



International Rescue Committee, UK
Annual Report and Financial Statements

30 September 2014

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

Charity Registration Number
1065972

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

Trustees	Sir John Holmes GCVO, KBE, CMG (Chair) George Biddle Glenda Burkhart François-Xavier De Mallman Susan Gibson Kathleen O'Donovan Dylan Pereira The Hon Richard Sharp Diane Simpson Iliane Ogilvie Thompson Jake Ulrich
Executive Director IRC-UK SVP Europe & Executive Director IRC-UK	Carolyn Makinson (to June 2014) Jane Waterman (from September 2014)
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	National Westminster Bank plc Cavell House 2a Charing Cross Road London WC2H 0PD Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD
Solicitors	White & Case 5 Old Broad Street London EC2N 1DW

Trustees' report Year to 30 September 2014

The trustees present their statutory report together with the financial statements of International Rescue Committee, UK (IRC-UK) for the year ended 30 September 2014.

The trustees report has been prepared in accordance with Part 8 of the Charities Act 2011 and the statement of recommended practice (SORP). It also meets the requirements for a directors' report set out in the Companies Act 2006 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 25 to 27 and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities".

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

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

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

The relationship between IRC Inc 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 Inc, as the company member is required to contribute an amount not exceeding £1.

Organisation

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Organisation (continued)

The Board guides the Executive Director in relation to the charitable purpose of IRC-UK and overseas implementation of the Framework Agreement with the IRC.

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 Executive Director and staff and report back to the Board.

Trustees

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

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

The following trustees were in office at 30 September 2014 and served throughout the year except where indicated.

Trustees	Appointed/Resigned
Sir John Holmes GCV0, KBE, CMG (Chair)	
George Biddle	
Glenda Burkhart	
François-Xavier De Mallman	
Susan Gibson	
Mary Kayitesi Blewitt	Resigned 16 October 2013
Kathleen O'Donovan	
Dylan Pereira	
The Hon Richard Sharp	
Diane Simpson	
Iliane Ogilvie Thompson	
Jake Ulrich	

No trustee received any remuneration for services as a trustee (2013 - £nil) and travel expenses of £11,062 (2013 - £7,083) relating to Board field visits were paid on behalf of 5 trustees (2013 - 5). No trustee had any beneficial interest in any contract with the charity during the year.

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Subsidiary company

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

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

Statement of trustees' responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

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.

STRATEGIC REPORT

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.

Principal aims and objects

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

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

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

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

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

The principal funding sources for the charity were:

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

STRATEGIC REPORT (cont)

Report on Progress against Strategic Priorities

Events throughout the course of 2014 demonstrated the clear, continuing need for the work of non-governmental organisations (NGOs) like IRC. Ongoing crises in the Democratic Republic of Congo, the Central African Republic (CAR), Afghanistan and the Philippines continued to stretch the humanitarian system to near-breaking point, while fighting in Syria and South Sudan and the rise of the Islamic State in the Levant (ISIL) daily generated massive humanitarian needs, both within those countries and in the states bordering them. Increased donor support enabled agencies to scale up their programming in disaster-hit areas, but funding has not been commensurate with the scale of the humanitarian suffering around the world. In 2014, IRC-UK experienced an 11 percent growth in its portfolio.

IRC-UK continued to implement its strategic plan during 2014. The plan is broken down into six areas of focus: emergency assistance; women's protection and empowerment; urban refugees and displaced people; research, evaluation and learning; accountability to beneficiaries; and outreach to policy-makers and the general public (becoming a "Go To" Agency). All IRC-UK departments make important contributions towards the strategic plan's accomplishment, and for each of the above focus areas we aim to increase available resources, shape the policies and programmes of major donors and policy-makers, and increase visibility and understanding of humanitarian issues among the media and general public. Some of this year's successes include:

- **Emergency assistance:** IRC-UK secured increasing funding from statutory donors to respond to emergencies in the Syria region, South Sudan and in other countries.
- **Women's protection and empowerment:** Thanks to continuing advocacy by IRC-UK and other NGOs, as well as key events like the Call to Action and the Preventing Sexual Violence Initiative Global Summit, ending violence against women in conflict remains a top priority for the UK Department for International Development (DFID) and increasingly, for the European Commission's Humanitarian Aid and Civil Protection department (ECHO), European Union (EU) Member States, international NGOs and UN agencies.
- **Urban refugees:** Successive high-level policy conferences on urban displacement in October 2013 and 2014 have secured significant buy-in to and interest in this important issue, particularly within DFID and the UN Refugee Agency (UNHCR). The focus will now be on moving from discussion of the various challenges that hinder the provision of assistance to the urban displaced, to identifying concrete solutions to core structural barriers, including through a two-year advocacy campaign in the run-up to the World Humanitarian Summit.
- **Becoming a "Go To" agency:** Continued growth in all media, including press coverage across new European audiences and further growth in social media audiences.

