



International Rescue Committee, UK

Annual Report and Financial Statements

30 September 2017

Annual Report and Financial Statements

Reports

Letter from the Executive Director	3
Strategic report	4
Governance, Structure and Management	22
Independent auditor's report	32

Financial statements

Statement of financial activities	34
Balance sheet	35
Statement of cash flows	36
Principal accounting policies	37
Notes to the financial statements	42
Reference and administrative details of the charity, its trustees and advisers	58

The trustees present their statutory report together with the financial statements of International Rescue Committee, UK ('IRC-UK') for the year ended 30 September 2017 (FY 2017).

IRC-UK is affiliated with the International Rescue Committee Inc., a not-for-profit agency based in New York, USA, ("IRC NY"); 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').

This 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 and 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 37 to 41 and comply with the charitable company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective for accounting periods commencing 1 January 2015 or later.

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

Charity Registration Number
1065972

Front cover: South Sudanese Girl(s)
participating in COMPASS activities at
the IRC Women and Girls Safe Space in
Bombassi Refugee Camp, Ethiopia.



Letter from the Executive Director

Dear Friends,

We have seen continuing challenges to the work we do on behalf of the world's most vulnerable people in 2017. Conflicts have continued to run on and new ones have appeared, straining the resources available to respond. In the last year the IRC has stepped up to provide humanitarian aid to civilians in the civil war in South Sudan, to renewed fighting in Democratic Republic of Congo, to the cholera outbreak in the midst of the ongoing war in Yemen, to an outpouring of over 700,000 Rohingya refugees from Myanmar into Bangladesh, and to a seventh year of millions displaced by the Syrian conflict. These are merely a few of the many fires that are burning around the globe, even as much of the world moves forward together to bring about global improvements through the Sustainable Development Goals by 2030.



This year the number of people displaced globally has increased to over 65 million people, half of whom are children, and the majority of whom are women. Women and girls in particular remain the most vulnerable of the vulnerable in the work we do. The IRC continues to pay a special focus in responding to their protection needs but also seeks ways to empower them to take control and build their futures through economic empowerment and livelihood-creation programmes.

In 2017, we have seen a marked decrease in the number of refugees who have arrived in Europe. A combination of legislative changes, border security and transnational agreements have led to this. However the conflicts that spur much of the migration of people to Europe continues. Boko Haram continues to disrupt lives and persecute civilians in Nigeria. Syrian refugees are leaving to seek asylum in Europe. Ultimately Europe must respond to the right-wing reactionary trend in opposition to refugee arrivals. To that end, the IRC has led on a public facing campaign to call for a united 'Union Resettlement Framework' which would create a manageable and controlled system of entry for refugees into various EU member states.

The IRC believes in making the best use of the resources we have in delivering aid, not just to deliver value for money with the funds entrusted to us, but also to extend our assistance in multiple crises. We have introduced tools to better track spending and cost effectiveness, while also engaging and partnering with communities to enable them to deliver for their own people. In Niger and Tanzania, informal networks of teachers help each other work in overcrowded and underfunded schools, some of whom are targeted by armed groups. With the IRC's help, we have provided them the resources and tools to keep delivering education and hope to a generation who would otherwise be excluded by conflict and displacement.

We also want to help people regain control of their lives. From Europe to Africa and Asia, we need to look for sustainable solutions that require less from aid agencies and help people stand on their own feet, because the reality is that conflicts run on for years, not months. Thanks to support from the UK Department for International Development (DFID), we are using innovative online platforms to link Syrian refugees to jobs in Jordan, ensuring that women are not excluded from these opportunities, and creating partnerships that link refugees with skills to private sector opportunities.

The risks to our staff around the world have never been greater. Last year two staff died in Central African Republic and Somalia. Armand Koursou was 43 years old, with five children, and died when fighting broke out near his home where we work in Bocaranga, Central African Republic. Abdirahman Hassan died during one of the terror attacks in Mogadishu, leaving behind a wife who also works for the IRC, and two children. Sadly our staff in the field are confronting ever greater risks as conflicts escalate, and yet never cease to inspire with their dedication and commitment to the work we do.

That work is only possible thanks to your generosity and support. On behalf of the Board of IRC-UK and our colleagues in the field and in Europe, we would like to thank you for believing that life-saving aid can never stop in a conflict ridden world, and while we all hope for peace, the IRC will continue to ensure we are reaching the most vulnerable wherever they may be.

Sanjayan Srikanthan

Strategic Report

Introduction

Our Mission at IRC-UK is to help people whose lives and livelihoods are shattered by conflict and disaster. We serve people forced to flee from war, conflict and disaster, as well as the individuals and families who remain within their homes and communities.

Our Vision is to lead the humanitarian field by implementing high-impact, cost-effective programmes for people affected by crisis, and by using our experience to shape policy and push for change.

We define success as the ability to help people survive, recover and gain control of their lives. Specifically, we measure success against the number of people who see improvement in the following five focus areas:

- Safety from physical, sexual and psychological harm;
- Reduced risk of ill health and better chances of recovery from ill health;
- Education in terms of literacy and numeracy, as well as foundational, vocational and life skills;
- Economic wellbeing by addressing basic material needs, income and asset growth;
- Giving people the power to influence decisions that affect their lives.



Above: Girls play inside IRC's safe space in Nargazilia camp, northern Iraq.

Bottom right: From left to right, Brian, Fahima, Amal, Athene and Wallan, wait to see a doctor at the Alexandria refugee camp in northern Greece.

Right: Nyanen Ruot, 65, sits in front of a makeshift shelter in a field in Ganyiel. Ruot fled fierce fighting in Bentiu, the capital of oil producing Unity State. "A neighbour was shot dead in front of my own eyes," she said.





In January 2015, the IRC published its organisation-wide strategic plan, identifying key opportunities for growth, informing a new global strategy, and defining the objectives required to make its vision a reality.

In line with this we established a five-year UK and Europe Strategy with the goal of raising our profile in Europe – building on our success in the UK to generate more funding and achieve greater influence within Europe.

To achieve its ambition, IRC-UK in Europe pursues three interconnected outcomes:

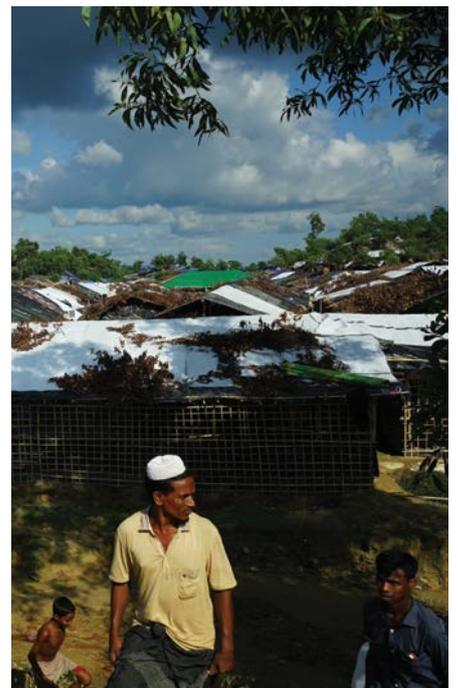
Outcome 1: European donors fund 40 – 50% of IRC's international portfolio with 15% of that funding being unrestricted.

Outcome 2: The IRC is a thought leader in Europe and is recognised as driving transformational policy and practice change.

Outcome 3: A European network with clearly defined centres of excellence is seen by donors as part of a single, global organisation.

Two key Foundations provide the support that will enable IRC-UK to achieve the above outcomes in 2015-2020. We strive for the IRC-UK to have a collaborative high-performance culture with the resources, support and systems to deliver.

Cutting across all results and foundations is a commitment to our strategic objectives and outcomes. We aim to ensure that evidence is used to influence 'policy and practice' that supports these objectives and outcomes, as well as ensuring the IRC-UK's own delivery is as efficient and cost effective as possible. This report highlights how we have put this into practice.



Our work



Top left: A mother brings her child to be treated for malnourishment at a specialist centre close to the Kutapalong refugee camp.

Bottom left: Lack of food and water has caused widespread cases of malnutrition for those fleeing violence in Myanmar.

Bottom Right: Those crossing the border have been forced make shelter in dangerous and unsanitary locations with the camps.

**BY OCTOBER 2017
OVER 600,000
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The Rohingya Crisis

By October 2017 over 600,000 Rohingya refugees had fled violence and persecution in Myanmar. The total number of refugees seeking shelter in neighbouring Bangladesh has since exceeded over 1 million, making it the fastest mass exodus witnessed since the 1994 Rwandan genocide.

The IRC's Emergency Response Team, supported by staff from the IRC-UK, carried out an assessment of conditions in the camps, released in October 2017, and found that the greatest needs in the area are health-care, food, protection for women and children, shelter and sanitation.

As a result, we were able to apply pressure on the UK Government and the European Union (EU) to influence major issues around the response in Bangladesh, as well as the root causes in Myanmar.

Using our digital channels, IRC-UK launched a Rohingya Emergency Response fundraising campaign to obtain financial support. We deployed advocacy and communications staff to the region to further assist the Emergency Response Team and updated our existing donors from the field.

Rohingya Muslim refugees arriving in Bangladesh told of the horrors they endured as their families were attacked and their villages burned in Myanmar's western state of Rakhine. 'The levels of trauma that we are

seeing here are severe,' said Sanna Johnson, the IRC's Asia Regional Director. 'We have spoken to women who have seen their children slaughtered before their eyes.'

'In a crisis of such unprecedented scale, we need the full weight of the international community to save lives in Bangladesh and Myanmar, and take concerted action in what is undoubtedly the most urgent refugee crisis in the world.'

IRC staff on the ground responded in collaboration with our partners by launching an emergency response in Cox's Bazar, Bangladesh, focused on providing essential health assistance, treatment of malnutrition, protection of vulnerable children, and a range of specialised services for women and girls who have been victims of violence.

In Myanmar, we were able to resume critical health and protection programmes in Rakhine State, serving both Muslim camps and Rakhine villages—despite humanitarian access remaining restricted for humanitarian groups, leaving thousands out of reach of lifesaving aid. In 2017, the IRC helped 64,589 individuals in 26 sites with access to basic primary health and reproductive health-care services.

Europe: Together for Refugees campaign

The Together for Refugees campaign, run in partnership with Ben & Jerry's, has seen us play a leading role in campaigning for new refugee resettlement legislation in the EU. To date, the campaign has mobilised 20,000 members of the public to email members of the

European Parliament. In October 2017, the European Parliament voted to endorse the new EU Resettlement Framework for vulnerable refugees.

Those who emailed their representatives from the UK, Germany, Sweden and The Netherlands helped reach a key

milestone, influencing the narrative around making legal routes to resettlement easier for refugees and ensuring that any subsequent decisions best support those fleeing violence and persecution.

The historic piece of legislation, the 'Union Resettlement Framework', is a unique opportunity to help some of the world's most vulnerable refugees by giving them sanctuary in Europe through a managed resettlement process. The proposed legislation currently on the table is ambitious, sustainable, consistent with humanitarian principles, and brings us one step closer to ensuring a pan-European resettlement programme is in place.



East Africa and Yemen

Yemen is facing the largest humanitarian crisis of our time: two-thirds of the population are at risk of starvation, with thousands gripped by a deadly cholera outbreak. The IRC is providing lifesaving emergency aid, clean water and medical care to millions of people in Yemen affected by violent conflict and a growing health crisis. We have been calling for the immediate and total lift of the Saudi-led coalition's air blockade, which makes it difficult to reach people in need and jeopardises the lives of thousands of children.

Last year, 813,131 people were able to access primary and reproductive health-care with 51,356 people provided access to essential clean drinking water and sanitation. Over this period, we also supported 2,049 children aged less than five to be treated for acute malnutrition.

The semi-arid areas of South Sudan, Somalia and other East African countries that are now in the grip of famine are lightly populated compared to many other parts of the world. Early preventative action is needed, before an official famine declaration, to address

and mitigate the true sources of hunger crises, which are conflict and drought. These are areas that the IRC continues to address.

For over 20 years, the IRC has been one of the largest providers of aid in southern Sudan. We also have active programmes in Ethiopia, Kenya, Somalia and Yemen. In all these countries, we continue to provide life-saving assistance to vulnerable people in hard-to-reach areas.

The Vitol Foundation was established by energy and commodities company Vitol Group to enable children living in deprivation to escape the cycle of poverty and reach their potential in life. In 2017, it supported the IRC in a number of emergency programmes, including our response to the drought situation in Turkana County, Kenya. Vitol Group staff also raised funds for the IRC's East Africa Appeal. This support has helped the IRC to provide quality treatment and care for malnutrition to over 23,000 vulnerable people including children under five, as well as pregnant and lactating women with children under 6 months.

