement its Strategic Plan, which has six areas of focus: emergency assistance; women's protection and empowerment; urban refugees and displaced people; research, evaluation and learning; accountability to beneficiaries; and outreach to policy-makers and the general public (becoming a "Go To" Agency). All IRC-UK departments contribute to the accomplishment of the strategic plan: for each of the above strategic objectives we aim to increase the resources available, shape the policies and programmes of major donors and policy-makers, and increase visibility and understanding of humanitarian issues among the media and the general public. We list below some of the highlights of the past year under each of our six strategic priorities, which cut across our organizational focus on saving lives, protecting the vulnerable and rebuilding communities. Additional information on accomplishments is also provided in the later section "Achievements and Performance."

- **Emergency assistance.** IRC-UK has been very successful in raising funds, increasing media attention and securing support for learning in emergencies and the development of best practice in the emergency assistance context.

STRATEGIC REPORT (continued)

Report on progress against strategic priorities (continued)

More detail is provided in the Emergency section below. IRC joined with other European agencies to promote the idea of a consortium of British humanitarian agencies to seek and disburse funding for emergencies and strengthen capacity in emergency responses. These efforts culminated in the launch of the 'Start Network', with initial funding provided by DFID and Irish Aid, and have led to the recruitment of two new emergency staff members at IRC-UK, both specializing in emergency health programming. During 2013 IRC-UK emergency staff were deployed to Turkey, Jordan and northern Syria.

- **Women's protection and empowerment.** UK International Development Secretary Justine Greening's high-level event in November 2013 represented an exciting culmination of IRC-UK's work with DFID to strengthen funding and programming to prevent violence against women and girls in humanitarian settings. The high-level meeting was attended by the International Development Secretary, the US Assistant Secretary of State and senior representatives from governments, UN agencies and international NGOs. These bodies signed up to an impressive range of commitments, including strengthening preventive action, speeding up responses in emergencies, increasing the necessary expertise and guidelines available and conducting research to improve practice. Over the last two years, IRC-UK organized two conferences at Ditchley Park on women's protection and empowerment, which were attended by senior government, UN and NGO staff members and which provided expertise and advice to (amongst others) DFID and the European Union. Further information on our activities and achievements is provided in the Advocacy section below.
- **Urban refugees.** IRC-UK has galvanized interest in urban settings across the IRC's global network, and has been asked to lead on this issue within the global advocacy team. This year's conference at Ditchley Park focused on improving assessments and approaches in urban humanitarian settings, and was well attended by senior staff from DFID, governments, the European Union, UN agencies, and practitioner and research organizations. Additional information is provided in the Advocacy section below.
- **Research, evaluation and learning.** IRC-UK has been participating in the development of a new system to establish standard indicators and monitoring procedures for IRC field programs (Monitoring for Action). The system is being piloted in several country projects with the support of our Swedish SIDA grant, and we expect to mount a larger pilot in additional countries in the event of renewed Swedish funding.
- **Accountability to beneficiaries.** IRC-UK is a member of the Humanitarian Accountability Partnership (HAP). Interest in a more systematic approach to accountability is growing within the IRC global network. IRC-UK's Research, Evaluation and Learning unit published an organizational briefing paper in 2013 and has adopted accountability as a research priority for the next five years; an IRC-wide working group will be established in 2014. IRC-UK's Emergency Preparedness and Response Unit is developing minimum standards for accountability in emergencies.

STRATEGIC REPORT (continued)

Report on progress against strategic priorities (continued)

- **Becoming a “Go To” agency.** With ECHO funding, IRC-UK mounted two very successful photographic exhibitions aimed at increasing media and public awareness of the organization's work. The first exhibition focused on urban refugees and was held at St Pancras International Station, London over January 2013. The second exhibition was held in the plaza outside St Martin-in-the-Fields church in London and documented the homes refugees had left behind and their efforts to build new homes in their countries of asylum. Both exhibitions received coverage in Sunday newspapers, and both have since been exhibited in several additional countries. Further information on our external relations activities is provided in the Fundraising and profile-building section.

An exciting development for IRC as a whole has been the appointment of Mr David Miliband as president and CEO. Mr Miliband's stature and connections are already heightening IRC-UK's visibility and influence in the UK and encouraging us to expand our activities into additional European countries.

Future plans

During 2014, IRC's global network will undertake a strategic planning process. Within that framework, we expect to develop new priorities for IRC-UK, which will be implemented from 2015 onwards.

Examples of our Fundraising and Advocacy work, and field programmes funded by European donors, are included in the 'Achievements and Performance during the year' section below. These highlight key achievements and details of projects across our charitable activities, donors and country programmes.

Financial report for the year

In 2012-13, IRC-UK increased its level of charitable expenditure, in particular increasing funding for programmes in Kenya, Thailand and South Sudan, new funding for the Sahel region to support programmes in Mali and Niger, and to support the IRC's response to the Syria crisis, through programmes in Iraq, Jordan, Lebanon and Turkey.

This was made possible by continued grant funding for international work from statutory donors, including increased funding from DFID and the European Commission Humanitarian Aid Office (DG ECHO), and maintaining funding from Swedish International Development Agency (SIDA), EuropeAid, the Danish International Development Agency (DANIDA), Irish Aid and new funding from the Dutch Ministry of Foreign Affairs, together with further increases in funding from trusts, foundations and individuals in particular in response to the Syria crisis. Emergency appeals in response to the Syria crisis succeeded in attracting further donations from individuals, corporate partners and trusts and foundations to support the scaling-up of IRC operations in the region.

We succeeded in increasing voluntary income to £909,000 (2012: £646,000), with particular success in raising restricted funds, and exceeding our target for unrestricted fundraising from individuals.

STRATEGIC REPORT (continued)

Financial Report for the year (continued)

Reserves policy

Reserves are the funds of the charity excluding the restricted funds, any designated funds, and the value of funds tied up in fixed assets for the charity's use.

The charity aims to hold reserves sufficient to protect the organisation against an unexpected loss of income, or other unanticipated financial risks, and for investment in the long-term future of the organisation. The trustees monitor the level of actual and projected reserves and believe these to be sufficient to meet the current level of risk.

The designated fund created in 2010-11 for investment in premises had been used in full by the Year End for the office move in early December 2012. The designated fund for investment in systems is being replenished for future investment to maintain and upgrade core systems.

Financial position at Year End

The majority of IRC-UK's income is project-specific, restricted funding. Much of this funding is received in advance but is required by the Charity SORP to be included as income at the time of receipt rather than deferred to future periods. The value of restricted programme funding received but not expended prior to 30 September 2013, and which does not form part of the charity's available reserves, was £21 million (2012: £13 million).