STRATEGIC REPORT (cont)

Future plans

2014 has been an important year for the IRC, with an organisation-wide 'strategic refresh' identifying key opportunities for and challenges to the agency's growth, and informing a new global strategic plan for IRC (published in January 2015). The UK office played a key role in the development of this plan, with senior staff participating in consultations, providing key analytical support and forming part of the strategic refresh group that drove the process. A key deliverable in 2015 for IRC –UK will be a new five year Europe Strategy that will support the new global strategic plan. Work to develop this plan will take place between January and April 2015. Our goal is to build on the considerable successes of IRC-UK, driving a higher profile, generating more funding and achieving greater influence for IRC within Europe

Examples of our fundraising and advocacy work and of field programmes funded by European donors are included in the 'Objectives and Activities' section below. These highlight key achievements, and provide details of projects that cut across our organisational focus on saving lives, protecting the vulnerable and rebuilding communities.

Financial report for the year

In 2013-14, IRC-UK increased its level of charitable expenditure, in particular increasing funding for programmes in response to key crises:

- a significant scale-up in the Syria region, with an increase in European donor funding of over £22m to support programmes in Iraq, Jordan, Lebanon and Turkey;
- responding to the worsening situation in South Sudan;
- increased funding for education and health programmes in Sierra Leone;
- new funding for the Philippines in response to Typhoon Haiyan;
- funding for health programmes in Uganda; and
- Sahel region food security and health systems strengthening (Mali and Niger).

IRC - UK have also renewed our Humanitarian Framework with SIDA and have secured new strategic funding from Irish Aid focusing on Womens' Protection.

This was made possible by continued grant funding for international work from statutory donors, including increased funding from DFID and the European Commission Humanitarian Aid Office (DG ECHO), and maintaining funding from Swedish International Development Agency (SIDA), EuropeAid, the Danish International Development Agency (DANIDA), Irish Aid and the Dutch Ministry of Foreign Affairs, together with further increases in funding from trusts, foundations and individuals.

STRATEGIC REPORT (cont)

Financial report for the year (cont)

IRC-UK also succeeded in increasing voluntary income to £1.5m (2013: £0.9m). Emergency appeals in response to typhoon Haiyan in the Philippines and the Syria crisis succeeded in attracting over £100,000 in donations from individuals and corporate partners to support IRC operations in these regions.

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

The designated fund for investment in systems is being replenished for future investment to maintain and upgrade core systems, and a new designated fund has been created in 2013-14 for investment in expansion of office space planned during 2014-15.

Financial position at Year End

The majority of IRC-UK's income is project-specific, restricted funding. Much of this funding is received in advance but is required by the Charity SORP to be included as income at the time of receipt rather than deferred to future periods. The value of restricted programme funding received but not expended prior to 30 September 2014, and which does not form part of the charity's available reserves, was £26.5 million (2013: £20 million).

At 30 September 2014, the unrestricted funds of the charity stood at £1.85 million (2013: £1.1 million). This increase in reserves partly results from the identification of an historic misclassification in matching project balances with their related assets. A transfer was made in the current year to correct the 'restricted accumulated losses' on closed projects totalling £403,000 and is shown on the SOFA on page 22. Unrestricted funds include £85,000 (2013: £111,000) of fixed assets; £65,000 (2013: £15,000) of designated funds, and £1,702,000 (2013: £977,000) of free reserves.

During the year, IRC-UK made a surplus of £346,000 (2013 – loss of £7,000) on the unrestricted fund. The surplus in 2014 will be used to offset a planned budget deficit of £200,000 in 2015, resulting from funding investment in the UK staffing base to provide the resources needed to manage the growing portfolio of donor grants and contracts.

IRC Inc has agreed to continue to provide an allocation of unrestricted funds to be agreed annually, and to renegotiate the level of budget support if exceptional circumstances arise.