Their most recent grant to support our work treating and preventing cholera in Yemen will support 34,000 people in the Al Dhale region.



'Parents in Yemen want to create a home for their children where they can grow and have opportunity, but they are no longer in a position to give them that opportunity and their kids don't see themselves as having a future either,' said IRC aid worker Zvidzai Maburutse, who works in Sana'a, Yemen's capital city.

Germany

We had significant advocacy success at the German Government-led G20 in July 2017 in the areas of financial inclusion and forcibly displaced persons (FDPs), creating the right financial and regulatory environment for our cash work to flourish. After carefully targeted advocacy with the UK and German Governments, and the Global Partnership for Financial Inclusion (G20 platform) in advance of the Summit, we succeeded in influencing recommendations to G20 Leaders to include the need for action in humanitarian settings.

The G20 endorsed the need for a 'roadmap for sustainable and responsible financial inclusion of FDPs by 2018'. This is a demand from G20 leaders for their governments to work together to help us make progress in this important area and is the first example we know of where we have influenced the outcome of a G20 Leaders' Summit.

Right: Hami and Valy, two Afghani asylum seekers and friends, visited Berlin to meet with an IRC Deutschland education specialist.

Far left: Handing out ice-cream with Ben & Jerry's in Brighton during the UK Homecoming tour in support of refugees.



Europe: Greece

During the past two years, 1.3 million people fleeing conflict and persecution have travelled through Greece in search of safety. After the closure of the Balkan borders and the implementation of the EU-Turkey agreement in March 2016, tens of thousands of refugees now find themselves stuck in Greece, waiting for asylum, family reunification or relocation, having to endure the stress of uncertainty and waiting.

Working in partnership with the Greek humanitarian agency Metadras, we are providing shelter, protection and foster care to unaccompanied children hoping to reunite with family in other European countries. Each day, an average of 270 children visit the safe learning and healing spaces at five refugee sites (Alexandria, Veria, Eleonas, Skaramagkas on the Greek mainland, and Kara Tepe on the island of Lesbos).

We work to ensure that refugees have access to counselling services and therapeutic and recreational activities. We have provided tailored one-on-one support services to nearly 3,000 people who live with illness, disability or trauma, or who are unable to protect themselves against exploitation and other harm, and women's safe spaces for respite and recovery at six refugee sites, where 170 women come through each day.

Ahmed, a 17-year-old boy from Syria, was forced to leave his parents in Aleppo three years ago. At the age of 14, he fled to Turkey and after a year of working in restaurants he managed to save just enough money to pay people smugglers the required fee to reach Greece.

Ahmed arrived at a time when many thousands of refugees were landing on Greece's shores in tiny, overcrowded boats. Amongst them are many children – forced to make the journey alone in the hope of reaching safety. Living in Greece without anywhere to stay, Ahmed was forced to sleep on the streets for two months. 'I was homeless... but nobody helped me. I was thinking of returning back to Syria, but I didn't.'

Whilst there are an estimated 2,800 unaccompanied children in Greece, there are only around 1,100 beds available for them in shelters, making homelessness a reality for many. Since January, Ahmed has lived at a Safe Zone for unaccompanied children in the Eleonas refugee camp in Athens, a site which hosts around 2,000 refugees. The Safe Zone is meant to provide temporary shelter for unaccompanied children, many of whom spend their first nights in police custody once they are picked up from the streets. 'Although living in a camp for 9 months is not easy, it's much better than living on the streets,' he says.



Above: Stella Giaga, an IRC Information and protection officer, greets a Syrian refugee, at the Pikpa refugee camp, in Mytilene, on the island of Lesbos, Greece.

Far left: IRC community health volunteers run hygiene promotion and cholera prevention activities with the children of Okiba, a remote village in Lahj, Yemen, where IRC mobile health teams come once a week to screen and treat children for malnutrition and other health issues.



Syria

Inside Syria, ongoing fighting has killed many and decimated the infrastructure that is vital for the most basic needs. Amid widespread violence, 2.7 million Syrian children have left school. Attacks on homes, schools and hospitals, including facilities supported by the IRC, continue to rise in spite of the establishment of de-escalation areas in the country.

The humanitarian situation in Syria and neighbouring countries continues to devastate the lives of millions of people in the region. Over 13.5 million people are in need and 5.6 million are in acute need. Meanwhile, 2.9 million

Syrians live in areas that are difficult or impossible for aid workers to reach.

Thanks to the generosity of our philanthropic supporters during the year, we continued to grow investment in our humanitarian response in both Europe and the Middle East.

The IRC-UK sought and secured funding for our work on the ground and ensured that the humanitarian consequences were raised in European parliaments, governments and institutions, including the UK and the rest of the EU.

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In December 2016, the Asfari Foundation supported our Aleppo Emergency appeal by matching donations from the UK public, leveraging further funding for our vital response.

The Asfari foundation provided valuable support to help us identify and reach more families with emergency cash relief ranging from £100 to £500 to cover basic needs. Cash transfers can reach people in need faster and at a lower cost, while enhancing people's power to make their own choices. They not only enable families to cover their basic needs, but also play an important role in boosting the local economy. We have reached over 3,000 households in Idlib with cash assistance since November 2016, and this can only happen thanks to our donors.

Over 1,000 staff helped more than 1 million Syrians inside the country in 2016, and our presence in the region continues. We are providing medical care through clinics and mobile health teams, helping vulnerable women and girls, as well as supporting Syrians to find ways to support their families through training, or financial support such as vouchers to buy food and other essential items.

Nearly 400,000 people have lived under siege in Eastern Ghouta for the past four years. A tightening of the siege in recent months has left the population cut off from food and medicine, and caused unaffordable increases in food prices, leaving over a thousand children malnourished. Six IRC-supported health facilities in Eastern Ghouta have treated hundreds of malnourished children.

We have continued to develop our reputation as a thought-leader on these crises, often sought out by EU and UK politicians for supporting evidence and policy guidance. We have built relationships with a number of European UN Missions to provide updates from the field, and produced a well-received report on the need to create jobs for Syrian refugees. The report was launched at a joint event in London with the Conservative Friends of International Development group and a panel discussion between the IRC's President and CEO David Miliband, former DFID Minister Rory Stewart, the Jordanian Ambassador, speakers from Google.org (the charitable arm of Google) and the IKEA Foundation.

Ahead of the Syria Conference in Brussels in April 2017, we helped set up a coalition of Non-Governmental Organisations (NGOs) and received feedback from the European External Action Service (EEAS) that our advocacy had helped to influence the focus and outcomes of the conference. We also supported advocacy opportunities with EU targets in the Middle East on important issues such as the return of Syrian refugees.



Top left: Shahoud Ala Karbouz with his son, two year-old Hadi, from Damascus, Syria at Idomeni camp on the northern Greek border.

Bottom right: Patients with kidney failure are receiving treatment at a hospital in Eastern Ghouta.

Iraq

Even though the Islamic State of Iraq and Syria (ISIS) has been pushed out of most of the city of Mosul, suffering continues for the 1.5 million people who endured ISIS rule for well over two years.

On the Mosul Response, our persistent advocacy has helped ensure a special retreat led by the UK Foreign and Commonwealth Office (FCO) took place with the purpose of looking at a de-mining strategy in the Middle East. We were also one of the only NGOs to proactively advocate around the Mosul offensive for the need for aid and civilian protection. We convened a group of NGOs to work with UK Members of Parliament (MPs) and to apply pressure on the FCO, supported by a number of articles we published.

In both the UK and Germany, we were invited to brief civil servants on our key areas of concern on Iraq. We also secured a slot for David Miliband to speak at a high-level United Nations General Assembly (UNGA) event on Iraq organised by the EU, Germany and the US. Additionally, in both the UK and Germany, we were invited to brief civil servants on our key areas of concern on Iraq.

When IS overran her village north of Mosul in 2014, Diana lost everything, including the stock in her general store, the only one in the village. Diana and her husband had sold their car and other possessions to reopen it, as it was their lifeline. Diana recalls, 'We had small children, and we needed more income to take care of the babies.'

When she returned to the village after ISIS was driven out, she found the shop was empty. Desperate to get back on her feet, Diana joined the IRC business training program and, with an IRC grant, got her store up and running again.

With our support, women in Iraq are finding the courage and determination to rebuild their lives through a nine-session business training course. These sessions cover important skills from accounting and bookkeeping to communication and negotiation, but most importantly, they help women to find a niche for themselves and their businesses in their new communities.

The IRC provides health screenings and basic supplies to over 14,000 Iraqis who have arrived in Al Hol refugee camp in Syria's relatively stable north eastern Hassakah governorate.

We first began working in Iraq in 2003, providing humanitarian relief and recovery assistance to the most vulnerable and crisis-affected Iraqis. We also have provided emergency support to thousands of Syrians fleeing the civil war that began in 2011. We now work in 13 out of 18 Iraqi governorates, with main offices in Baghdad, Erbil, Sulaymaniyah, and Duhok.



Above & Right: Women and girls take part in activities at IRC's women's centre in Sheikhan, north of Mosul. It is the only space dedicated for women in the town where they can participate in activities and learn new skills such as sewing.



Focus: Displacement



While the Syria crisis is dominating headlines, most of the world's displaced people have been forced from home by long-running crises that get little attention. Across the world, 65 million are displaced from their homes and are seeking safety. Increasingly, cities and peri-urban areas have become the forefront of humanitarian response, diverting from the traditional paradigm of relief provision in rural and camp settings.

In June 2017, we co-hosted a symposium in London on urban displacement. This was the culmination of a two-year partnership to research, pilot, test new approaches to urban responses, and produce a set of practical guidelines on context analysis, multi-sector vulnerability assessment tools, and integrated programme models.

The humanitarian landscape is changing; 60% of the world's refugees, and 80% of internally displaced people now live in urban areas, and four-fifths live in developing countries that can least afford to host them.

Concerning urban displacement, we continue to have positive discussions about the potential to fund the secretariat of the new Global Alliance for Urban Crises. We succeeded in inserting language on refugees, data collection and urban contexts into the outcome document from the UN Summit on Refugees and Migrants.

Above: Afghan refugee children play at the Pikpa refugee camp, in Mytilene, on the island of Lesbos, Greece.

Below: 'Waiting to clean up'. A woman cleans her hands at the Alexandria refugee camp in northern Greece.

Focus: Livelihoods

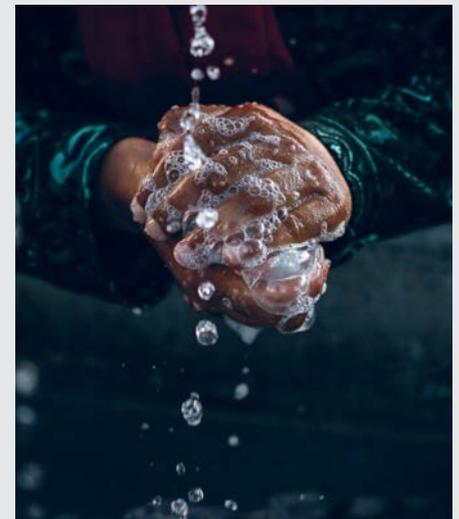
Displaced people often face challenges in securing basic needs –food, water, shelter and clothing –in order to continue their lives in new places. Economic insecurity, discrimination, and marginalisation increase the protection risk for the displaced as they seek income-generating opportunities, creating a need for a more integrated approach to livelihoods initiatives.

The IRC and the Citi Foundation, established by Citigroup to promote economic progress and improve the lives of people in low-income communities around the world, launched a new initiative that will provide refugees, young people displaced within their own countries and vulnerable youth from the communities hosting them with support to help them generate a reliable income and contribute to their local economy.

Throughout the two-year project Rescuing Futures, nearly 1,000 young people across three cities—Athens in Greece, Amman in Jordan and Yola in northeast Nigeria—will be supported to start their own businesses.

'The IRC's partnership with the Citi Foundation represents a best-in-class global public-private partnership.'

'The IRC has unique expertise in working with conflict-affected populations and the urban-displaced to build economic resilience. Alongside the Citi Foundation's Pathways to Progress initiative, a commendable commitment to investing in the futures of young people, this project will have a life-changing impact on some of the most marginalised youth around the world!' David Miliband



The Citi Foundation is a longstanding supporter of the IRC, helping to fund research and development and emergency work in recent years. This year saw the expansion of the Citi Foundation's Pathways to Progress initiative globally with a \$100million commitment to reach 500,000 young people with entrepreneurship and employability training before 2020.