At 30 September 2013, the unrestricted funds of the charity stood at £1.1 million (2012: £1.1 million), which, after deducting £111,000 (2012: £42,000) tied up in fixed assets and £15,000 (2012: £106,000) of designated funds, leaves a balance of free reserves of £977,000 (2012: £962,000).

During the year, IRC-UK made a small loss of £7,000 (2012 – loss of £32,000) on the unrestricted fund. This is due to several factors including: accounting exchange losses recognised on the closure of foreign currency Grants amounted to £266,000 (2012 £160,000) and further investment in resources to deliver the strategic plan and raise funds for IRC field programmes. We expect to breakeven in 2014 and to maintain Reserves at the current level.

IRC Inc has agreed to continue to provide an allocation of unrestricted funds to be agreed annually, based on a percentage share of internal cost recovery on restricted funds generated by IRC-UK for international programmes, and to renegotiate the level of budget support if exceptional circumstances arise.

Matching Funds

IRC-UK needs additionally to monitor matching fund liabilities of its possible future grants. The policy of the charity is to monitor carefully matching fund liabilities as part of the proposal development process, and to engage with implementing and funding partners to ensure that matching fund liabilities are met. IRC Inc has also agreed to support the fulfilment of matching fund obligations of projects that have been approved under IRC network procedures, as well as to guarantee any expenditure that is disallowed by donors on these projects.

STRATEGIC REPORT (continued)

Financial Report for the year (continued)

The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

Principal Risks and Uncertainties

The trustees have mandated the Audit and Governance committee to oversee the risk management framework and the effectiveness of the management of risk, to ensure key risks are reviewed and prioritised by the IRC-UK senior management team and established systems are in place to mitigate all significant risks. This review of the major risks to which the charity is exposed, both within the UK and internationally, is carried out using a risk management framework that identifies and prioritises risks, evaluates the likelihood of such risks and the level of impact they would have, and sets out mitigation approach and responsibilities, under the following headings:

- ◆ Strategic risk – including volatility of charitable income arising from economic uncertainties in donor countries and changes in donor funding priorities
- ◆ Reputational risk – including media exposure due to IRC's increasing profile;
- ◆ Field operations – limited through Grant Implementation Agreements with IRC and comprehensive operating and financial procedures;
- ◆ UK operations – including business continuity risks associated with IT and other systems and premises, Health and Safety and Employment Relations risks;
- ◆ Financial risk – donor financial compliance risk, the risk of fraud, and exchange risks associated with funding secured in a range of donor currencies;
- ◆ Statutory compliance – with UK Companies Act and Charity Commission guidance; and with specific UK legislation including the Bribery Act 2010.

A key area identified in this year, and being addressed through increased decision-making processes, capacity building and system development is the increased risk associated with changes in donor funding mechanisms: financial risks such as cash flow risk and payment by results, and internal capacity risks as we adjust skills and systems to respond to these changes.

A key risk that materialised in 2013 is exchange risk. Whilst IRC-UK mitigates part of this risk by holding donor funds in donor currency, exchange risk takes 3 forms:

1. Reduced buying power of donor funds due to movements in exchange between budget and actual costs – this risk is fully transferred to IRC field operations
2. realised accounting exchange gains/losses recognised on the closure of foreign currency Grants, due arising from recording of donor income and field expenditure at varying rates of exchange (2013: loss of £266,000)
3. temporary net exchange gain/loss resulting from the translation of restricted fund balances at the year end (2013: loss of £347,100).

STRATEGIC REPORT (continued)

Principal Risks and Uncertainties (continued)

In addition, the financial and management systems under which IRC programmes operate are subject to external review by auditors acting on behalf of funding partners, and internal review by the IRC Internal Audit team on a risk-based schedule.

The Trustees are satisfied that key risks have been identified and mitigation strategies are in place, and that operating and financial procedures provide sufficient protection against exposure to risk.

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR

FUNDRAISING AND PROFILE-BUILDING

The External Relations team at IRC-UK increases awareness of our work in the UK and Europe and raises funds from a variety of private sources. Over the past year the team has succeeded in more than doubling its income for IRC's field programmes, raising over £1m. The majority of grants received supported our emergency response to the Syrian crisis, and included generous gifts from individuals. The team organised two record-breaking fundraising events – one dedicated solely to IRC's work assisting Syrian refugees, and the other for IRC-UK in general.

By increasing our capacity and resources, with staff now dedicated to both major donor work and individual giving, we have been able to increase income through almost all channels and exceed our unrestricted funding target. We have secured increased income from our major donors, from online donations and from fundraising activities undertaken by supporters of IRC.

IRC-UK's rising profile has enabled us to achieve such successes. The External Relations team has continued to build up the organization's online presence, and has more than doubled its Facebook and Twitter audiences. It has also increased the IRC's communications outputs, including through greater numbers of printed materials for our audiences and enhanced online advertising. We have experienced real growth in our press coverage, with numerous national newspapers and broadcasters citing IRC staff quotes and information. Press coverage intensified following the announcement of David Miliband's appointment, and the External Relations team has capitalized on the various opportunities that this has presented.

IRC-UK has also made its first forays into building its brand across Europe, including through a second communications campaign funded by the European Commission's Department for Humanitarian Aid and Civil Protection (ECHO), which focused on raising awareness of the need for humanitarian work. IRC-UK teamed up with seven high-profile photographers from photo agency Panos Pictures to produce portraits of homes in seven countries where IRC is working; the resulting trilingual exhibition – which was complemented by a website hosting accompanying short films – opened at St Martin's-in-the-Fields church in London and was subsequently shown in France and Croatia, securing coverage in The Sunday Times newspaper.

ACHIEVEMENTS AND PERFORMANCE (continued)

ADVOCACY

The International Rescue Committee delivers programmes in some of the most difficult and challenging environments in the world. In addition to our work providing direct support to people affected by conflict and crisis, we also raise awareness of forgotten or neglected crises, and press international governments to take action to help and protect refugees, displaced people and other victims of conflict.

IRC advocacy is fuelled by an understanding of countries and contexts that is derived from our direct work on a daily basis with people affected by war and violence. It is rooted in a tradition of speaking out on behalf of the oppressed and forgotten. Using our detailed up-to-date knowledge from more than 40 countries around the world, IRC-UK aims to influence the policies of UK, EU and UN institutions to address the underlying causes of this suffering and improve the living conditions of some of the world's most vulnerable people.

To achieve this, our experts and advocates meet with government ministers, civil servants and opinion formers; convene high-level policy events; commission cutting-edge research papers; produce best practice; and engage the UK public in campaigns in order to change things for the better for the communities we work with. We advocate in order to carry the voices of the communities we work with to the ears of those with influence.