STRATEGIC REPORT (cont)

Financial report for the year (cont)

Matching Funds

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

The charity's assets

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

Principal Risks and Uncertainties

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

- Strategic risk – including volatility of charitable income arising from economic uncertainties in donor countries and changes in donor funding priorities
- Reputational risk – including media exposure due to IRC's increasing profile. Additionally, IRC works in locations where the terrorism threat is significant and very much in the public agenda. During the year, Internal Audit reviews were carried out in country offices to ensure anti-terrorist checks were performed on suppliers and on the purchase or disposal of assets. The IRC Inc Audit Committee are currently implementing the internal audit recommendations;
- Field operations – limited through Grant Implementation Agreements with IRC and comprehensive operating and financial procedures;
- UK operations – including business continuity risks associated with IT and other systems and premises, Health and Safety and Employment Relations risks;
- Financial risk – donor financial compliance risk, the risk of fraud, and exchange risks associated with funding secured in a range of donor currencies;

STRATEGIC REPORT (cont)

Principal Risks and Uncertainties (cont)

- Statutory compliance – with UK Companies Act and Charity Commission guidance; and with specific UK legislation including the Bribery Act 2010. Compliance by field programmes is transferred to IRC Inc through Grant Implementation agreements. Additionally, to assist with issues of compliance, IRC-UK is on the IRC Inc Audit Committee and receives IRC Inc's external and internal audit findings. The SVP Europe and Executive Director is a member of the IRC Inc Leadership Board and conversely a staff member from IRC Inc attends the UK Board Meeting.

Policies and procedures are in place for child protection, whistle-blowing, anti-fraud compliance and health and safety.

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

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

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR

Fundraising and profile-building

The External Relations team at IRC-UK increases awareness of our work in the UK and Europe and raises funds from a variety of private sources. In the last financial year, the team doubled the amount of income that it generated for the organisation, from £1m to over £2m. The majority of that income was secured for and directed towards the IRC's continuing work in support of Syrian refugees. Unrestricted income also grew, due in part to an increase in individual donations, community fundraising and corporate contributions.

Press coverage of the IRC's work continued to increase and expand beyond the organisation's usual US and UK markets: 2014 saw IRC secure coverage in German, Swedish and Belgian publications. Our social media audiences have also grown, with our Twitter feeds enjoying a particularly steep incline in followers.

The year ended with the announcement that the IRC had been selected as the Financial Times' Seasonal Appeal charity partner for 2014, a significant achievement which will raise the organisation's profile in the UK and beyond. This campaign will feature IRC campaign ads and long-form articles in the newspaper on IRC's work, both online and in print, raising awareness of our programmes and encouraging readers to donate to support them. The campaign was launched on 3 December 2014, with an IRC photography auction at the Getty Gallery and a high-profile gala dinner.

Advocacy

In addition to providing direct support to people whose lives have been uprooted by conflict and natural disaster, IRC works to ensure that the global response to particular crises and to emergencies in general is timely and effective and delivers real change on the ground.

IRC's advocacy is informed by a deep understanding of the countries and contexts in which we operate, as well our significant technical expertise. We aim to influence the policies of the UK, EU and UN institutions, in order to address the underlying causes of suffering and improve the living conditions of the world's most vulnerable people.

Women's protection and empowerment

IRC continues to play a critical role in driving policy change on responding to violence against women and girls in crises. Two years of sustained advocacy culminated in IRC playing a key role in the UK Government-led 'Call to Action' on ending sexual violence in conflict in November 2013, at which delegates from 120 countries, UN agencies and civil society organisations came together to endorse twelve global commitments to prevent and respond to violence against women and girls in conflict settings. IRC also played a key role in conceptualising and supporting the June 2014 Global Summit on Ending Sexual Violence in Conflict, which saw more states sign up to the above commitments and to a broader range of initiatives aimed at addressing sexual violence.

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR (cont)

Advocacy (cont)

Women's protection and empowerment (cont)

IRC has since been focusing its efforts on ensuring that these global commitments translate into real action on the ground. We combine international lobbying for delivery on those commitments with detailed reporting on the challenges that women and girls face in crisis situations where we work (particularly Syria, South Sudan and CAR). Our most recent report "Are we Listening?" which placed a spotlight on the situation of Syrian women and girl refugees, was launched in September; We are now working with donors to secure implementation of its recommendations, particularly those focused on improving UNHCR's response and addressing the needs of adolescent girls.