Focus: Women and Girls

Violence against women and girls is a serious human rights violation and a significant global health and security issue. More than one third of women and girls worldwide have experienced physical or sexual violence in their lifetimes. In South Sudan, up to 65% of women and girls interviewed for a study conducted by the IRC said they have experienced either sexual or physical violence in their lifetime, double the global average, and amongst the highest levels of violence against women and girls in the world.

With the support of the Swedish International Development Cooperation Agency (Sida) we published a paper on the impact of the Call to Action on Protection from Gender Based Violence (GBV) in Emergencies, which the IRC was instrumental in driving the establishment of 4 years ago, and has now grown to an international network of 66 governments, NGOs and international organisations. To mark the launch of the Lead on the Call to Action moving between Sweden and the EU, we spoke at an event about the report's findings at the UN in Geneva alongside the Director General of the European Civil Protection and Humanitarian Aid Operations (ECHO) and the Swedish Ambassador.

In two sections of the camp near Amiriyat Fallujah, Iraq, the IRC runs women's listening centres. Here women and girls gather to spend time together, taking part in activities and talking about the challenges they face. Without this space many wouldn't have a chance to socialise with other women.

Laila, who fled IS-held al-Qaim in Anbar, south-west Iraq to come to a camp in Baghdad, attended IRC business training classes to help her get a bakery off the ground. 'I have been a baker for a long time. My mother taught me how to bake,' she says. She then applied for an IRC grant to help her buy a second oven. 'Now I can bake a lot more bread' she says. 'I am the only bakery here in the camp so I have a lot of customers.' Through the IRC programme, Laila met other enterprising women and built an informal network. 'Today we help each other a lot,' she says. 'We support each other in our businesses and look after each other like family.'



Left hand page above: Patients receive hygiene kits when they are sent home from the IRC's diarrhea treatment centre in Al Dahle'e, Yemen.

Left hand page below: Samaher, the mother of three (centre) help her children - Isra (left) and Mohammad (right) with their studies. This Syrian refugee family is from Damascus, Syria. They left the country in 2012 and arrived in Jordan. The women regularly visit the IRC Woman Centre in Irbid. They all attend several courses and psychological consultancy.

Right hand page above: Jori Al Sharaa draws after school at her house.

Right hand page below: 'Waiting to charge a phone'. Hamed, left, age 16, and Ahid, age 21, sit in a room to charge their phones, at the Alexandria refugee camp in northern Greece.

Focus: Education

The IRC and Sesame Workshop—the non-profit, educational organisation behind Sesame Street—are working together to give millions of refugee children in Syria, Jordan, Lebanon and northern Iraq the support they need to learn, grow and thrive.

Few Syrian children have opportunities to learn and play; many are neglected; some have been exposed to extreme violence and experienced unspeakable trauma that will have a long-lasting impact on their health and future. They are at risk of ‘toxic stress,’ a biological response to prolonged and severe adversity that disrupts a child’s brain development.

We will combine Sesame Street’s history of proven educational content with the IRC’s decades of assistance in crisis-affected areas to deliver a suite of culturally relevant programming and multimedia content tailored for the needs of refugee children and their caregivers.

‘Our partnership with Sesame Street will help transform children’s lives by making sure that their social-emotional needs are met so they are able to receive an education, contribute to their community and succeed as adults,’ said David Miliband, President and CEO of the IRC.



Beyond literacy and numeracy, these programs will help children develop social and emotional skills necessary to succeed and cope with challenges. Children are not the only ones who need guidance. Thanks to the support of partners such as sector experts Bernard van Leer Foundation, we will also be working with parents, teachers and caregivers to more effectively engage and support refugee children as they learn and grow.

‘We touch families in every aspect of their lives,’ said Sarah Smith, senior director of education at the IRC. ‘Whether it’s a community health worker who is going into a home to help a mother who has just had a baby, or whether it’s a volunteer preschool teacher in a community centre, we’ll provide for them the content they need to deliver those services.’

Focus: European Refugee Crisis

In July 2015, the IRC was the first international aid organisation to assist the thousands of refugees who were arriving each day on the Greek island of Lesbos. Today, we continue to work in Greece and along the Balkan route to support the most vulnerable refugees, including children travelling alone and at risk of smuggling or trafficking.

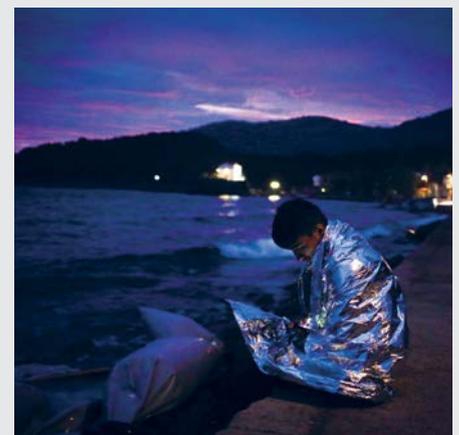
Claude Moraes, a Member of the European Parliament and Chair of the European Parliament’s Civil Liberties, Justice and Home Affairs (LIBE) Committee commented that, ‘The IRC’s contribution up to now has really helped inform our work. The forthcoming LIBE Committee visits to New York, Jordan and Lebanon come after a lot of intensive work with your team and with you, so I think we’ve built a good relationship that will continue to inform our work on

resettlement and the other elements of the refugee legislation.’

Over the course of a two day visit, IRC’s President and CEO David Miliband addressed around 250 of the leading decision makers and thinkers in the EU on the refugee crisis and secured significant coverage in Brussels-focussed media.

Through Refugee.Info—a free digital service whose development we are supporting—the IRC empowers refugees on the move by providing them with real-time, reliable information in Arabic and Farsi about their rights, local laws and support services. The platform helps refugees in Greece, Serbia, Macedonia and Bulgaria regain the power to make choices that protect themselves and their families.

The IRC provides support to 13 European countries, offering expert guidance on refugee integration by drawing on our experience assisting refugees and people seeking asylum, which includes more than four decades of work in refugee resettlement and integration in the United States.



Support for our wider work

Fundraising

This year, IRC-UK received more support than ever before from individuals, trusts, foundations, companies and other organisations, who together donated over £6 million to support our global humanitarian work. This is represented in the accounts by £4 million of income from donations recognised in the year by IRC-UK; a net increase in deferred income from donations of £0.4 million; and £1.6 million of income from donations received by IRC NY as a result of efforts of IRC-UK fundraising activities.

We received a record number of unrestricted donations from philanthropists, which are crucial for our work. We can direct this funding wherever it is most needed, helping us respond quickly and flexibly to new emergencies and evolving crisis situations – making sure more people survive, recover and gain control of their futures.

Last year, the profile of the IRC in Europe improved considerably, helping to drive funding and advocate for policy change. A strong focus was placed on building the IRC's profile not just in the UK but also in Brussels, Sweden, Germany and other countries in Europe.

The IRC was featured 1,757 times in British and European national print, online and broadcast media and our press releases were responsible for 20% of that coverage.

Our effective placement resulted in us being the principal focus of more than one third of the articles that mention our work. We have performed well on social media as well, where our presence has been consistently

growing: in FY 2017, we gained 28% more Twitter followers and 60% more Facebook likes than in 2016, allowing us to communicate our work and maximise potential for financial support amongst an even broader audience.

The general public continues to donate generously to the IRC's work, most notably to support the ongoing conflict in Syria, the East Africa Famine and the Rohingya Refugee Crisis.

The Fifty-One

In 1933, Albert Einstein rallied a group of 51 humanitarians to form the beginnings of the International Rescue Committee. At a time when there were no aid agencies helping people uprooted by the Nazis, they invented new ways to support refugees. Their legacy has saved the lives of hundreds of millions of people.



Now, as then, the world needs new answers in the face of an unprecedented refugee crisis. We're calling for a new generation of philanthropists to come together and fuel inventive thinking.

The Fifty-One's donations are unrestricted, giving the IRC crucial flexibility to direct support wherever it's most needed to make the greatest difference for refugees – whether it's helping us react quickly to an evolving emergency, fast-track a pioneering idea or gather robust evidence to share with the global humanitarian community.

To find out more, visit www.rescue-uk.org/51.

Fundraising Compliance

The IRC-UK is committed to undertaking ethical, transparent, and appropriate fundraising activity to raise funds to support our beneficiaries. We adhere to the Fundraising Regulator's Code of Fundraising Practice and embed supporter care best practice into our fundraising processes, which include internal policies to protect vulnerable persons. Our Privacy Policy, accessible on our website, outlines our promise to supporters to respect their personal information made available to IRC-UK, protect their data, and communicate in line with their given consent.

In FY 2017, IRC-UK has carefully reviewed and updated the Privacy Policy and approach to wealth-screening and donor research under the support and guidance of pro bono legal counsel. This was undertaken with close consideration of recent rulings against charities by the Information Commissioner's Office (ICO). Additionally, we have worked closely with the IRC General Counsel to ensure best practice compliance on all our campaigns. Continuing activity includes undertaking a broad review of requirements under the EU's General Data Protection Regulation (GDPR), which will be led by IRC General Counsel and external support.

Our Supporters

We would like to extend our special thanks to the trusts, foundations, companies, organisations and some of our individual donors for their ongoing support. Their generosity enables us to respond to crises and help communities.

Trusts, Foundations and Companies

Allan and Nesta Ferguson Charitable Trust
 Asfari Foundation
 ATASS Foundation
 Ben & Jerry's
 Bernard van Leer Foundation
 Blavatnik Family Foundation
 Citi Foundation
 Comic Relief
 Green Room Charitable Trust
 Hands Up Foundation
 Hugh Symons Charitable Trust
 Levi Strauss & Co
 Manos Unidas
 Megan Van't Hoff Charitable Trust
 Mistral Stiftung
 Oak Foundation
 Said Foundation
 Sir James Reckitt Charity
 Stanley Thomas Johnson Foundation
 The Gulab Jamun Charitable Fund
 UBS Optimus Foundation
 Virgin Unite
 Vitol Foundation

Organisations

Action Against Hunger & The Children's Investment Fund Foundation, as part of No Wasted Lives
 Christian Blind Mission

Individual donors

Anita Mendiratta
 Bill Winters
 Dylan Pereira
 Francesco Garzarelli and Elena Ciallié
 James and Celia Greig
 James Greer
 James T. and Hiroko Sherwin
 Johanna M David
 Rasha Mansouri Elmasry and Hassan Elmasry
 Robert Granieri
 Susan Gibson and Mark Bergman
 Wendy Fisher
 and those who wish to remain anonymous



Above: Girls play inside IRC's safe space in Nargazilia camp, northern Iraq. The children and their families fled the battle for Mosul.

Below: A little boy sits in the shade to escape the mid-day sun at the Alexandria refugee camp in northern Greece.



Overview of Institutional Grant Funded Activities

The IRC-UK's programme development activities focus on securing funds from key European governmental donors and EU institutions to support life-saving humanitarian work in places of crises. With our largest governmental and institutional donors, such as DFID, ECHO and Sida, IRC-UK seeks to establish longer-term partnerships and build up trust over a number of years of close collaboration. While applying for and securing specific funds remains a highly competitive process, having a relationship that incorporates dimensions of work beyond funding enables IRC-UK to also engage with our key donors on aspects of thought leadership inside the humanitarian sector. In parallel, we are pursuing cultivation work of newer European donors in order to better balance our portfolio and to establish similarly fruitful and mature relationships over time.

EAST AFRICA – DROUGHT



During 2017, the East Africa region experienced a severe food insecurity crisis, caused predominantly by drought throughout the region and the ongoing conflicts taking place in Somalia and South Sudan, which led to significant displacement and has received a significant response—seven ECHO and six DFID submissions in the region have been successful in raising more than €20 million and £7 million, respectively. The ECHO funding has included two new projects in Uganda, a country that has not received ECHO funding in recent years.

Beyond DFID and ECHO, the IRC has secured a number of contributions from the Sida and Irish Aid Frameworks, including three Sida Rapid Response Mechanism (RRM) responses in Ethiopia and Uganda, focusing on the drought and the South Sudanese refugee influxes in each country, and an Irish Aid Framework contribution to respond to the drought in the Turkana region of Kenya. Longer term resilience programming from EuropeAid has also been secured amounting to close to €5.9 million.

Above: The persistent conflict amongst the 10 clans in Karamoja and resultant violence has a significant impact on women's daily lives. Women and girls experience sexual, physical, economic and emotional violence and are often unable to safely carry out their many daily activities, such as sourcing clean water and collecting firewood, both of which can often involve traveling long distances.