Women's protection and empowerment: Building on the success of IRC-UK's 2011 Ditchley Park conference on women's protection and empowerment, and with enthusiastic support from DFID, IRC-UK organized a second conference in October 2012 focusing on the need to address violence against women and girls (VAWG) from the very beginning of emergency response activities. DFID, to whom IRC-UK provides technical support on

VAWG, has since channeled significant amounts of funding into activities aimed at responding effectively to such violence.

The Department convened a high-level event on protecting women and girls in emergencies in November 2013, and has committed to ensuring that by March 2014 violence against women and girls is considered in all new and existing humanitarian funding.: IRC-UK is a member of a consortium providing 'helpdesk' assistance to DFID advisors on VAWG; and was commissioned to develop a briefing note for DFID staff on VAWG. We also provided initial training to DFID humanitarian advisors on VAWG in emergencies, and advice to the Foreign and Commonwealth Office (FCO) on its 'Preventing Sexual Violence Initiative'. We facilitated a visit by UK Foreign Secretary William Hague and the actress Angelina Jolie to our programs in the Democratic Republic of Congo (DRC), and provided input to the final G8 communiqué on preventing sexual violence in conflict.

Partly as a result of IRC-UK lobbying, in 2013 the UK International Development Select Committee held an inquiry on violence against women and girls. IRC-UK provided both oral and written evidence, and our key concerns and recommendations have been included in the final report and accompanying recommendations.

IRC-UK has also been working closely with ECHO and other European donors. In June 2013 we co-hosted a high-level event with Ireland (then President of the Council of the European Union) and ECHO on VAWG in emergencies. The event was very well attended by Member

ACHIEVEMENTS AND PERFORMANCE (continued)

ADVOCACY (continued)

States, NGOs and ECHO. We will continue to engage with other European donors and UN agencies in 2014 in order to ensure that VAWG is recognized and addressed as a priority.

Urban refugees. IRC-UK has continued to raise the issue of urban displacement across IRC's global network, and it is now a global advocacy priority, with IRC-UK taking the lead. In mid-2013 IRC-UK recruited an Urban Refugees Advocate, who will focus on securing increased donor, policymaker and practitioner commitment and capacity to address the needs of the displaced in urban settings.

IRC-UK also continues to build awareness amongst the UK and European public of the plight of refugees and displaced people in urban settings. With support from the European Union

IRC-UK worked with award-winning photographer Andrew McConnell and photo agency Panos Pictures to profile urban refugee situations across the globe. The photographs and refugee profiles were exhibited in London's St Pancras International Station during January 2013 and in New York City over the summer. We have also capitalized on relationships with leading researchers on displacement, and participated in a number of high-level policy roundtables aimed at exploring best practices for humanitarian and development NGOs in urban contexts. IRC is increasingly recognized as a leading commentator on urban refugee issues, and during 2013 effectively highlighted the plight of Syria's urban refugees in the media and to policymakers, producing three policy briefs on the needs of urban refugees across the region, in Lebanon and in Iraq.

Our work on urban displacement in 2013 culminated in our annual policy conference at Ditchley Park in October, which focused on urban refugees. The conference was co-hosted by the Overseas Development Institute – a leader in urban displacement research – and over two days brought together major donors, United Nations agencies, academics and NGOs to generate ideas and build commitment to drive real change on the ground for urban refugees. All participants made strong commitments to improve policy and practice, and IRC-UK will be building on these commitments throughout 2014. IRC is now working directly with DFID and other donors to develop and implement a comprehensive program of work focused on improving global policy, research, evaluation and learning and piloting new tools and programming interventions. We will also continue to work with key UN agencies, including through a joint UN High Commissioner for Refugees- NGO working group established in 2013 to generate support for best practice responses to meet the needs of the urban displaced.

Syria: In January 2013 the IRC published a major report on the crisis in Syria, highlighting the overwhelming needs generated by the conflict and focusing on the particular imperatives to protect women and girls and respond to refugees living outside of camp settings. This was part of a broader campaign to raise awareness of the crisis and its devastating effects on the lives of millions of people, conducted through confidential briefings, meetings with key UK and EU policy makers, and public and media events.

The report, which was supported by a 'commission' of IRC and IRC-UK board members, garnered considerable media coverage. Sir John Holmes, IRC-UK Board Chair, and Sanj Srikanthan, Deputy Director of Emergencies, were interviewed by a wide range of media

ACHIEVEMENTS AND PERFORMANCE (continued)

ADVOCACY (continued)

outlets at the time of the report's publication, and also met and raised our concerns with senior UK policy makers, including the UK International Development Secretary.

The IRC produced three further reports in 2013 on the regional impact of the Syria crisis, focusing on the situations in Lebanon, Iraq and Jordan, and continued to brief senior policymakers, push for a more effective humanitarian response, and call for diplomatic efforts to increase access and address other issues that impact upon our ability to respond. DFID and ECHO have since invested in programs to respond to violence against women and girls, as well as in Urban Refugee programming. DFID, in particular, have provided very significant support to IRC's work inside Syria and in the region, and have worked closely with us to develop and lead international advocacy efforts.

STATUTORY DONOR-FUNDED FIELD PROGRAMMES

Examples of European donor-funded field programmes, highlighting projects across our charitable activities, donors and country programmes, include:

Emergency and WPE – Saving Lives, Saving Futures: Responding to the emergency in eastern Democratic Republic of Congo

In January 2013 the IRC's Emergency Response Team (ERT) launched a response to the emergency situations, related displacement of persons, and increase in violence against women and girls in North and South Kivu, DRC. Since then 460 women and girls have received basic services during emergencies from the IRC or partners. With funding from DFID the IRC has distributed 278 post-rape kits, while 486 local case managers have been trained to provide services to GBV survivors. 7,842 women and girls have received mitigation support materials, including dignity kits and fuel-efficient stoves. The IRC's advocacy efforts have secured onsite confidential spaces for women and girls in 12 health centres in South Kivu and three displacement sites in North Kivu (Nobili, Buhimba, and Bweremana), the availability of post-rape kits at health centres for women in need, free health services for GBV survivors, and the establishment of referral mechanisms at all mission sites to ensure coordinated service delivery and information sharing across service providers and responding agencies. The total programme is valued at £1,460,000.

WASH & Health – Contributing to the reduction of morbidity and mortality among the population of the Menaka, Gao Region (North Mali) health district and the Kati, Koulikouro Region (South Mali) health district

These two complementary ECHO programmes provide medical support to those impacted by the 2011 drought in Mali and by conflict in the country. To date, 14,124 children under the age of five suffering from diseases like malaria, respiratory infections and diarrhoea have benefitted from the programmes. A further 2,847 children suffering from severe acute malnutrition have also received free treatment. The two programmes have a combined value of €1,828,103.