Urban refugees

Thanks to the efforts of IRC and others, there is now an increasing awareness of the fact that more than half of the world's refugees reside in urban areas. Unfortunately, however, international responses remain overwhelming focused on the camp model. In October 2013, IRC-UK organised a high-level policy conference on urban displacement at Ditchley Park, where we made the case for enhanced efforts aimed at adapting humanitarian and developmental responses to this new reality. A year of focused advocacy aimed at driving this issue up the agenda, particularly within DFID and UNHCR followed culminating in a second Ditchley Park conference on urban displacement in 2014. This two-day event was attended by a broad range of top-level policy makers, including donor governments, UN agencies, the World Bank and private sector actors, and focused on moving from discussion of the various challenges that hinder the provision of assistance to the urban displaced to identifying concrete solutions to core structural barriers.

Going forward, IRC will advance this agenda through a new partnership with DFID, under which the UK Government will provide funding for our policy and advocacy work and bring its influence and convening power to bear on a two-year advocacy campaign in the run-up to the World Humanitarian Summit. We will also continue working with DFID and other implementing partners to identify opportunities to gather evidence around successful responses to urban displacement.

Syria

The conflict in Syria is now well into its fourth year. Six and a half million people have been displaced inside the country, and 10.8 million are in need of aid. The sheer scale of the emergency is reflected in the size of the UN's January 2014 appeal for the crisis: \$6.5 billion, the largest in the organisation's history.

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR (cont)

Advocacy (cont)

Syria (cont)

Aid is still not reaching millions of those in need inside Syria, and as one of the few NGOs operating inside the country, as well as in Lebanon, Jordan, Iraq and Turkey, this has been a major focus of our advocacy over the past three years. We have achieved some successes, including increased funding for needs that we have highlighted (women's protection and empowerment, urban refugees, cross-border aid) and the passage by the UN Security Council of a resolution explicitly authorising UN agencies to deliver aid in non-government-held areas of Syria.

However, much remains to be done to improve the flow of aid to those inside Syria and to increase support for refugees in the region. IRC is in the process of developing strategies for Syria and Iraq for the coming year. IRC will focus on three issues:

- The needs of refugees and of those hosting them, with a particular focus on urban refugees and further to the recommendations of IRC's 'Are we Listening' report on women and girl refugees.
- The needs of those inside Syria. We are developing a new advocacy campaign – 'Trapped' – to highlight the plight of those trapped in the country, particularly in hard-to-reach or besieged areas, and to push for a much more effective response.
- The needs of those displaced or otherwise affected by the rise of ISIL.

South Sudan

Following the outbreak of conflict in December 2013, South Sudan remains in a state of humanitarian crisis. Nearly four million people are in need of assistance, Although we have narrowly avoided famine this year, this remains a serious risk for 2015. Furthermore, violence against women and girls has been particularly shocking in this crisis, with the UN Special Rapporteur on Sexual Violence in Conflict – a survivor of the war in Sierra Leone – stating that the levels of such violence in South Sudan are the worst she has seen.

IRC-UK has been lobbying consistently in London and Brussels since fighting broke out a year ago (with a particular focus on the impact on the conflict on women and girls). In November we released an in-depth report on the continuing impact of the violence, especially on those displaced by fighting (within South Sudan and to neighbouring countries). DFID and the European Commission have been among the most generous donors contributing £150 million and £85 million to date

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR (cont)

Advocacy (cont)

Central African Republic

A surge in conflict over the past year has once again devastated the Central African Republic (CAR), leaving over half the country's population in need of humanitarian assistance.

In early 2014 IRC hosted a series of advocacy events in London and Brussels, based around very powerful photos and video shot by IRC's photographer, Peter Biro, and pressing for a substantial increase in support for the humanitarian response. Our efforts contributed to DFID committing to maintaining its humanitarian funding for CAR for a further year and to contribute to the refugee response in Chad and Cameroon. The EU has established a multi-donor humanitarian and development trust fund for CAR, with the needs of women and girls as a priority.

We have recently secured funding from the Wellspring Foundation to continue this work over the next year; the Foundation's support will fund a series of publications and events focusing on the impact of the crisis on the most vulnerable.

Afghanistan

Despite some positive progress, Afghanistan continues to face a humanitarian crisis, with nine million people in need of assistance. This year the international community is pulling away from Afghanistan: international forces are withdrawing, and some donors have cut their humanitarian and development assistance. IRC advocates are urging donors and policymakers to remain engaged in Afghanistan and to prioritise humanitarian and basic development objectives. In April 2014, the IRC released a major report on the humanitarian impact of transitions in Afghanistan, with launch events in London, Brussels and New York garnering significant press coverage. Following our efforts, DFID increased its humanitarian assistance for Afghanistan and created a four-year humanitarian stream. The EU is also committed to continue funding for our priorities in Afghanistan until 2017.