YEMEN – CONFLICT, FOOD SECURITY AND CHOLERA



The situation in Yemen continued to deteriorate in 2017 with a combination of conflict, food insecurity and an unprecedented cholera outbreak. IRC's Yemen Programme expanded substantially to respond to this situation, adding Food Security and Women's Protection and Empowerment (WPE) work as new sectors to the existing integrated Health, Water, Sanitation and Hygiene (WASH) and Nutrition portfolio. IRC-UK secured funding from ECHO, the Swiss Agency for Development and Cooperation (SDC) and Sida in support of this, as well as an emergency contribution from the Irish Aid Framework to establish the WPE programme.

EUROPE AND NORTH AFRICA



IRC responded to the European refugee crises, with particular focus on Greece, the Balkans, Libya, Italy and Germany. IRC worked to support refugees and asylum seekers in transit in Greece and the Balkans through building the capacity of local partners and providing neutral and easily accessible information on online platforms; providing critical humanitarian support in the areas of health and protection in Libya; fostering integration in Germany, in particular through inclusion in the education system for minors; and acting at an advocacy level to share best practices from the global US resettlement system, which could serve as a basis for the creation of a harmonised European Resettlement Framework.

The £10 million programme, Refugee Children Fund for Europe, awarded by DFID to the IRC, UNHCR and Save the Children (July 2016 - June 2017) scored an A in the project completion report. The programme aimed to respond to the most pressing needs of vulnerable migrant and refugee children in Europe. The programme was implemented in Greece, Serbia, Former Yugoslav Republic of Macedonia, Croatia, Bulgaria and Albania, and provided direct support to and protection of unaccompanied children, as well as age-appropriate information to children at risk, including information in relevant languages to unaccompanied children on their rights.

Below: A girl gets water at the Alexandria refugee camp in northern Greece.

WEST AFRICA – NIGERIA



The United Nations' latest assessment deems that 7.7 million people are in need in the region of north-eastern Nigeria, with many experiencing numerous waves of displacement. With generous support from European donors, the IRC's programmes provided a range of life-saving interventions to hundreds of thousands of people within three critically affected areas of north-eastern Nigeria.

In 2017, the IRC-UK mobilised funds amounting to over £24 million to implement programmes in Nigeria. These funds came from DFID, EuropeAid and ECHO, to address the dire humanitarian needs of Internally Displaced Persons, host communities and returnees across Adamawa, Borno and Yobe states. These multiyear grants have enabled IRC to lead programmes that have reached approximately 2.5 million beneficiaries.

The IRC leads a multi-sectoral response providing protection, child protection, WASH, food security and health system strengthening. WASH activities are a prime focus for the IRC in north-eastern Nigeria. The supply of safe and potable water for drinking, washing and personal hygiene and adequate sanitation infrastructure is very limited in these conflict-affected areas. The IRC has supported the rebuilding, operation and maintenance of numerous water supply infrastructures and regularly monitors the water quality. Furthermore, IRC staff were able to respond and provide food security and malnutrition assessments in response to the deteriorating famine declared in that region in July 2016.





GREAT LAKES – THE DEMOCRATIC REPUBLIC OF CONGO (DRC) AND BURUNDI



The conflict in the Kasai region of DRC has seen 1.4 million people internally displaced, and the region considered one of the most severe food-security emergencies. In light of massive humanitarian needs on the ground, the IRC deployed emergency staff and sought to reposition itself as a responder in the Kasai region. By the end of September, the IRC had secured \$329,670 from the Sida RRM, and €400,000 from Stichting Vluchteling. The IRC carried out market and related Economic Recovery and Development assessments on which to develop a potential cash and/or food security response.

In June 2017, IRC-UK signed a \$24.3 million grant with the Dutch Ministry for Foreign Affairs for the Integrated Water and Food Security Programme. The programme adopts an integrated approach to reducing conflict between competing ethnic groups and increasing stability in eastern DRC through increased and more equitable access to land and water for household and agricultural use, and improved governance around the management of these resources. The programme will benefit an estimated 28,800 people over 46 months, and is unusual in both its high value, and that it originated from a local embassy.



MIDDLE EAST – SYRIA RESPONSE



DFID commissioned an external due diligence report in advance of IRC-UK's new £45.6 million award in Syria. It was undertaken by the consultants Moore Stephens towards the end of 2016, who delivered the report in late March 2017. There were five particular areas of focus and associated recommendations: the use of money transfer agents (hawalas), risk management, monitoring of new controls, systems and procedures, cash vouchers and IRC's due diligence procedures. An action plan was developed and the IRC is responding to the recommendations.

ASIA – ROHINGYA CRISIS



In response to the crisis in Bangladesh, \$330,000 has been secured from Sida's RRM. The IRC has worked in partnership with Action Against Hunger to scale up static and mobile health teams and women's centres across settlements, offering women and girls sexual and reproductive health-care, mental health-care and psychosocial support. The IRC has also been engaged with UN agencies to outline partnerships in health and protection and scaled up the programme rapidly during the implementation period. The IRC has successfully managed to treat children under 5 with Severe Acute Malnutrition (SAM), deliver life-saving health and protection services for women, boys and girls and strengthen humanitarian partners' capacity to deliver quality GBV and child protection services.

SIDA HUMANITARIAN FRAMEWORK AGREEMENT

The IRC Humanitarian Framework Agreement (HFA) with Sida has continued into its third year through a \$10.7 million cost-extension running from 1 May 2017 – 30 April 2018. This allocation represents an 85% increase from our Swedish Kroner allocation in year one and a 20% increase on year two. It also includes funding for three additional country projects including Cameroon, Mali and South Sudan.

Over the last year, IRC-UK has utilised the RRM funding pot by securing crucial emergency funding for crises in Afghanistan, Syria, Uganda, Ethiopia and the DRC.

IRISH AID STRATEGIC PARTNERSHIP

The new two-year Strategic Partnership on GBV in Emergencies (€2.2 million) was launched during David Miliband's visit to Dublin in February 2017. The IRC-Irish Aid Strategic Partnership for GBV in Emergencies remains one of our most critical and unique partnerships supporting our GBV work globally. The partnership funds GBV Response, Preparedness and Recovery work in Somalia, Kenya, Ethiopia and South Sudan (€1.4 million), Emergency Response Funding for GBV response in rapid onset or escalating crises globally (€500,000) and Policy and Advocacy work engaging European stakeholders (€186,000).

The IRC has allocated the total €250,000 of pre-positioned emergency funding under year one of the partnership to provide GBV emergency assistance to women and girls. Funds have been allocated to responses in Northern Kenya, Yemen and East Mosul.

Left hand page above: Children of Congolese refugees in the Musasa refugee camp in north-eastern Burundi.

Left hand page below: Children in the Kutupalong camp in Bangladesh, now one of the largest refugee camps in the world.

Right hand page above: A mother brings her child to be treated for malnourishment at a specialist centre close to the Kutupalong refugee camp.



STRENGTHENING INNOVATION AND EFFECTIVENESS IN HUMANITARIAN ASSISTANCE

The £3.6 million DFID project, 'Making the Difference', ended in March 2017. The project played a key role in the delivery of the IRC 2020 Strategy commitments in the areas of research and development, client voice and choice, Outcomes and Evidence Framework (OEF) and Best Use of Resources (BUR). It also facilitated the launch of the IRC's Airbel Center for research and development, which is making significant efforts to deliver and model assistance which is more innovative, more responsive, and more effective. As a result of this project the IRC also developed the interactive OEF to present evidence in a systematic, user-friendly format and BUR developed a methodology for conducting cost analysis within humanitarian organisations. The grant has also allowed the IRC to build a strong network among leading practitioners and policy-makers in the area of accountability to affected populations. The papers developed under the project around incentivising the use of feedback have been well received by the sector, and the IRC has been invited to guest-author blogs, for example on the Core Humanitarian Standard Alliance platform, and present at panel discussions, for example the Active Learning Network for Accountability and Performance (ALNAP) Annual Meeting.

This grant's strategic investment has also allowed the IRC to leverage over £10 million for these efforts from a variety of donors including DFID, START, USAID, Arnhold Foundation, ELMA Foundation, and 3ie.

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.

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.

Liability of members

In the event of the charitable company being wound up, IRC NY, as the company member is required to contribute an amount not exceeding £1.

Board of Trustees

Members of our Board of Trustees are the charity's trustees and also act as company directors. They are responsible for our overall governance in accordance with the provisions of the Companies Act 2006 and Charities Act 2011. A list of our trustees is provided below. The Board of Trustees appoints new trustees for a term of three years. Board members may serve up to two three-year terms, and a third three-year term if they chair the Board or a Committee. The exceptions are the IRC NY and SV representatives, who do not rotate off.

This year, the Board appointed five new trustees and three trustees retired from the Board. The balance and diversity of trustees is kept under review by the Board of Trustees. The Board places an emphasis on ensuring that our trustees provide the specific mix of skills that have been identified as important to the charity's objectives and activities. All new trustees receive a full induction programme to ensure they understand their role and responsibilities. New and existing trustees are also offered training opportunities to help them to fulfil these responsibilities. The Board of Trustees meets regularly to govern the charity. This financial year, the Board held three meetings.

The following trustees were in office at 30 September 2017 and served throughout the year except where indicated.



Above: Little Omran, sporting a cheerful blue shirt, is on his way to Germany with his extended family of five to live with relatives. Because his parents knew they would travel through forests to avoid detection, they made sure to pack bandages for scrapes and cuts.

Below: Nutrition Manager Ismaila Lawal comforts a scared child at Kagii health facility in Kagii.

Trustees	Appointed/Retired
Sir John Holmes GCVO, KBE, CMG (Chair)	
George Biddle	
Glenda Burkhart	Retired 26 October 2016
François-Xavier De Mallman	Retired 26 October 2016
Susan Gibson	
Dylan Pereira	
Diane Simpson	Retired 26 October 2016
Iliane Ogilvie Thompson	
Jake Ulrich	
Lynette Lowndes	
William Winters	
Ian Barry	
Sir Hugh Bayley	Appointed 26 October 2016
Christina Ceelen	Appointed 26 October 2016
Ciaran Donnelly	Appointed 26 October 2016
Francesco Garzarelli	Appointed 23 March 2017
Sir Michael Lockett	Appointed 23 March 2017
Following the year end, one trustee was appointed:	
Richard Winter	Appointed 25 October 2017

A typical year for a Board member includes the following:

- Attendance at three Board of Trustees meetings per annum (1 day each);
- Attendance at committee meetings and at ad hoc groups convened for specific purposes;
- Attendance at staff or senior management meetings on an occasional basis;
- Attendance at events, e.g. public meetings, meetings with supporters/donors; and
- Occasional travel to IRC programmes with other trustees.

Organisation

The Board of Trustees delegates the day-to-day management of IRC-UK to a senior staff person with the title (Acting) SVP Europe and Executive Director IRC-UK, who is not a director for the purposes of company law, and who reports to the Board of Trustees.

The (Acting) SVP Europe and Executive Director IRC-UK, Sanjayan Srikanthan, works with a Senior Management Team (SMT), comprising Departmental Directors, who meet regularly to review organisational business. The SMT comprises:

Mick Dyson	Senior Director of Finance and Operations
Aska Pickering	Deputy Vice President Awards Management Unit
Melanie Ward	Director of Policy and Advocacy
Laura Kyrke-Smith	Director of Communications
Emma Bolton	Senior Director Europe Fundraising

The trustees, the (Acting) SVP Europe and Executive Director IRC-UK and the SMT are considered to be the key management personnel for the purposes of FRS102.

Board of Trustees (continued)

The Board guides the (Acting) SVP Europe and Executive Director IRC-UK in relation to the charitable purpose of IRC-UK and oversees implementation of the Framework Agreement with the IRC.

The Board has constituted a committee for Audit and Governance from its trustees, a Policy and Advocacy Committee and also a Development Committee, which includes several trustees, who advise the (Acting) SVP Europe and Executive Director IRC-UK and staff and report back to the Board.

The Audit and Governance Committee meets three times a year, twice with the external auditor in attendance. The Committee agrees the external audit plans, reviews the external auditor's management letter and the financial performance of IRC-UK during the year, and monitors implementation of actions required as a result. It also has responsibility to advise the Board on whether the audit, risk management and control processes within IRC-UK are effective (for details of the Risk Management Policy and Procedures see pages 29 to 31), and to review and input into the IRC NY annual internal audit plans and internal audit reports.

Bottom Left: A woman sits with her child at an IRC-run stabilization centre in Maiduguri, Nigeria, where children are treated for severe acute malnutrition. The war against Boko Haram has resulted in massive displacement and famine-like conditions in north-eastern Nigeria. 2.1 million children in the north-east are severely malnourished.

Bottom Right: Khadijah, a refugee from Bamyam, Afghanistan, right, talks with her friend at the Pikpa refugee camp, in Mytilene, on the island of Lesbos, Greece.