ACHIEVEMENTS AND PERFORMANCE (continued)

STATUTORY DONOR-FUNDED FIELD PROGRAMMES (continued)

Education – Improving School in Sierra Leone (ISIS) Education Consortium, Sierra Leone

The IRC is the lead agency within the Improving School in Sierra Leone (ISIS) education consortium working to improve access to quality education for 240,000 children in 450 schools in Sierra Leone. Through this DFID-funded programme and its involvement in another consortium project promoting gender parity in an additional 720 schools, the IRC has become a lead actor in the education sector in Sierra Leone. IRC contributed to the design of the country 2014-2018 Education Strategy, and several of the resources developed will be reproduced and mainstreamed by the Sierra Leonean government. The ISIS 'classroom reading kits', for example, will be reproduced as part of the national reading strategy, and the teachers' guidebooks and teachers' training materials are to be integrated into teachers' training curricula. New approaches, such as the use of score cards to improve school management, are also being piloted with the aim of being rolled out on a larger scale. This project is also a pilot for the IRC Monitoring for Action initiative, seeking to strengthen and harmonise monitoring practices within the organisation. The ISIS team contributed to the development of the Monitoring for Action toolkit, which it will be piloting throughout 2014.

Health - Transition of James Davies Junior and Redemption hospitals to local authorities, Liberia

The IRC has been supporting the James Davies Junior (JDJ) and Redemption hospitals in Liberia since 2010, raising the quality of paediatric care through capacity building of staff, procurement of drugs and medical equipment, and rehabilitation of facilities. Over the past 18 months, the IRC has worked to gradually hand over key responsibilities for the running of the hospitals to the Ministry of Health and Social Welfare (MoHSW), with the goal of both hospitals operating paediatric services independently by the end of 2013.

To facilitate this transition, the IRC provided training to hospital administrative staff in strategic planning, forecasting and fundraising, as well as in human resources and drug procurement and management. EuropeAid funding for the programme is €1,499,348.

Protection – Protection Consortium, Haiti

IRC has been working in a consortium with Oxfam and Concern Worldwide to address the protection needs of vulnerable individuals living in camps and return communities in Port-au-Prince since 2012. Adopting an integrated approach to protection, the project has focused on three complementary areas, including: i) Gender based violence; ii) access to documentation; and iii) forced eviction from camps. Each agency, operating in a distinct area, implemented its own approach in addressing these issues, and in order to learn from the combined experience of these three organisations the IRC is currently conducting a study to assess the suitability and efficiency of the different approaches. The results are expected in January 2014 and will feed into future protection activities in the Port-au-Prince metropolitan area. ECHO funding for this programme is €1,027,407.

ACHIEVEMENTS AND PERFORMANCE (continued)

STATUTORY DONOR-FUNDED FIELD PROGRAMMES (continued)

Emergency Response and WPE – Humanitarian Assistance for Urban Syrian Refugees, Jordan

During this 11-month, DFID-funded project, the IRC made significant contributions towards meeting the protection needs of Syrian women and children refugees taking refuge in the urban settings of Mafrqa, Ramtha and Irbid in northern Jordan. The IRC has reached a total of 34,431 direct beneficiaries through holistic case management services, psychosocial support, material and cash assistance, training and awareness-raising activities. Moreover, the IRC's two health clinics in Ramtha and Mafrqa provided free reproductive health (RH) care services to Syrian refugee women and girls.

By the end of the project the clinics had provided reproductive and primary healthcare services to 21,210 patients, of which 15,785 (74%) were female. The total number of children under five treated for various primary healthcare services accounted for 28% (5,853) of the total cases addressed during the project period. The IRC also managed 338 GBV cases, and provided 1,581 clients with one-off or ongoing individual and group psychosocial counselling services. Finally, the IRC supported 1,253 of the most vulnerable households with a series of cash assistance payments, benefitting 6,124 family members in total. The total value of this project was £636,462.

Emergency response and WPE – Support to Syrian Refugee Women and Girls, Lebanon

In Lebanon, following assessments in August 2012, the IRC established centres in the country's north and in the Beka'a valley to respond to the needs of refugees fleeing Syria, with the support of a number of donors, including through emergency funding under SIDA's Rapid Response Mechanism (the total value of the project is \$126,647 USD). Our activities have focused on access to health services, provision of psychosocial support, primary and secondary prevention activities through risk identification and reduction, and increased access to risk and vulnerability mitigating resources. Thanks to emergency funding from SIDA the IRC was able to establish and staff two Women and Girls Community Centres, training doctors who could offer Clinical Management of Rape (CMR) services on demand. Working closely with the National Gender-Based Violence (GBV) Taskforce IRC strengthened GBV coordination efforts, developed and rolled out GBV Standard Operating Procedures (SOP) and established functional referral systems in the North and in the Beka'a valley.

Urban Refugees – Nairobi Urban Refugee Rights Integration Activities (NURRIA), Kenya

This project set out to strengthen existing protection and support system for urban refugees in Kenya as envisaged in international conventions and Government of Kenya policies. Working with Government officials, lawyers, community-based education and health service providers and the host community, the programme positively impacted on the lives of 75,000 urban refugees. The IRC and its partners successfully strengthened the capacity of the Department for Refugee Affairs (DRA), other key Government actors and the legal profession to respond to urban refugees' protection needs, strengthened coordination and

ACHIEVEMENTS AND PERFORMANCE (continued)

STATUTORY DONOR-FUNDED FIELD PROGRAMMES (continued)

delivery of protection and legal services for refugees living in Nairobi, and increased dialogue and advocacy on durable solutions for refugees in Kenya. Of particular note was the support IRC provided to Kenyan partner NGO Kituo Cha Sheria (KCS) in its successful bid to halt, via a High Court injunction, the repatriation of Somalia refugees. The total value of the project was €1,687,500 of which EuropeAid contributed €1,350,000 and €337,500 was match funding from other sources.

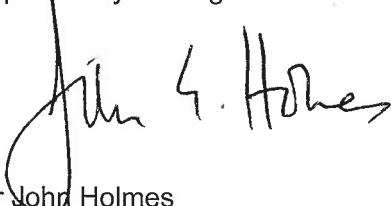
Emergencies/Health and WPE – Provision of life-saving health services to women, newborns, and sexual assault survivors in Gaalkacyo South hospital, Somalia

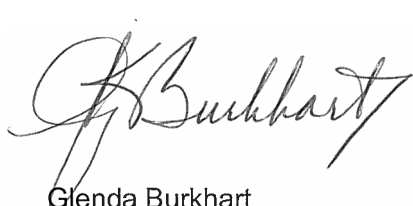
The August 2013 withdrawal from Somalia of other international organisations left many Somalis without life-saving medical services. Drawing upon our flexible SIDA Rapid Response Mechanism funds, the IRC initiated a programme to address some of the gaps created by this departure, and is currently delivering Reproductive Health and Clinical Care of Sexual Assault Survivors services at the Gaalkacyo South Hospital, benefitting internally displaced people and host community populations. The hospital also has a referral facility for cases from Galgaduud in central Somalia and from the Zone 5 camp bordering Somalia on the Ethiopian side of the border. The total value of the project is \$405,396 USD.