Going forward, the challenge will be to retain international commitment to responding to humanitarian needs. The UK Government and the Government of Afghanistan are hosting a ministerial-level conference on Afghanistan on 24-25 November 2014 in London for major donors, NATO members and UN. We are working with other humanitarian NGOs to ensure that the humanitarian crisis is on the agenda.

Ebola

The Ebola crisis has appeared at a time when the international system is being stretched to its limit by the need to respond to conflicts and crises around the world. However, even accounting for the multitude of competing challenges, the response has been woefully slow and inadequate, and the epidemic is now spreading at an exponential rate. IRC has been working to contain the spread of Ebola across both Liberia and Sierra Leone, as well as providing health services.

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR (cont)

Advocacy (cont)

Ebola (cont)

IRC has joined with the other major NGOs responding to this crisis to advocate for an effective response. The organisation led NGO input to the UK's Ebola Conference in early October, and has jointly briefed the EU Foreign Affairs Committee. We are now working to roll out a comprehensive set of recommendations for the response, with a particular focus on ensuring effective work at the community level.

However, the only way we can hope to contain Ebola's spread is through a massive, coordinated, global effort on multiple levels. We will continue to prioritise this issue for the foreseeable future.

Statutory donor-funded field programmes

Examples of European donor-funded field programmes active during 2014 include:

Responding to the crisis in Syria – a regional approach

The IRC significantly scaled up its response to the Syrian crisis throughout 2013-2014, both within Syria and in the surrounding countries. In a deteriorating environment, the IRC has had to innovate to deliver lifesaving assistance. The two key grants that have supported the response are Multi-sector Emergency Aid for Conflict-Affected Syrians (DF090) and Syrian Crisis Response – A Regional Approach (EC328). Combined, these grants account for £18.6 million of assistance within Syria, and have reached almost 300,000 people to date. They have supported comprehensive programming including health, water and sanitation, food security and child protection in nine governorates. Key achievements include delivering healthcare to 100,000 people (including the delivery of reproductive healthcare to women).

The IRC was able to scale up to meet the needs of the influx of Iraqi refugees to Syria in August, providing healthcare assistance to those crossing the border and establishing health services in Newroz refugee camp (providing over 10,000 consultations). Over 14,000 people received water and sanitation and 6,000 families have received food assistance. In addition, the IRC has worked to ensure that the most vulnerable receive the assistance they need, with over 3000 children attending Safe Healing and Learning Spaces (which are safe and accessible in winter and provide classes for children, including those with special needs). The IRC's partners have worked to deliver vital aid supplies in some of the most hard-to-access areas of the country, reaching over 160,000 people with tents, blankets, winter clothes, hygiene kits and kitchen supplies.

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR (cont)

Statutory donor-funded field programmes (cont)

Supporting Basic Services: Somali Region of Ethiopia

This project, focusing on WASH, education and health is a four-year Commercial Contract project working with the Ethiopian Somali Regional State (ESRS) to improve sustainable access to basic services in 15 Woredas (districts of Ethiopia). IRC is implementing the programme in a consortium led by Save the Children and in partnership with Islamic Relief and Ogaden Welfare and Development Association. The programme aims to develop the capacity of the regional and woreda governments through investment in capital infrastructure and training and through support to inclusive and conflict-sensitive service planning and delivery (education, health, and water, sanitation and hygiene [WASH]). Interventions are complemented by cross-cutting Institutional Capacity Development (ICD) activities that bolster the capacity of state and community-based groups across the region. IRC is leading the technical direction of WASH activities across the programme, in addition to delivering education, health and ICD activities in specific Woredas.

Now approaching the end of the first year of its implementation, the programme has achieved much progress. At February 2015, 686 government officials have received training to increase their capacity to plan and deliver improved and conflict-sensitive basic social services. Those receiving training include frontline workers such as education officials, school supervisors, teachers and facilitators, health professionals (health officers, nurses and health extension workers), WASH professionals and community health volunteers. Further training has been provided to over 1,000 members of school, health and WASH management committees, to enable them to better interact with the improved services provision; an increased level of community-level committee engagement has already been observed.

In addition to the ongoing training of frontline workers, technical assistance has improved services in each sector. 4,546 people have benefitted from the provision of kerosene and maintenance of refrigerators in health facilities, and 4,488 people through the provision of household water filters.

Furthermore, the programme has distributed student textbooks, teachers' guides, supplementary age-appropriate literary and numeracy materials and story books, reaching 6,500 children.