Right: Silva, age 7, gets water at the Alexandria refugee camp in northern Greece. Silva was travelling with her father and pregnant mother, as well as her younger brother and sister.





Remuneration

The remuneration of the (Acting) SVP Europe and Executive Director IRC-UK is determined by the Board of Trustees and is commensurate with the size and scope of the organisation. The Board of Trustees reviews the remuneration of the (Acting) SVP Europe and Executive Director IRC-UK in March annually with any adjustments taking place on 1 April. The review is undertaken jointly by the Board of Trustees and the IRC NY President and CEO.

For all other employees of IRC-UK, remuneration is determined by the SMT. The SMT of IRC-UK reviews salaries in September annually with any adjustments taking effect on 1 October. This review is mandated by the Board of Trustees which determines the budget for salary increases as part of the annual budget approval process.

IRC-UK's overriding principle is that any pay award resulting from the salary review process is dependent

upon the availability of funds, and informed by the current and next year's financial position of the IRC-UK's compensation package which has a 'pay for performance' philosophy. Pay increases are given based on the individual staff member's performance review rating.

The SMT works via the Joint Negotiation Committee constituting of IRC-UK management and trade union representatives to negotiate and agree a pay award.

The following principles guided the annual pay award in FY 2017;

- The trade union had a negotiating role in the pay review and pay setting process, on behalf of their members and staff;
- Salary increases took into account RPI inflation and published data and were applicable to all permanent staff and those on a fixed term contract employed on 30 September;

- Staff who received a rating of 'does not meet expectations' did not receive a salary increase;
- Staff with a rating of 'successfully meets expectation' and higher received a merit based pay adjustment ranging from 0.5% to 2% depending on their performance rating; and
- Staff on performance improvement plans receive their pay award on successfully completing the improvement plan, backdated to 1 October.

In determining salaries for newly created positions IRC-UK sources external data for benchmarking purposes and intends to have a salary benchmark review bi-annually for every position in the organisation. To this end the IRC-UK collaborates with charities of similar size and purpose which operate in the UK market.

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 activity of the subsidiary is to manage the trading activities of IRC-UK. The company, which was previously dormant, was activated during 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 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts



in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);

- 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 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.

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.

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.

Communicating with staff

Management and staff negotiate and/or consult on terms and conditions of employment with the IRC-UK Trade Union representatives. There are many opportunities to also consult with team leaders and staff. All managers are expected to hold regular one-to-ones with their staff. To keep staff informed, IRC-UK produces a biweekly Newsletter and holds a staff meeting once every six weeks.

Statement of public benefit

The trustees confirm that they have complied with their duty in the Charities Act 2011 to have due regard to the Charity Commission’s general guidance on public benefit, ‘Charities and Public Benefit’. That guidance addresses the need for all charities’ aims to be, demonstrably, for the public benefit, and is reflected in the objectives of the charity set out below, as well as by the activities of the charity as illustrated in the ‘Strategic Report’ and in the ‘Achievements and Performance During the Year’ section. Wherever possible the views and opinions of beneficiaries are sought in the design and implementation of programmes, with the aim of ensuring that these are targeted to people in need, also taking into account their assessment of their needs and evaluating and assessing the beneficial changes.

Left: 17-year-old Basima, who previously participated in the Vision not Victim project is invited to the Royal Academy of Culinary Arts in Amman where she is hosted for the day. She is learning how to make olive bread here.

Right: Girls wait to fill their jerry cans at an IRC water point in Somali Region, Ethiopia.

Financial report for the year

The financial statements were prepared under Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) (FRS 102).

Income is recognised in the statement of financial activities only when IRC-UK is entitled to the income, the amounts involved can be measured with sufficient reliability and it is probable that the income will be received by IRC-UK. On this basis, we recognise income from government grants based on the performance and time-based conditions of the grants, recognising income to the extent that it is reimbursable by the donor as expenditure on the grant is incurred.

Total income in FY 2017 decreased to £142 million (2016: £146 million). This was due to a decrease in income from charitable activities to £138 million (2016: £140 million) partly offset by an increase in income from donations and legacies to £4 million (2016: £2.7 million).

Donation and legacies income received in FY 2017 by the IRC in New York as a result of efforts of IRC-UK fundraising activities totalled £1,396,347 restricted and £156,435 unrestricted. This income is not recognised in the IRC-UK accounts.

IRC-UK’s principal funding sources were:

▪ DFID	£60 million, 42% (2016: £92 million, 63%)
▪ ECHO	£54 million, 38% (2016: £31 million, 21%)
▪ Sida	£8 million, 6% (2016: £6 million, 4%)
▪ EuropeAid	£7 million, 5% (2016: £4 million, 3%)
▪ SDC	£2 million, 1% (2016: £1 million, 1%)
▪ Irish Aid	£1 million, 1% (2016, £1 million, 1%)
▪ Danida	£1 million, 1% (2016: £1 million, 1%)
▪ Dutch MFA	£1 million, 1% (2016: £2 million, 2%)
▪ Trusts, foundations, individuals	£4 million, 3% (2016: £4 million, 3%)

Full details can be found in the notes to the financial statements.



Investment policy

IRC-UK holds £0.8 million in a captioned deposit account with Standard Chartered Bank. The deposit has been renewed every six months. The interest rate prevailing on the account as at 30 September 2017 was 0.76%.

Other cash holdings, totalling £14.3 million as at 30 September 2017, are held in current accounts with Standard Chartered Bank and NatWest Bank, denominated in donor currencies (Euro, British Pound and United States Dollars), as these are restricted funds related to the £18.8 million programme creditors.

IRC-UK purchased currency forward during the year to hedge the currency risk on Swedish Krona to United States Dollars for our Framework Agreement with Sida and on United States Dollars to British Pounds for the remittances from IRC NY to cover IRC-UK's core operating costs.

Reserves policy

Free 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 free 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 organisation strives to maintain free reserves equivalent to six months operating expenditure of the charity, which is currently being achieved. The trustees monitor the level of actual and projected reserves and believe these to be sufficient to meet the current level of risk.

As explained elsewhere in the report, IRC-UK is part of the global IRC network. Through the coverage of IRC-UK's risks in large part by IRC NY, IRC-UK is able to hold reserves based on unrestricted expenditure rather than total expenditure. This is due to the business model of IRC, whereby charitable activities outside the UK are implemented by IRC NY abiding by the arrangements agreed between IRC-UK and IRC NY in a Framework Agreement and annual umbrella grant implementation agreements. The Framework Agreement obligates IRC NY to provide to IRC-UK sustainable financial support on a regular budget cycle and whenever needed.

IRC NY assumes in large part the risks associated with the implementation of IRC-UK's charitable activities outside the UK by supporting the fulfilment of matching fund obligations of projects, guaranteeing any expenditure which is disallowed by donors; and assuming joint liability for IRC-UK's financial and legal obligations.

Review of reserves

Funds and reserves totalled £2.6 million as at 30 September 2017 (2016: £2.5 million), of which £Nil (2016: £Nil) is restricted funds. £15,000 (2016: £15,000) has been designated for major repairs to the IRC-UK office premises. £62,000 (2016: £85,000) is tied up in fixed assets.

Free reserves therefore total £2.5 million (2016: £2.4 million), which is in line with the reserves policy representing 6.5 months of unrestricted expenditure in FY 2017. Expenditure in the year to 30 September 2018 is budgeted to increase compared to FY 2017, so free reserves will be increased during the year to maintain them at the required level in FY 2018.

Financial position

The restricted income for the year was £138 million (2016: £142 million), and the restricted expenditure for the year was £138 million (2016: £142 million), which leaves restricted fund balances carried forward unchanged at £Nil.

At 30 September 2017, the unrestricted funds of the charity stood at £2.6 million (2016: £2.5 million). Designated funds and tangible fixed assets made up £0.1 million of this and the remaining £2.5 million (2016: £2.4 million) was free reserves.

IRC NY will continue to provide unrestricted funding to cover part of IRC-UK's core operating costs, based on a new funding model implemented in the year to 30 September 2017.

At 30 September 2017, the charity's cash balance was £15.1m (2016: £28.5m). Debtors were £62.4m (2016: £33.4m), and the creditor balance was £75m (2016: £59.6m), including deferred income of £55.5m (2016: £35.6m).

Matching funds

IRC-UK monitors matching fund liabilities of its possible future grants. IRC-UK's policy 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 NY 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.

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

Responsibility for risk management

The Board of Trustees has overall responsibility for the management and control of IRC-UK. The Board has 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.

Governance and oversight of IRC NY field operations

The IRC-UK board of trustees fulfils its governance and oversight responsibilities of IRC field operations through controls, governance and reporting arrangements. The responsibility for compliance of IRC's field offices, which implement the grants signed by IRC-UK, is transferred to IRC NY through Grant Implementation Agreements, which are in place for all grants contracted by IRC-UK and implemented by IRC NY.

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. IRC NY shares with IRC-UK all internal and external audit reports and all reports produced by the Ethics and Compliance Unit (ECU) impacting on European donors. IRC NY Internal Audit and ECU report to the IRC-UK Audit and Governance Committee three times per year.

IRC-UK and IRC NY finance teams conduct regular checks to ensure that the IRC-UK accounting system is fully up-to-date and reconciled.

The Awards Management Unit (AMU) is a global team with staff based in the UK office with a reporting line

to the (Acting) SVP Europe and Executive Director IRC-UK. AMU provides direct support and guidance to IRC field offices; instructing on donor compliance, providing training, advising on donor strategies and relations, overseeing the development of project proposals, reviewing all agreements with implementing partners, and reviewing all financial and technical reports.

IRC-UK is invited to attend the IRC NY Audit Committee as an observer. The (Acting) SVP Europe and Executive Director IRC-UK is a member of the IRC NY Leadership Board and conversely a staff member from IRC NY is a member of the IRC-UK Board of Trustees. IRC-UK is also represented on the IRC NY Risk and Compliance Committee, as well as other departmental steering committees and boards.

The (Acting) SVP Europe and Executive Director IRC-UK reports to the Chairman of the IRC-UK Board and the President and CEO of IRC. The Deputy Vice President of the AMU UK line manages the Regional Grants Directors jointly with the Regional Directors in the International Programs Department.

IRC-UK employs over 20 global Technical Advisors with matrix reporting to the (Acting) SVP Europe and Executive Director IRC-UK. Technical Advisors provide direct technical support to field offices and monitor projects across the range of IRC programme areas. IRC-UK also hosts members of the Emergency Response Team and International Programs Department.

IRC-UK risk management approach and risk register

IRC-UK has constituted a Risk Management Group to manage and mitigate risk in a systematic and coordinated manner. The Risk Management Group is chaired by the Director of Finance and Operations and includes senior staff from the

key relevant departments – Finance, Awards Management, HR, Policy and Practice, and Fundraising.

The role of the Risk Management Group is to:

- Update the risk register and follow up on mitigation actions and identified vulnerabilities;
- Coordinate with IRC NY Risk Committee to ensure that risks are managed consistently and effectively across the IRC network;
- Develop, implement and update as necessary IRC-UK's policies relating to risk management, including the risk management framework, fundraising compliance policies, donor compliance policies and procedures, Code of Conduct (including IRC Way), and policies on child protection, whistle-blowing, anti-fraud compliance, cyber and data security, and health and safety;
- Present the risk matrix and related policies and procedures to the Audit and Governance Committee annually, incorporate feedback and directives from the Committee, and take action as required.

The Audit and Governance Committee reviews the strategic and operational risks identified by IRC-UK management, and seeks assurance over IRC-UK's risk management and mitigation activities from IRC-UK management and from other sources, including IRC NY's Internal Auditor, Chief Finance Officer and Chief Ethics and Compliance Officer.

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. The matrix of major risks faced by IRC-UK is compiled through wide consultation with IRC-UK management and staff, setting out the mitigation approach and responsibilities, under the following headings:

- Strategic risk – including volatility of charitable income from economic uncertainties in donor countries and changes in donor funding priorities.
- Reputational risk – including media exposure due to the IRC's increasing profile. Additionally, the IRC works in locations where the terrorism threat is significant and very much in the public agenda. During the year, Internal Audit continued its work with reviews in country offices to ensure anti-terrorist checks were performed on suppliers and on the purchase or disposal of assets.
- Field operations – limited through Grant Implementation Agreements with the IRC and comprehensive operating and financial procedures, which are being continuously reviewed and strengthened.
- 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.



Above: Women in front of Kagii health facility in Kagii.

Right: A family sits around a tent in Arbat camp.

- Statutory compliance – with UK Companies Act and Charity Commission guidance and with specific UK legislation including the Bribery Act 2010.