Emergencies/Health – Supporting and improving emergency public health care and environmental health services in Chad

Renewed fighting in Sudan's troubled Darfur region saw an influx of Sudanese refugees into the south-eastern part of Chad, close to the town of Tissi, from January 2013. The IRC, drawing upon its years of experience working with refugees and displaced people in the region, mobilised our considerable emergency capacity in Chad and organised some of the most essential life-saving services, including water and sanitation facilities, for a total of 30,000 beneficiaries. During a visit immediately after the emergency the ECHO Commissioner singled IRC out for praise based on its effective, rapid intervention. The quality of the response and success of the operation led ECHO to amend its contract with the IRC (regarding work in Chad) to include Tissi from August – December 2014. The total value of the action is €2,250,000 (of which the amendment for Tissi constituted €250,000).

Approved by and signed on behalf of the Trustees:


Sir John Holmes
Chair


Glenda Burkhart
Member of Audit and Governance
Committee

Approved by the Trustees on:

12th March 2014

Independent auditor's report Year to 30 September 2013

Independent auditor's report to the members of International Rescue Committee, UK

We have audited the financial statements of International Rescue Committee, UK for the year ended 30 September 2013 which comprise the statement of financial activities, the balance sheet, the cash flow statement; the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of trustees' responsibilities set out in the Trustees' Report, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Independent auditor's report Year to 30 September 2013

Opinion on financial statements

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 30 September 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

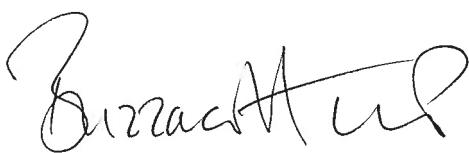
In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

The Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate 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.

We have nothing to report in respect of these matters.



Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

21/3/14

Statement of financial activities Year to 30 September 2013

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2013 funds £'000	Total 2012 funds £'000
Income and expenditure					
Incoming resources					
Incoming resources from generated funds	1	323	586	909	646
Incoming resources from charitable activities	2	1,769	80,953	82,722	55,898
Total incoming resources		2,092	81,539	83,631	56,544
Resources expended					
Cost of generating funds	4	637	—	637	506
Charitable activities	5				
. Saving lives		542	28,977	29,519	30,485
. Protecting the vulnerable		448	23,918	24,366	16,214
. Rebuilding communities		400	21,366	21,766	14,486
. Other		10	524	534	242
Total charitable activities		1,400	74,785	76,185	61,427
Governance costs	3	62	—	62	59
Total resources expended		2,099	74,785	76,884	61,992
Net (outgoing)/incoming resources for the year					
		(7)	6,754	6,747	(5,448)
Balances brought forward at 1 October 2012					
		1,110	12,983	14,093	19,541
Balances carried forward at 30 September 2013					
		1,103	19,737	20,840	14,093

All of the charity's activities derived from continuing operations during the above two financial periods.

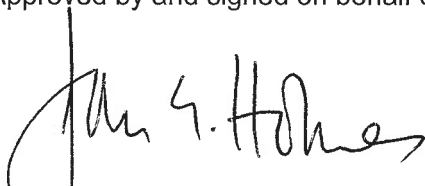
The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 26 to 36 form part of these financial statements.

Balance Sheet as at 30 September 2013

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Fixed assets					
Tangible assets	9		111		42
Current assets					
Debtors	11	15,743		12,193	
Cash at bank and in hand		<u>16,851</u>		<u>10,219</u>	
		32,594		22,412	
Creditors: amounts falling due within one year	12	<u>(11,865)</u>		<u>(8,361)</u>	
Net current assets			21,729		14,051
Total net assets			<u>20,840</u>		<u>14,093</u>
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	13		19,737		12,983
Unrestricted funds					
. Designated funds	14		15		106
. General fund			<u>1,088</u>		<u>1,004</u>
			<u>20,840</u>		<u>14,093</u>

Approved by and signed on behalf of the Trustees:


Sir John Holmes
Chair


Glenda Burkhart
Member of Audit and Governance Committee

Approved by the Trustees on:

12th March 2014

Company Registration Number: 3458056 (England and Wales)

Cash flow statement Year to 30 September 2013

	Notes	2013 £'000	2012 £'000
Cash inflow/(outflow) from operating activities	A	6,714	(5,534)
Returns on investments	B	9	10
Capital expenditure and financial investment	B	(91)	(42)
Increase /(decrease) in cash	C	6,632	(5,566)

Notes to the cash flow statement for the year to 30 September 2013

A Adjustment of net incoming/(outgoing) resources before transfers to net cash inflow/(outflow) from operating activities

	2013 £'000	2012 £'000
Net incoming/(outgoing) resources before transfers	6,747	(5,448)
Depreciation charge	22	41
Investment income and interest receivable	(9)	(10)
Increase in debtors	(3,550)	(768)
Increase in creditors	3,504	651
Net cash inflow/(outflow) from operating activities	6,714	(5,534)

B Gross cash flows

	2013 £'000	2012 £'000
Returns on investments		
Investment income and interest received	9	10
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(91)	(42)

C Analysis of changes in net cash

	At 1 October 2012 £'000	Cash flows £'000	At 30 September 2013 £'000
Cash at bank and in hand	10,219	6,632	16,851

Principal accounting policies Year to 30 September 2013

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006. Applicable United Kingdom Accounting Standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements.

Basis of consolidation

The charity's subsidiary, IRC-UK Trading Limited, was dormant throughout the year. The results of this subsidiary have not been consolidated on the basis that it is immaterial to the Group.

Income

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Incoming resources are deferred only where the donor has imposed restrictions on the expenditure of resources, which amount to pre-conditions for use that have not been met at the balance sheet date (e.g. the receipt in advance of a grant for expenditure in a future accounting period).

Where grants are paid in arrears based upon expenditure incurred, income is accrued to the extent that recovery from the funder under a confirmed funding arrangement is considered reasonably certain.

Grants from government and other agencies have been included either as income from activities in furtherance of the charity's objectives where these amount to support for specific activities and services, or as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Resources expended

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT, which cannot be recovered.

Resources expended comprise the following:

- a. The costs of generating funds represent the salaries, direct costs and overheads associated with generating income.
- b. The costs of charitable activities, which comprise expenditure on the charity's primary charitable purpose, i.e. overseas field operations. These include support costs, which represent the costs incurred by UK based staff directly providing support for IRC-UK's international programmes. Support costs include management, policy and advocacy work, supervision, and technical support for IRC-UK's emergency and development programmes.
- c. Governance costs comprise the costs which are directly attributable to the management of the charity's assets and the necessary legal and organisational procedures for compliance with statutory and governance requirements.

Principal accounting policies Year to 30 September 2013

Resources expended (continued)

The majority of costs are directly attributable to specific activities. Staff costs are apportioned to the groups of costs listed above on the basis of time spent. Other non-directly attributable costs are allocated on the basis of apportioned staff time.

Where not directly attributable, the cost of support to specific charitable activities is apportioned on the basis of the value of expenditure incurred on the activity during the year.

Interest receivable

IRC-UK allocates interest to restricted funds where funds relate to long-term projects and where the interest receivable is significant in relation to the funds held and in accordance with donor regulations.

Foreign currency

Assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Foreign currency risk is managed by holding restricted donor funds in the grant reporting currency in both the UK and field, and taking out a forward contract to fix the exchange rate for that proportion of the IRC allocation that funds UK based costs.

Restricted exchange gains/losses accumulate due to exchange rate differences arising on the retranslation of project balances into sterling at year end. These differences are temporary and therefore they are not attributed to specific projects until those projects are complete. As the amounts relate wholly to projects financed by restricted income, the accumulated balance of these differences is shown as part of restricted funds.

Leased assets

Rentals applicable to operating leases under which substantially all of the benefits and risks of ownership remain with the lesser are charged on a straight-line basis over the lease term.

Tangible fixed assets

All assets purchased for use in the UK office and costing more than £1,000 are capitalised at cost including incidental expenses of acquisition.

Depreciation is provided at the following annual rates on a straight-line basis in order to write off the cost of each asset over its estimated useful life:

- ◆ Equipment, including computer equipment - five years
- ◆ Leasehold improvements - over the remaining life of the lease up to a maximum of ten years
- ◆ Fixtures and fittings – four years

Tangible fixed assets (continued)

Items purchased for use in programmes overseas and with a useful life beyond the duration of the programme activities are either:

- ◆ charged in full to charitable expenditure when purchased, in accordance with the donor regulations; or
- ◆ purchased with IRC unrestricted funds and depreciation charged to the donor funding the specific programme (if allowed).

Unless the donor specifies otherwise, depreciation costs charged to donors are calculated on a straight-line method as above, over its estimated useful life:

- ◆ for vehicles and equipment the useful life is always three years
- ◆ for land and buildings, and leasehold improvements, the useful life is from three to a maximum of ten years but it cannot exceed the maximum period left on the lease

Fund accounting

The general fund comprises those monies that may be used towards meeting the charitable objectives of the charity and applied at the discretion of the trustees.

Designated funds comprise amounts within the total unrestricted funds of the charity, which the trustees have earmarked for specific purposes. Details of these are provided in note 14.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Notes to the financial statements Year to 30 September 2013

1 Incoming resources from generated funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Voluntary income	314	586	900	636
Interest receivable	9	—	9	10
	323	586	909	646

Included within incoming resources from generated funds are donations of £92,587 from IRC-UK Trustees (2012: £94,675).

Interest earned and retained amounted to £9,000 (2012: £10,000).

2 Incoming resources from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Grants				
. Christian Blind Mission	—	193	193	—
. Comic Relief	—	247	247	—
. The Dutch Government (Dutch MFA)	—	2,359	2,359	—
. The Danish International Development Agency (DANIDA)	—	1,567	1,567	1,117
. European Community	—	3,899	3,899	2,961
. European Commission Humanitarian Aid Office (DG ECHO)	—	23,551	23,551	13,245
. Ireland – Development Cooperation Division of the Department of Foreign Affairs	—	845	845	777
. Jersey Overseas Aid Corporation	—	—	—	62
. Stichting Vluchteling	—	—	—	18
. Swiss Agency for Development and Cooperation	—	162	162	692
. Swedish International Development Cooperation Agency (SIDA)	—	7,760	7,760	6,463
. UK Department for International Development (DFID)	—	39,435	39,435	28,529
. Other trusts and foundations	43	408	451	191
Total grants	43	80,426	80,469	54,055
IRC Inc funding for UK-based Technical Units	—	527	527	373
Unrestricted income from grants	1,726	—	1,726	1,470
Total	1,769	80,953	82,722	55,898

Notes to the financial statements Year to 30 September 2013

2 Incoming resources from charitable activities (continued)

IRC-UK acknowledges funding from the UK Department for International Development for the following grants:

Contract No.	Programme	Income received £
AG4765	Community Driven Reconstruction in DR Congo "Communities Sowing the Future of Congo"	20,623,765
AG5130	Access to Healthcare in DRC	4,321,856
AG5332	Legal Assistance Centre Project (LAC)	89,459
203610-101	Cholera prevention and treatment in Easter Sierra Leone	34,878
203216-115	Humanitarian Assistance for Urban Syrian Refugees	636,462
203216-117	Emergency Aid for Conflict Affected Syrians	1,281,860
203400-102	Legal Assistance Centres 2	505,314
203400-101	Thailand Burma Border Consortium	1,878,157
BSF IAe25	SHTP11 Gap funding for Aweil South & Panyijar counties	518,705
202857-101	Sierra leone Education Consortium	1,238,246
202294-108	Research on Community-Driven Reconstruction Programming: Understanding the approach from conceptualisation to evaluation	19,630
203771-105	Saving Lives, Saving Futures: Responding to the emergency in Eastern DRC	897,996
202994-103	Enhancing Nutrition Preparedness, Surveillance and Resilience in Kenya's Arid and Semi-arid Lands	1,473,769
203216-131	Humanitarian Assistance for Syrian Refugees in Lebanon	1,295,818
5097	Valorisation de la Scholarisation de la Fille (VAS-Y Fille)	2,240,759
202974-106	Peace and development Programme: Support to the delivery of basic services in the Somali region	145,810
203787-105	Emergency Assistance to internally Displaced Persons in conflict-affected areas of Pakistan	211,058
203249-103	Fighting violence against women and girls, and promoting women's and girls' rights in Haiti	300,000
GPAF-IMP-049	Improving maternal health and reducing child mortality for women and newborn babies in two districts of Sierra Leone	137,560
203775-109	Sahel Nutrition Response in Chad, Mali, Niger and the needs based assistance for conflict affected children, youth and their communities in North Mali	425,578

Notes to the financial statements Year to 30 September 2013

GEC 5096	Supporting marginalised girls in Sierra Leone to complete basic education with improved learning outcomes	166,292
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In addition, IRC-UK acknowledges funding from DFID through other mechanisms:

Funding via Crown Agents:	Income Received £
Support for Health service delivery and system strengthening in Northern Bahr-El-Ghazal state, South Sudan.	1,377,215
Support for Health Service delivery and system strengthening in Unity State, South Sudan	336,888
Health Service delivery and system strengthening, Payinjiar County, Unity State, South Sudan	99,961