This approach to risk management provides reasonable assurance that risk is managed to a great extent, but given the work that IRC-UK is undertaking in many of the world's most high risk environments, risk cannot be eliminated entirely. In the event of a major incident, procedures are in place to coordinate and respond effectively.

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.

Serious incident reporting

IRC managers are encouraged to submit concerns of any potential, suspected or known instances involving fraudulent, unlawful or unethical acts to the Ethics and Compliance Unit. This includes acts committed by IRC staff or related third parties that may be viewed as acting on IRC's behalf such as partners, sub-grantees, subcontractors, suppliers or incentive workers.

Additionally, anyone can report a concern anonymously and confidentially to IRC using an online form or hotline number available through the IRC EthicsPoint portal.

Trustees are responsible for oversight of IRC's complaints and whistleblowing procedures and hold ultimate responsibility for reporting serious incidents to the Charity Commission. The trustees have delegated responsibility for reporting serious incidents to the Charity Commission to the (Acting) SVP Europe and Executive Director IRC-UK.

Code of Fundraising Practice Statement

No professional fundraisers were used during the year. Two Commercial Participator Agreements were active in FY17: one with Unilever, as part of the Together for Refugees campaign with Ben & Jerry's, and another with Johny Dar as part of the Jeans for Refugees project. There are no failures to report on compliance with the Code of Fundraising Practice. IRC-UK received 8 complaints related to fundraising. These ranged from problems with processing donations to the broader nature of our work. They were responded to by our Supporter Care team in line with internal policy.

Principal risks and uncertainties faced in 2017

During FY 2017, IRC-UK tracked 61 risks to the organisation. By tracking these risks and taking appropriate actions, we were able to avoid or mitigate the impact of these risks. The most significant risks are listed below.

1. Ongoing uncertainty around the end state and timing of the UK's exit from the European Union (EU) presents a risk to IRC-UK's future access to some European funding streams. The terms of the transition period may affect IRC-UK's continued eligibility for funding from some EU funding streams in the short term, and the final Brexit deal may impact on IRC-UK's eligibility for some EU funding streams in the longer term.

Mitigation: Following a mapping of scenarios by the IRC Europe task team, IRC is pursuing Framework Partnership Agreement with ECHO, from IRC's Germany office. A legal review has been commissioned into IRC's eligibility for different EU funding streams from our European offices.



2. IRC-UK funding from DFID has declined from £92 million in FY 2016 to £60 million in FY 2017. As IRC-UK's largest donor, this reduction has impacted significantly on the financial results for the year.

Mitigation: IRC is reviewing its business development approach in FY 2018 to identify the causes for the decline in DFID funding and address them where possible and appropriate.

IRC-UK's Europe Strategy aims to diversify funding by increasing funding from the governments of Germany, the Netherlands, Sweden, Denmark, Ireland and others. The success of this strategy has in large part countered the decline in DFID funding with increases from ECHO, Europe Aid, Sida, SDC, Irish Aid and

Danida (full details can be found in the notes to the financial statements). In FY 2017, 7 donors contributed over £1 million to IRC-UK funding (2016: 4). Private funding also grew in FY 2017 and IRC-UK is investing resources for further growth in private income in FY 2018. As a result of these strategies, the year-on-year decrease in total income was less than 3%.

3. IRC-UK has experienced high growth in income, staffing and complexity giving rise to a risk that the operational systems and processes are inadequate to support the growing office.

Mitigation: IRC has supported IRC-UK in FY2017 to strengthen operational systems and procedures with significant investment in staff, infrastructure

and IT systems. IRC-UK has implemented new HR systems and processes in FY 2017 and is planning to move to a new office in London and to implement an Enterprise Resource Planning system in FY 2019.

4. The General Data Protection Regulation (GDPR) comes into force on 25 May 2018. Non-compliance after this date may result in significant fines and negative reputational impact.

Mitigation: During FY 2017, IRC-UK started the process of updating systems and processes to bring data protection into line with GDPR. Steps were taken in the high risk areas of individual giver personal data and employee data. A cross-departmental working group was formed to ensure that IRC is fully compliant by 25 May 2018. The working group brings together fundraising, European programmes, human resources, communications, IT and general counsel.

Areas of work include updating privacy notices and consent requests, storage and transfer of personal data, rights of individuals, documentation of policies and procedures, documentation of information security and data protection systems and controls, business system design, contracting with data processors, data protection impact assessments, and training of staff on GDPR.

The trustees' report, which also comprises a strategic report and directors' report as per the Companies Act 2006, is approved by and signed on behalf of the trustees:

Sir John Holmes
Chair

Ian Barry
Chair of Audit and Governance Committee

Approved by the trustees on: 20 March 2018

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

Opinion

We have audited the financial statements of International Rescue Committee, UK (the 'charitable company') for the year ended 30 September 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

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 2017 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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or 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, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Edward Finch
(Senior Statutory Auditor)
For and on behalf of Buzzacott LLP,
Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 23 March 2018

Statement of financial activities Year to 30 September 2017

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2017 funds £'000	Total 2016 funds £'000
Income and expenditure					
Income from:					
Donations and legacies		1,274	2,758	4,032	2,722
Investments		33	—	33	18
Charitable activities	1	3,492	135,061	138,553	143,596
Total income		4,799	137,819	142,618	146,336
Expenditure on:					
Raising funds	3	1,231	—	1,231	967
Charitable activities					
. Health		1,049	46,191	47,240	60,645
. Safety		1,061	46,721	47,782	26,914
. Education		409	18,005	18,414	19,394
. Economic Wellbeing		520	22,886	23,406	14,393
. Power		56	2,477	2,533	21,813
. Other		372	1,539	1,911	1,772
Total charitable activities	4	3,467	137,819	141,286	144,931
Total expenditure	2	4,698	137,819	142,517	145,898
Net (expenditure) income for the year	5	101	—	101	438
Balances brought forward at 1 October 2016		2,535	—	2,535	2,097
Balances carried forward at 30 September 2017		2,636	—	2,636	2,535

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

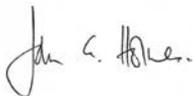
All recognised gains and losses are included in the statement of financial activities.

The notes on pages 42 to 57 form part of these financial statements.

Balance Sheet as at 30 September 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	8		62		85
Current assets					
Debtors	10	62,485		33,470	
Cash at bank and in hand		15,073		28,542	
		<u>77,558</u>		<u>62,012</u>	
Creditors: amounts falling due within one year	11	(74,984)		(59,562)	
Net current assets			<u>2,574</u>		<u>2,450</u>
Total net assets			<u>2,636</u>		<u>2,535</u>
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	12		—		—
Unrestricted funds					
. Designated funds	13		15		15
. General fund			<u>2,621</u>		<u>2,520</u>
			<u>2,636</u>		<u>2,535</u>

Approved by and signed on behalf of the trustees:



Sir John Holmes
Chair



Ian Barry
Chair of Audit and Governance Committee

Approved by the trustees on:
20 March 2018

Company Registration Number: 3458056

Statement of cash flows for the year to 30 September 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	A	(13,415)	491
Cash flows from investing activities:			
Investment income		33	18
Purchase of tangible fixed assets		—	(20)
Net cash used in investing activities		33	(2)
Change in cash and cash equivalents in the year		(13,382)	489
Cash and cash equivalents at 1 October 2016	B	28,542	23,785
Change in cash and cash equivalents due to exchange rate movements		(87)	4,268
Cash and cash equivalents at 30 September 2017	B	15,073	28,542

Notes to the statement of cash flows for the year to 30 September 2017.**A Reconciliation of net movement in funds to net cash (used in) provided by operating activities**

	2017 £'000	2016 £'000
Net movement in funds (as per the statement of financial activities)	101	438
Adjustments for:		
Depreciation charge	23	37
Investment income and interest receivable	(33)	(18)
Exchange rate movements	87	(4,268)
Increase in debtors	(29,015)	(15,090)
Increase in creditors	15,422	19,392
Net cash (used in) provided by operating activities	(13,415)	491

B Analysis of cash and cash equivalents

	2017 £'000	2016 £'000
Cash at bank and in hand	15,073	28,542
Total cash and cash equivalents	15,073	28,542

Principal accounting policies Year to 30 September 2017

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 30 September 2017.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest thousand.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- the judgement that expenditure is used as a proxy for calculating the time-related adjustments to income;
- the judgement that, subject to any evidence to the contrary, all expenditure incurred under a signed funding agreement is recoverable from funders;
- the judgement that there is no provision required for disallowed expenditure under donor funding agreements (see note 16);
- estimates in respect of accrued expenditure;
- the allocation of office overheads and governance costs between charitable expenditure categories; and
- estimating the useful economic life of tangible fixed assets.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

Principal accounting policies Year to 30 September 2017**Assessment of going concern** (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 30 September 2018, the most significant areas that affect the carrying value of the assets held by the charity are compliance risks in relation to restricted grants (see the risk management and reserves policy sections of the trustees' report for more information), funding pipelines and reserves.

Subsidiary company

The results of the charity's subsidiary, IRC-UK Trading Limited, have not been consolidated due to immateriality, as permitted under section 402 of the Companies Act 2006. The results of IRC-UK Trading Limited are reported in separate audited accounts, and are summarised in note 20.

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

Income from grants is deferred where the donor has imposed restrictions on the use of funds, 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 funding is provided to support a programme of work to be delivered over a period of time, these are considered time-related conditions and the income is spread over the life of the grant agreement. Expenditure is used as a proxy for calculating the time-related adjustment to income.

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 probable.

Grants from government and other agencies have been included as income from activities in furtherance of the charity's objectives as these amount to support for specific activities. Income from individuals and other private organisations has been included as donations unless the money is given in response to an appeal to fund a specific project. IRC NY core funding is within income from charitable activities on the basis that in FY 2017 the amount of core funding provided to IRC-UK is based on operational needs and reflects, but is not tied to, the unrestricted funding from grants from government and other agencies generated by IRC-UK for the IRC network.

Principal accounting policies Year to 30 September 2017

Income recognition (continued)

Donations are recognised when receivable. Donations are only accrued where the donor has confirmed the donation in writing, receipt is considered probable and there is no stipulation that the donations is being made towards activity that is taking place in a future accounting period.

Expenditure recognition

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

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Staff cost and expenses relating to Technical Units, and their subsequent reimbursement from IRC NY are not recognised in income or expenditure included on the Statement of Financial Activities as IRC-UK does not have sufficient control over the activities of these staff members, who report directly to IRC NY but operate from the offices of IRC-UK for reasons of practicality.

Expenditure allocation

Expenditure comprises 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 providing support for IRC-UK's international programmes.
- c. Support costs include management, policy and advocacy work, supervision, governance costs and technical support for IRC-UK's emergency and development programmes. 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.

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.

Principal accounting policies Year to 30 September 2017**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 the UK, the US or the field, until close to the spending date.

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. Once a project is complete, foreign exchange gains and losses are written off to restricted funds.

Leased assets

Rentals applicable to operating leases under which substantially all of the benefits and risks of ownership remain with the lessor 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

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).

Principal accounting policies Year to 30 September 2017

Tangible fixed assets (continued)

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

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

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 13.

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 2017**1 Charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Grants				
- Christian Blind Mission	—	—	—	278
- Comic Relief	—	1	1	90
- The Danish International Development Agency (DANIDA)	—	1,180	1,180	644
- The Dutch Government (Dutch MFA)	—	565	565	1,917
- European Community (EuropeAid)	—	7,112	7,112	4,497
- European Commission's Humanitarian Aid and Civil Protection department (ECHO)	—	54,166	54,166	31,381
- Ireland – Development Cooperation Division of the Department of Foreign Affairs (Irish Aid)	—	1,492	1,492	905
- Swedish International Development Cooperation Agency (Sida)	—	7,880	7,880	5,852
- Swiss Agency for Development and Cooperation (SDC)	—	1,688	1,688	1,129
- UBS	—	—	—	227
- UK Department for International Development (DFID)	—	59,725	59,725	92,382
- The Catholic Agency For Overseas Development (CAFOD)	—	249	249	—
- Other grants	—	1,003	1,003	932
Total grants	—	135,061	135,061	140,234
Unrestricted income from grants	3,492	—	3,492	3,362
2017 Total funds	3,492	135,061	138,553	143,596
2016 Total funds	3,362	140,234	143,596	

Income received in FY 2017 from Christian Blind Mission and UBS has been recognised as a donation. In FY 2016 it was recognised as income from charitable activities.

IRC-UK acknowledges funding from specific donors in note 19.