Funding via ERC:	Income Received £
Strengthening governance and peace building in Somalia	180,455

IRC-UK acknowledges funding from Danish International Development Agency (DANIDA) for the following grants:

Contract No.	Programme	Income received £
104.Afrika.29-32	Women's Economic and Social Empowerment Programme in East Africa	34,276
104.Mali.5-25	Children affected by armed conflict in Northern Mali	251,228
104.SudSudan.27-200--.6	Promoting Protection and Accountability for Women and Girls in South Sudan	1,026,117
SPEDAH	Support to Primary Education in Distant Areas of Helmand (SPEDAH), Afghanistan	290,192

3 Analysis of resources expended from unrestricted funds

	Cost of generating funds £'000	Charitable activities £'000	Governance costs £'000	Total 2013 £'000	Total 2012 £'000
Direct costs					
Staff costs	307	402	—	709	602
Direct costs	72	75	—	147	112
Audit costs	—	—	30	30	27
Total direct costs	379	477	30	886	741
Support costs					
Staff costs	111	403	10	524	483
General support costs	129	458	21	608	487
Travel, transport and accommodation	18	62	1	81	58
Total support costs	258	923	32	1,213	1,028
Total resources expended	637	1,400	62	2,099	
Total resources expended 2012	506	1,204	59		1,769

Support costs include the costs of general administration and management, allocated to Cost of generating funds, Charitable activities and Governance costs on the basis of the proportion of staff time attributable to those categories. Support costs charged to the category of Charitable activities are further allocated across individual activities or sectors on basis of proportional direct expenditure incurred on those activities during the year (see note 5).

Staff costs include training and recruitment costs, and exclude any staff costs charged to restricted funds.

4 Cost of generating funds

The cost of generating funds can also be analysed as follows:

	Total 2013 £'000	Total 2012 £'000
Generation of voluntary income and costs of activities for generating funds	158	94
Generation of income from charitable activities	479	412
	637	506

Notes to the financial statements Year to 30 September 2013

5 Charitable activities

	Support costs £'000	Activities undertaken directly £'000	Total 2013 £'000	Total 2012 £'000
Saving lives				
Health (includes psychosocial)	457	24,454	24,911	25,468
Environmental health	85	4,523	4,608	5,017
	542	28,977	29,519	30,485
Protecting the vulnerable				
Child protection	35	1,894	1,929	502
Women's protection and empowerment (GBV)	99	5,276	5,375	3,254
Protection and rule of law	314	16,748	17,062	12,458
	448	23,918	24,366	16,214
Rebuilding communities				
Livelihoods (including agriculture)	118	6,349	6,467	4,537
Economic development	—	11	11	289
Community development	213	11,371	11,584	8,196
Civil society	7	368	375	476
Education	62	3,267	3,329	988
	400	21,366	21,766	14,486
Other				
General costs	10	524	534	242
	10	524	534	242
Total	1,400	74,785	76,185	61,427

Support costs are allocated across charitable activities in proportion to activities undertaken directly, and include accounting exchange losses of £266,000 recognised on the closure of foreign currency Grants. The cost of Activities undertaken directly includes a temporary net exchange loss of £347,100 resulting from the translation of restricted fund balances at the year end.

6 Net movement in funds

This is stated after charging:

	Total 2013 £'000	Total 2012 £'000
Staff costs (note 7)	1,908	1,544
Statutory auditor's remuneration		
· Current year	22	20
· Prior year	4	4
Non-audit services	14	16
Other auditor's remuneration	3	3
Depreciation	22	41
Operating lease charges	126	115

7 Staff costs and trustees' remuneration

	2013 £'000	2012 £'000
Staff costs for UK based staff during the year were as follows:		
Wages and salaries	1,669	1,348
Social security	196	170
Pension costs	43	26
	1,908	1,544

Staff funded by field programmes make up £605,000 of total staff costs 32% (2012 - £438,000; 28%). This is classified as restricted expenditure.

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding pension contributions) during the year was as follows:

	2013	2012
£60,001 - £70,000	1	1
£100,001 - £110,000	1	1

No trustee received any remuneration for services as a trustee (2012 - £nil) and travel expenses of £7,083 (2012 - £6,036) relating to Board field visits were paid on behalf of 5 trustees (2012 - 3).

The average number of UK based employees during the year, calculated on an average headcount basis and analysed by function, was as follows:

	2012	2011
Fundraising and donor development	7	7
Programme delivery	26	17
Programme support	9	5
Management and administration	1	1
	43	30

8 Taxation

IRC-UK is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the exemptions available to registered charities.

Notes to the financial statements Year to 30 September 2013

9 Tangible fixed assets

	Computer equipment £'000	Furniture, fixtures and equipment £'000	Leasehold improve- ments £'000	Total £'000
Cost				
At 1 October 2012	129	14	102	245
Additions	—	77	14	91
Disposals	(114)	(14)	(75)	(203)
At 30 September 2013	<u>15</u>	<u>77</u>	<u>41</u>	<u>133</u>
Depreciation				
At 1 October 2012	114	14	75	203
Released on disposal	(114)	(14)	(75)	(203)
Charge for year	3	16	3	22
At 30 September 2013	<u>3</u>	<u>16</u>	<u>3</u>	<u>22</u>
Net book values				
At 30 September 2013	<u>12</u>	<u>61</u>	<u>38</u>	<u>111</u>
At 30 September 2012	<u>15</u>	<u>—</u>	<u>27</u>	<u>42</u>

10 Investments

IRC-UK owns 100% of the issued ordinary shares of IRC-UK Trading Limited, a company incorporated in England and Wales (Company Registration Number 07170021). The principal activities of the subsidiary are to manage the trading activities of IRC-UK, specifically any ticketed events. The company was dormant during the year.