Notes to the financial statements Year to 30 September 2017

2 Analysis of expenditure from unrestricted funds

	Raising funds £'000	Charitable activities £'000	Total 2017 £'000	Total 2016 £'000
Direct costs				
Staff costs	672	1,008	1,680	1,368
Direct costs	164	283	447	472
Audit costs		35	35	39
Total direct costs	836	1,326	2,162	1,879
Support costs				
Staff costs	211	959	1,170	1,162
General support costs	143	991	1,134	706
Travel, transport and accommodation	41	191	232	181
Total support costs	395	2,141	2,536	2,049
2017 Total funds	1,231	3,467	4,698	3,928
2016 Total funds	967	2,961	3,928	

Support costs include the costs of general administration and management, allocated to raising 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 4).

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

3 Raising funds

Raising funds can also be analysed as follows:

	Total 2017 £'000	Total 2016 £'000
Generation of voluntary income and costs of activities for generating funds	173	146
Generation of income from charitable activities	1,058	821
	1,231	967

Notes to the financial statements Year to 30 September 2017

4 Charitable activities

	Support costs £'000	Activities undertaken directly £'000	Total 2017 £'000	Total 2016 £'000
Health				
Health (includes psychosocial)	792	34,878	35,670	44,386
Environmental health	257	11,313	11,570	16,259
	<u>1,049</u>	<u>46,191</u>	<u>47,240</u>	<u>60,645</u>
Safety				
Child protection	644	28,342	28,986	8,243
Women's protection and empowerment and GBV	417	18,379	18,796	18,671
	<u>1,061</u>	<u>46,721</u>	<u>47,782</u>	<u>26,914</u>
Education				
Education (including Vocational)	409	18,005	18,414	19,394
	<u>409</u>	<u>18,005</u>	<u>18,414</u>	<u>19,394</u>
Economic Wellbeing				
Livelihoods	437	19,223	19,660	12,255
Agriculture	83	3,663	3,746	1,988
Economic Development	—	—	—	150
	<u>520</u>	<u>22,886</u>	<u>23,406</u>	<u>14,393</u>
Power				
Protection and Rule of Law	—	—	—	11,110
Good Governance	40	1,750	1,790	4,899
Community development	—	—	—	4,361
Civil society	16	727	743	1,443
	<u>56</u>	<u>2,477</u>	<u>2,533</u>	<u>21,813</u>
Other				
General costs	372	1,539	1,911	1,772
	<u>3,467</u>	<u>137,819</u>	<u>141,286</u>	<u>144,931</u>
2017 Total funds	<u>3,467</u>	<u>137,819</u>	<u>141,286</u>	<u>144,931</u>
2016 Total funds	<u>2,961</u>	<u>141,970</u>	<u>144,931</u>	

Support costs are allocated across charitable activities in proportion to activities undertaken directly. Support costs include management, policy and advocacy work, supervision, and technical support for IRC-UK's emergency and development programmes.

Notes to the financial statements Year to 30 September 2017**5 Net movement in funds**

This is stated after charging:	Total 2017 £'000	Total 2016 £'000
Staff costs (note 6)	3,414	3,098
Statutory auditor's remuneration		
· Current year	35	36
Non-audit services		
· Current year	16	16
Other auditor's remuneration	—	4
Depreciation	23	37
Operating lease charges (Note 14)	166	166

6 Staff costs and trustees' remuneration

	2017 £'000	2016 £'000
Staff costs for UK based staff during the year were as follows:		
Wages and salaries	2,953	2,598
Social security	315	360
Pension costs	133	122
Severance costs	13	18
	3,414	3,098

Staff funded by field programmes make up £314,457 of total staff costs 9% (2016 £221,516; 8%). These are charged to the relevant restricted funds.

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:

	2017	2016
£60,001 - £70,000	3	1
£70,001 - £80,000	2	1
£80,001 - £90,000	1	—
£130,001 - £140,000	1	—
£160,001 - £170,000	—	1

No trustee received any remuneration for services as a trustee (2016 - £nil) and travel expenses of £2,018 (2016 - £727) relating to Board field visits were paid on behalf of one trustee (2016 - 1).

The total employee benefits including employer's pension contributions paid to the key management personnel of the charity, as defined on page 24, was £676,255 (2016 restated to include employer National Insurance - £640, 597). IRC-UK offers employees a defined contribution pension scheme, so there is no pension liability.

Notes to the financial statements Year to 30 September 2017**6 Staff costs and trustees' remuneration** (continued)

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

	2017	2016
Fundraising and donor development	14	8
Programme delivery	40	45
Programme support	8	8
Management and administration	2	1
	64	62

7 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.

8 Tangible fixed assets

	Computer equipment £'000	Furniture, fixtures and equipment £'000	Leasehold improve- ments £'000	Total £'000
Cost				
At 1 October 2016	18	122	61	201
At 30 September 2017	18	122	61	201
Depreciation				
At 1 October 2016	12	85	19	116
Charge for year	4	6	13	23
At 30 September 2017	16	91	32	139
Net book values				
At 30 September 2017	2	31	29	62
At 30 September 2016	6	37	42	85

9 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 results of the company for the period are reported in note 20.

Notes to the financial statements Year to 30 September 2017**10 Debtors**

	2017	2016
	£'000	£'000
Funds held overseas	43,081	14,850
Grants receivable	18,818	17,709
Other debtors and prepayments	586	911
	62,485	33,470

11 Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Programme creditors	18,828	23,029
Deferred income	55,502	35,562
Other creditors and accruals	654	971
	74,984	59,562

	2017	2016
	£'000	£'000
Reconciliation of movements in deferred income:		
Carrying amount 1 October 2016	35,562	27,832
Amounts released during the year	(35,562)	(27,832)
Income deferred in the current year	55,502	35,562
Carrying amount at 30 September 2017	55,502	35,562

Notes to the financial statements Year to 30 September 2017**12 Restricted funds**

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

	At 1 October 2016 £'000	Income £'000	Expenditure and transfers £'000	At 30 September 2017 £'000
Afghanistan	—	501	(501)	—
Burundi	—	1,140	(1,140)	—
Cameroon	—	1,176	(1,176)	—
Central Africa Republic	—	962	(962)	—
Chad	—	2,347	(2,347)	—
Democratic Republic of Congo	—	6,532	(6,532)	—
Ethiopia	—	17,188	(17,188)	—
Greece	—	17,002	(17,002)	—
Iraq	—	12,609	(12,609)	—
Ivory Coast	—	512	(512)	—
Jordan & Middle East	—	5,605	(5,605)	—
Kenya	—	3,334	(3,334)	—
Lebanon	—	4,994	(4,994)	—
Liberia	—	1,799	(1,799)	—
Libya	—	656	(656)	—
Mali	—	3,471	(3,471)	—
Myanmar	—	1,244	(1,244)	—
Niger	—	2,553	(2,553)	—
Nigeria	—	8,610	(8,610)	—
Pakistan	—	3,416	(3,416)	—
Russia	—	36	(36)	—
Serbia	—	1,129	(1,129)	—
Sierra Leone	—	10,760	(10,760)	—
Somalia	—	6,059	(6,059)	—
South Sudan	—	3,052	(3,052)	—
Syria Region	—	6	(6)	—
Tanzania	—	886	(886)	—
Thailand	—	2,088	(2,088)	—
Turkey	—	8,766	(8,766)	—
Uganda	—	674	(674)	—
Yemen	—	2,286	(2,286)	—
Zimbabwe	—	270	(270)	—
Multi-country	—	326	(326)	—
Technical Grants	—	5,830	(5,830)	—
	—	137,819	(137,819)	—

Notes to the financial statements Year to 30 September 2017

12 Restricted funds (continued)

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

	At 1 October 2016 £'000	Income £'000	Expenditure and transfers £'000	At 30 September 2017 £'000
Health				
Health (includes psychosocial)	—	34,878	(34,878)	—
Environmental health (water, sanitation, & shelter)	—	11,313	(11,313)	—
	—	46,191	(46,191)	—
Safety				
Child protection	—	28,342	(28,342)	—
Women's protection & empowerment	—	18,379	(18,379)	—
	—	46,721	(46,721)	—
Education				
Education (includes Vocational Education)	—	18,005	(18,005)	—
	—	18,005	(18,005)	—
Economic Wellbeing				
Livelihoods	—	19,223	(19,223)	—
Agriculture	—	3,663	(3,663)	—
	—	22,886	(22,886)	—
Power				
Good Governance	—	1,750	(1,750)	—
Civil society	—	727	(727)	—
	—	2,477	(2,477)	—
Other				
General costs (including foreign exchange (gain)/loss)	—	1,539	(1,539)	—
	—	137,819	(137,819)	—

13 Designated funds

	At 1 October 2016 £'000	New designations £'000	Released £'000	At 30 September 2017 £'000
Premises repairs	15	—	—	15

Designated funds have been created for a provision of £15,000 for major repairs to the office premises. The lease for office premises is a full self-repairing lease (previously IRC-UK had occupied managed properties).

Notes to the financial statements Year to 30 September 2017**14 Operating leases**

The charity had commitments in respect of non-cancellable operating leases of property which fall due:

	2017 £'000	Restated 2016 £'000
Within one year	217	166
Within two to five years	114	80
	331	246

2016 operating leases commitments have been calculated up to the break date of the leases.

15 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 NY'), 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 £6,550,000 (2016 - £5,807,000) were received from IRC NY, of which £3,492,000 was unrestricted funding reflecting, but not tied to, the unrestricted funding from grants from European donor-funded programmes covering IRC-UK's core operating costs (2016 - £3,362,000) and £2,682,000 was reimbursement of the salary and operating costs of UK-based Technical Units (2016 - £1,725,000).

Due to the international nature of the organisations' operations, certain salaries and costs are paid by IRC NY and then recharged to IRC-UK, and vice versa. At 30 September 2017, £583,000 (2016 - £185,000) was owed by IRC NY to IRC-UK in relation to such charges. In addition £19,000 (2016 - £67,000) was owed by IRC NY to IRC-UK in relation to Website investment (in 2016, the Choose Humanity Campaign and Website investment).

At the year end, funds held by IRC offices overseas, which related to IRC-UK programmes totalled £43,081,000 (2016 - £14,850,000). Funds owed to IRC overseas offices in relation to monies already disbursed totalled £18,828,000 (2016 - £23,029,000).

Notes to the financial statements Year to 30 September 2017

15 Connected charities and related parties (continued)

IRC NY 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 £ Nil (2016 - £ Nil) was owed by IRC NY to IRC-UK in relation to disallowable expenditure on grants.

Included within donations and legacy income on the statement of financial activities are donations of £33,950 from IRC-UK trustees (2016: £185,504). No trustee had any beneficial interest in any contract with the charity during the year.

16 Contingent liabilities

As at the year end there were a number of projects on which funds were outstanding from the donor pending finalisation of donor audits. There is a risk that such funds are not wholly recoverable, or may be repayable in the event of adverse audit findings. Amounts disallowed are generally insignificant as a proportion of overall project budgets and would be fully recoverable as they are covered by the IRC NY support referred to above. Accordingly, no provision is made for such amounts.

17 Project commitments

As at 30 September 2017, IRC-UK was committed to expenditure on ongoing and future programmes totalling £119 million (2016 - £90 million). Funding agreements are in place for all of the aforementioned programmes.

	Contract Value £m	Funds spent to date £m	Future committed amounts £m
Delivering Humanitarian Assistance and Building Resilience for Conflict-Affected Populations in the Whole of Syria	46	7	39
IWRM - Operationalizing the Theory of Change (ToC) of the Great Lakes Region Water and Food Security program	24	—	24
Emergency Response Mechanism	13	1	12
Regrowth: Supporting durable socio-economic resilience amongst Syrian refugee and host Lebanese communities in Lebanon	11	1	10
Supporting Economic Opportunities and Livelihoods in Jordan	9	—	9
Enhanced Integration of Displaced and Displacement Affected Communities Ethiopia (EIDDACE) - Tigray Region	9	1	8
Provision of humanitarian assistance to refugees and asylum seekers in Greece	8	1	7
Multi-sectoral humanitarian response for conflict affected populations in Syria	6	1	5
Promoting Rights and Supporting Protection Needs in North Eastern Nigeria (ProSPINE)	9	4	5
	135	16	119

Notes to the financial statements Year to 30 September 2017**18 Analysis of net assets between funds**

	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total 2017 £'000
Fund balances at 30 September 2017				
Are represented by:				
Tangible fixed assets	62	—	—	62
Current assets	3,207	15	74,336	77,558
Creditors: amounts falling due within one year	(648)	—	(74,336)	(74,984)
Total net assets	2,621	15	—	2,636

19 Acknowledgement of donor contributions to charitable activities

IRC-UK acknowledges the following contributions from donors Included within charitable activities in note 1.

IRC-UK acknowledges funding from DFID for the following grants:

Project Code	Contract No.	Programme	Income recognised £	Income received £
DF078	PO 6186	Support to the delivery of basic services in the Somali Region of Ethiopia	2,252,332	936,488
DF080	5097	Valorisation de la Scholarisation de la Fille (VAS-Y Fille)	4,444,333	6,632,994
DF084	GPAF-IMP-049	Improving maternal health and reducing child mortality in Sierra Leone	169,050	198,650
DF089	5096	Supporting Marginalised Girls in Sierra Leone to complete Basic Education with improved Learning Outcomes	551,224	403,465
DF091	Sub contract from Mott MacDonald	Education Quality Improvement in Tanzania (EQUIP-T)	180,167	145,826
DF092	GPAF-IMP-090	Increased access to quality health-care for children under five and mothers, in Acholi and Karamoja Regions of Uganda	294,630	192,830
DF098	203462-110	Building Resilient Communities in Somalia (BRICS)	709,386	606,361
DF103	204060-101	Accountable Grant Arrangement for creating a space, raising a voice (COMPASS)	2,636,355	3,695,567
DF104	PO6256	Violence Against Women and Girls Research and Innovation Fund VAWG in Conflict and Humanitarian Emergencies	926,386	1,139,794
DF108	204838-106	Rapid Response to Ebola Outbreak in Sierra Leone	297,546	(248,902)

Notes to the financial statements Year to 30 September 2017

19 Acknowledgement of donor contributions to charitable activities (continued)

Project Code	Contract No.	Programme	Income recognised £	Income received £
DF117	START Network sub-grant from Oxfam	Protection in Practice	110,258	101,975
DF119	AG 204520	Humanitarian Assistance for those affected by the Syrian conflict in Syria, Lebanon and Jordan (DFID FY 2104-16 Allocation)	7,261,728	11,531,483
DF120	204987-101/PO40091754	Strengthening Innovation and Effectiveness in Humanitarian assistance	800,356	667,367
DF126	204603-106/PO40094598	Responding to the Evolving and Long-term IDP Emergencies in FATA and KP	2,038,866	2,695,440
DF127	204603-105/PO40094598	IDP Vulnerability Assessment and Profiling (IVAP) in the Federally Administrated Tribal Areas and Khyber Pakhtunkhwa	381,633	306,698
DF128	PO 40092507	Match Funding for the IRC UK Appeal for humanitarian work in Syria and the surrounding region	381,675	411,160
DF130	719.10/06	Urban Crises Learning Partnership	366,523	300,000
DF131	203400-114	Assistance to conflict affected people in Thailand and SE Burma / Myanmar	1,250,265	1,315,304
DF133	5096/5275	Girls Education Challenge II- Supporting marginalised girls in Sierra Leone to complete basic education	514,598	517,082
DF139	CICF-SCL-R1-GA 002	County Innovation Challenge Fund, Kenya	520,770	635,766
DF141	205182	Maintaining a Resilient Zero in Sierra Leone	2,693,179	1,829,176
DF143	205161-104	Promoting Rights and Supporting Protection Needs in North West Nigeria (ProSPINE)	3,831,760	3,731,037
DF144	203688-110	Strengthening the GBV and Emergency Health Response for IDPs and conflict affected communities in Rakhine State, Myanmar	246,224	275,304
DF151	300263	Making a Difference for Refugee Children in Europe	3,657,250	2,489,825
DF152	202427-107	Support to Civil Society on Citizen Monitoring of Government Policies	308,683	—
DF153	205234-104/PO 40100530	Lesson Plans and Training of Teachers (SSEIP)	6,038,143	5,472,116
DFUK02	204273	Urban Humanitarian Crises Advocacy and Learning Partnership	159,113	234,051
DF154	203462-102	Providing life-saving humanitarian relief to communities affected by shocks in Somalia	707,549	707,549
DF156	205116	Solar Panels Kakuma	483,844	483,841

Notes to the financial statements Year to 30 September 2017

19 Acknowledgement of donor contributions to charitable activities (continued)

Project Code	Contract No.	Programme	Income recognised £	Income received £
DF157	300280-108 PO 40102188	Building Emergency Preparedness and Response Capacity in Tanzania	200,000	200,000
DF158	HPF Lot 17	HPF Pariang Bridging Grant in South Sudan	360,343	207,480
DF159	HPF Lot HPF013a	HPF Bridging Grant Rubkona in South Sudan	66,612	66,612
DF160	Lot HPF014	HPF Pariang Bridging Grant in South Sudan	28,720	28,720
DF161	Lot HPF020	HPF Panyijjar Bridging Grant South Sudan	51,180	51,180
DF162	205110-103	DFID Somalia - Challenging Harmful Attitudes and Norms for Gender Equality and Empowerment in Somalia (CHANGES)	45,320	45,320
DF163	HPF Lot HPF038	HPF Aweil Centre Bridging Grant in South Sudan	30,947	30,947
DF164	205110-103	Challenging Harmful Attitudes and Norms for Gender Equality and Empowerment in Somalia	205,202	227,875
DF166	Concern Worldwide	Building Disaster Resilience in Pakistan	462,086	390,126
DF167	Lot HPF036	HPF Aweil East Bridging Grant in South Sudan	98,442	98,442
DF168	300089	Delivering Humanitarian Assistance and Building Resilience for Conflict Affected People in Syria	6,916,898	8,631,254
DF169	204273	Urban Humanitarian Crises Advocacy and Learning Partnership	100,989	67,025
DF170	91185S003	Iraq Cash Consortium	1,513,973	959,366
DF171	300349-101	Strengthening Health, Protection and Assistance for Syrian Refugees in Jordan	2,456,152	2,539,044
DF173	Crown Agents	DFID IRF Somalia - Health/Nutrition - 2017	776,776	999,777
DF175	203462-110	Providing life-saving and humanitarian relief to Communities Affected by Shock in Somalia	633,058	632,975
DF176	203462-102	IRF Somalia - Health/Nutrition - 2017	634,401	640,645
DF177	300264-104	Providing protection services to migrants especially Women and children in Agadez	252,929	296,376
DF178	5097	Valorisation de la Scholarisation de la Fille (VAS-Y Fille)	103,149	—
DF179	7928 SCI SOF 82603440	Emergency Drought Response in Peace and Development in Ethiopia	64,246	21,719
DF182	203462-102	Providing lifesaving humanitarian relief to communities affected by shocks in Somalia	347,737	551,504
DF183	Lot 11	Aweil East, Aweil Centre, Aweil South, Aweil State Hospital in South Sudan	19,238	—
EX078	START Network	R&D and START DEPP Labs in Jordan	39,925	203,005

Notes to the financial statements Year to 30 September 2017

19 Acknowledgement of donor contributions to charitable activities (continued)

Project Code	Contract No.	Programme	Income recognised £	Income received £
EX080	S02268	MHPSS for refugees and asylum seekers stranded in Serbia	5,893	72,000
OX060	Save the Children UK	Building a Cross-Sectoral Toolkit and Research Foundation for the Integration of Menstrual Hygiene Management into Emergency Response	239,990	210,538

Irish Aid Trustees' Certificate of Assurance

This certificate of assurance is furnished in terms of the requirements of the Irish Department of Public Expenditure and Reform in respect of Grants from the Exchequer Funds. In this regard the trustees confirm that the public money granted was used on accordance with the terms and conditions of the grant.

Grantor: Minister for Foreign affairs and Trade

Name of the grant: Irish Aid IRC's Two Year Strategic Partnership 2017-18

Contract Number: IRC 17 01

Purpose of the grant: Service provision / charitable activity

Amount and term of grant: €1,100,000 from 1 January 2017 to 31 December 2017, including €250,000 Emergency Response funding from Irish Aid

Reconciliation of amounts received, expended and deferred as per table below.

	EUR	GBP
Income received in the current year	1,100,000	952,721
Deferred to following year	(574,623)	(507,059)
Accrued from following year	47,841	42,216
Income recognised in the current year	546,694	487,878
Unrealised exchange rate difference	26,524	—

The income recognised in the current year in the table above relates only to the expenditure for contract IRC 17 01. Total Irish Aid income recognised in Note 1 on page 42 of £1,492,000 includes other projects that were also active in the year.

The State's investment is protected and will not be used as security for any other activity without prior consultation with the parent Department and sanction of DPER.

The grant is restricted for the project with the contract number IRC 17 01

Notes to the financial statements Year to 30 September 2017**19 Acknowledgement of donor contributions to charitable activities** (continued)Irish Aid Trustees' Certificate of Assurance (continued)

The Trustees confirm that we are compliant with relevant Tax Clearance Circulars, including Circular 44/2006 'Tax Clearance Procedures Grants, Subsidies and Similar Type Payments'.

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:

	2017	2016
€60,001 - €70,000	1	1
€70,001 - €80,000	3	3
€80,001 - €90,000	2	1
€100,001 - €110,000	2	1
€160,001 - €170,000	1	—
€220,001 - €230,000	—	1

During the year, total employer pension contributions were €153,000 (2016 - €157,000).

The Catholic Agency for Overseas Development

We acknowledge receipt of £529,790 from the Catholic Agency for Overseas Development in the period 1 October 2016 to 30 September 2017 for the project below:

Integrated life-saving nutrition interventions for conflict affected communities in South Yemen (DEC Yemen Crisis) phase 1: £225,654, phase 2: £304,136.

Income recognised in the current period in Note 1 on page 42 of £249,000 differs from income received due to income deferred to future periods in accordance with the IRC-UK's income recognition policy on page 38.

Swedish International Development Cooperation Agency

We acknowledge receipt of \$10,483,503 from Sida in the period 1 October 2016 to 30 September 2017 for year 4 of the Humanitarian Framework Agreement.

	USD	GBP
Income received in the current year	10,483,503	8,233,864
Deferred to following year	(9,037,383)	(6,748,496)
Accrued from following year	589,309	440,056
Income recognised in the current year	2,526,795	1,925,424
Unrealised exchange rate difference	(491,366)	—

Additional income from Sida of £5,956,000 was recognised in the period 1 October 2016 to 30 September 2017, having been received prior to 1 October 2016 and deferred.

Notes to the financial statements Year to 30 September 2017**20 Subsidiary company**

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.

Turnover of IRC-UK Trading Limited in the year to 30 September 2017 was £8,972 (2016: £Nil) and administrative expenses were £8,792 (2016: £Nil). There was no profit or loss (2016: £Nil), and a £nil balance sheet (2016: £Nil).

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

Trustees	<p>Sir John Holmes GCVO, KBE, CMG (Chair) Ian Barry Sir Hugh Bayley George Biddle Christina Ceelen Ciaran Donnelly Francesco Garzarelli Susan Gibson Sir Michael Lockett Lynette Lowndes Dylan Pereira Iliane Ogilvie Thompson Jake Ulrich Richard Winter William Winters</p>
Acting SVP Europe and Executive Director IRC-UK	Sanjayan Srikanthan
Registered office and principal operating address	3 Bloomsbury Place London WC1A 2QL
Company registration number	3458056 (England and Wales)
Charity registration number	1065972
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	<p>National Westminster Bank plc Cavell House 2a Charing Cross Road London WC2H 0PD</p> <p>Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD</p>
Solicitors	White & Case 5 Old Broad Street London EC2N 1DW

How you can support the IRC

Advocate

Join the IRC's online global family at **Rescue-uk.org** to receive important advocacy alerts and news about the humanitarian issues that are important to you.

Donate

Give online by visiting our website at **Rescue-uk.org**.

Raise Money

You can do something amazing for refugees while having fun! And whether you take on a challenge or organise an event, fundraise with friends and family or go it alone, we'll be with you every step of the way. Find out how: **rescue-uk.org/fundraise-refugees**.

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Image: Syrian children at an IRC-run classroom in Akkar, Lebanon. The IRC is helping some 2,900 Syrian refugee children in Lebanon receive literacy, math and social and emotional skills through quality early childhood education.



**New York**

122 East 42nd Street
New York, NY 10168-1289
USA

Amman

Al-Shmeisani Wadi Saqra Street
Building No. 11
PO Box 850689
Amman
Jordan

Bangkok

888/210–212 Mahatun
Plaza Bldg., 2nd Floor
Ploenchit Road
Lumpini, Pathumwan
Bangkok 10330
Thailand

Berlin

Wallstraße 15 A
10179 Berlin
Germany

Brussels

Place de la Vieille
Halle aux Blés 16
Oud Korenhuis 16
1000 Brussels
Belgium

Geneva

7, rue J.-A Gautier
CH-1201
Geneva
Switzerland

London

3 Bloomsbury Place
London WC1A 2QL
United Kingdom

Nairobi

Galana Plaza, 4th Floor
Galana Road, Kilimani
Nairobi, Kenya

Washington, D.C.

1730 M Street, NW
Suite 505
Washington, DC 20036
USA

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