11 Debtors

	2013 £'000	2012 £'000
Funds held overseas	7,956	5,634
Grants receivable	7,333	6,327
Other debtors and prepayments	454	232
	<u>15,743</u>	<u>12,193</u>

12 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Programme creditors	11,628	8,048
Other creditors and accruals	237	313
	<u>11,865</u>	<u>8,361</u>

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held to be applied for specific purposes:

	At 1 October 2012 £'000	Incoming resources £'000	Expenditure and transfers £'000	At 30 September 2013 £'000
Afghanistan	100	588	(538)	150
Burundi	259	1,143	(870)	532
Central Africa Republic	233	937	(392)	778
Chad	62	3,140	(3,022)	180
Democratic Republic of Congo	5,678	32,001	(33,003)	4,676
East Africa Region	5	—	—	5
Ethiopia	236	4,767	(2,537)	2,466
Haiti	430	409	(600)	239
Ivory Coast	292	2,600	(2,293)	599
Japan	18	—	—	18
Jordan & Middle East	156	2,749	(2,477)	428
Kenya	558	4,964	(4,660)	862
Lebanon	63	2,328	(1,650)	741
Liberia	458	1,343	(1,713)	88
Mali	10	2,522	(1,702)	830
Myanmar	512	656	(1,076)	92
Niger	—	1,094	(443)	651
Nigeria	—	728	(699)	29
Pakistan	1,029	2,912	(3,046)	895
Rwanda	—	521	(281)	240
Sierra Leone	686	2,028	(2,089)	625
Somalia	745	1,487	(1,740)	492
South Sudan	287	3,455	(3,371)	371
Thailand	63	2,716	(2,562)	217
Turkey	—	2,917	(868)	2,049
Uganda	6	19	(16)	9
Zimbabwe	143	491	(468)	166
Multi-country	277	1,123	(669)	731
Restricted exchange gains accumulated	529	—	(347)	182
Programme and technical support	57	299	(247)	109
Technical Units	91	1,602	(1,406)	287
	<u>12,983</u>	<u>81,539</u>	<u>(74,785)</u>	<u>19,737</u>

Restricted exchange gains accumulated represents exchange rate differences arising on the retranslation of project balances into sterling at the rates prevailing at the balance sheet date. These differences are temporary and are not therefore attributed to specific projects until those projects are complete. As the amounts relate wholly to projects financed by restricted income, the accumulated balance of these differences is shown as part of restricted funds.

Fund balances in deficit relate to ongoing projects only, and have arisen as a result of the translation of foreign currency transactions into sterling at the rate of exchange ruling at the date of the transaction. Once a project is complete, foreign exchange gains and losses are written-off to bring the sterling project balance to nil.

Notes to the financial statements Year to 30 September 2013

13 Restricted funds (continued)

An analysis of the restricted funds by purpose is as follows:

	At 1 October 2012 £'000	Incoming resources £'000	Expenditure and transfers £'000	At 30 September 2013 £'000
Saving lives				
Health (includes psychosocial)	4,232	26,611	(24,454)	6,389
Environmental health (water, sanitation, & shelter)	975	6,003	(4,523)	2,455
	<u>5,207</u>	<u>32,614</u>	<u>(28,977)</u>	<u>8,844</u>
Protecting the vulnerable				
Child protection	257	3,192	(1,894)	1,555
Women's protection & empowerment	1,308	6,930	(5,276)	2,962
Protection & rule of law	1,822	16,962	(16,748)	2,036
	<u>3,387</u>	<u>27,084</u>	<u>(23,918)</u>	<u>6,553</u>
Rebuilding communities				
Livelihoods (including agriculture)	2,312	5,857	(6,349)	1,820
Economic development	21	—	(11)	10
Community development	821	10,602	(11,371)	52
Civil society	118	393	(368)	143
Education	741	4,842	(3,267)	2,316
	<u>4,013</u>	<u>21,694</u>	<u>(21,366)</u>	<u>4,341</u>
Other				
General costs (including foreign exchange (gain)/loss)	376	147	(524)	(1)
	<u>376</u>	<u>147</u>	<u>(524)</u>	<u>(1)</u>
	<u>12,983</u>	<u>81,539</u>	<u>(74,785)</u>	<u>19,737</u>

Restricted funds are grouped against the headings of Saving lives, Protecting the vulnerable and Rebuilding communities, to reflect the organisation's activities.

14 Designated funds

	At 1 October 2012 £'000	New designations £'000	Released £'000	At 30 September 2013 £'000
Premises investment	91	—	(91)	—
Systems investment	5	—	(5)	—
Premises repairs	10	15	(10)	15
	<u>106</u>	<u>15</u>	<u>(106)</u>	<u>15</u>

Designated funds have been created for the following:

- ◆ The lease for the new premises is a full self-repairing lease (previously IRC-UK had occupied managed properties). A provision has been made for annual repairs.

15 Operating leases

The charity had annual commitments in respect of non-cancellable operating leases of property expiring:

	2013 £'000	2012 £'000
Within one year	—	115
Within two to five years	2	—
Over five years	125	—

16 Connected charities and related parties

IRC-UK is an independent entity governed by its Board of Trustees.

IRC-UK is a member of an international network of agencies referred to collectively as the International Rescue Committee (IRC). IRC-UK is affiliated with the International Rescue Committee Inc, ("IRC Inc") (including the Women's Refugee Commission), a not-for-profit agency based in New York, USA; the International Rescue Committee Belgium ASBL, based in Brussels; and associated agencies and offices worldwide.

The overseas activities of IRC-UK are carried out through the regional and country offices of the IRC, under contract with IRC-UK, and supervised by IRC-UK staff.

During the year, remittances of £2,253,000 (2012 - £1,843,000) were received from IRC Inc, of which £1,726,000 was unrestricted funding from European donor-funded programmes covering IRC-UK's core operating costs (2012 - £1,470,000) and £527,000 was reimbursement of the salary and operating costs of UK-based Technical Units (2012 - £373,000) (see note 2).

Due to the international nature of the organisations' operations, certain salaries and costs are paid by IRC Inc and then recharged to IRC-UK, and vice versa. At 30 September 2013, £160,000 (2012 - £59,000) was owed by IRC Inc to IRC-UK in relation to such charges.

At the year end, funds held by IRC offices overseas, which related to IRC-UK programmes totalled £7,955,000 (2012 - £5,717,000). Funds owed to IRC overseas offices in relation to monies already disbursed totalled £11,628,000 (2012 - £8,028,000).

IRC Inc has agreed to support the fulfilment of matching fund obligations of projects that have been approved under IRC network procedures, as well as to guarantee any expenditure which is disallowed by donors on these projects. At the year end £91,000 (2012 - £nil) was owed by IRC Inc to IRC-UK in relation to disallowable expenditure on grants.

Notes to the financial statements Year to 30 September 2013

17 Contingent liabilities

As at the year end there were a number of projects on which funds are outstanding from the donor pending finalisation of donor audits. Amounts disallowed are generally insignificant as a proportion of overall project budgets and are considered to be fully recoverable as they are covered by the IRC Inc support referred to above.

18 Project commitments

As at 30 September 2013, IRC-UK was committed to expenditure on ongoing and future programmes totalling £124m (2012 - £68m). Funding agreements are in place for all of the aforementioned programmes.

19 Analysis of net assets between funds

	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total 2013 £'000
Fund balances at 30 September 2013				
Are represented by:				
Tangible fixed assets	111	—	—	111
Current assets	1,159	15	31,420	32,594
Creditors: amounts falling due within one year	(182)	—	(11,683)	(11,865)
Total net assets	1,088	15	19,737	20,840