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR (cont)

Statutory donor-funded field programmes (cont)

Emergency Response – Pre-positioning for a Rapid Response

In 2014, the IRC secured its third consecutive Humanitarian Framework Agreement (HFA) with the Swedish International Development Cooperation Agency (Sida). These multi-year agreements are reserved for selected partners that have passed Sida's assessment criteria; the IRC is one of 11 strategic humanitarian partners. The HFA provides funds for projects across different sectors in various countries, responding to both long-term intervention and short-term needs. The IRC's HFA for 2014 includes US \$1,503,000 for a 'Rapid Response Mechanism' (RRM) that provides pre-positioned emergency funding to facilitate rapid, life-saving interventions in the first phase of a humanitarian crisis.

This summer saw extraordinarily high demands across the humanitarian system, with the mass displacement of people in Iraq and Syria due to conflict and the Ebola outbreak in West Africa. The RRM is an incredibly valuable mechanism, providing funding within 24 hours and enabling the IRC to respond quickly in emergencies. Since June 2014, the IRC has provided WASH, protection, non-food items, and essential services to meet the immediate needs of people affected by conflict and disasters in northern Iraq, Afghanistan and Pakistan, Sierra Leone and Liberia through the RRM.

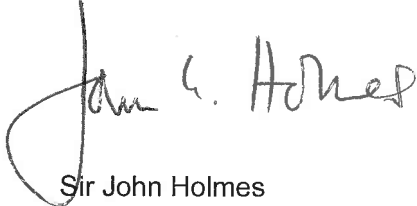
WPE in Emergencies – Responding to Gender-based Violence in Emergencies

In July 2014, the IRC signed a two-year €2,000,000 Strategic Partnership with Irish Aid, focused on tackling gender-based violence (GBV) in emergencies. This new partnership was possible thanks to IRC's track record and expertise in WPE programming, policy and advocacy, and reflects Ireland's commitment to prevention and response to GBV. Irish Aid's support is used to fund projects in Kenya, Ethiopia, Somalia and South Sudan, providing survivors of GBV and vulnerable women and girls with access to psychosocial support and training local service providers to deliver appropriate care and services. Through this Partnership, the IRC will train staff from 30 local organisations, reinforcing emergency responders' capacity to prepare for, launch, and support rapid and effective responses to GBV in crisis situations. The Partnership in 2014-15 includes €250,000 via Irish Aid's Emergency Response Fund Scheme to respond to the immediate needs of women and girls in emergencies. Learning from each of the components will be used for European-level policy and advocacy activities calling on European institutions, donor governments and humanitarian organisations to strengthen emergency GBV policies and responses.

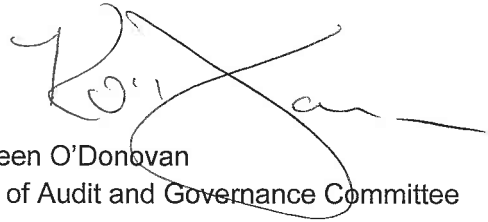
It is through these partnerships, grants and contracts that IRC-UK contributes to IRC's response to increasing crises around the world.

Trustees' report Year to 30 September 2014

The trustees' report, which is also 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



Kathleen O'Donovan
Chair of Audit and Governance Committee

Approved by the Trustees on: 18th MARCH 2015

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

We have audited the financial statements of International Rescue Committee, UK for the year ended 30 September 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement; the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of trustees' responsibilities set out in the Trustees' Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Independent auditor's report Year to 30 September 2014

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

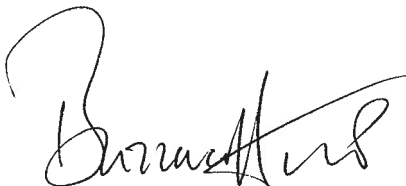
In our opinion the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.



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

16/4/15

Statement of financial activities Year to 30 September 2014

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2014 funds £'000	Total 2013 funds £'000
Income and expenditure					
Incoming resources					
Incoming resources from generated funds	1	482	1,038	1,520	909
Incoming resources from charitable activities	2	2,434	105,558	107,992	82,722
Total incoming resources		2,916	106,596	109,512	83,631
Resources expended					
Cost of generating funds	4	833	—	833	637
Charitable activities	5				
. Saving lives		656	38,706	39,362	29,519
. Protecting the vulnerable		565	33,339	33,904	24,366
. Rebuilding communities		448	26,458	26,906	21,766
. Other		16	917	933	534
Total charitable activities		1,685	99,420	101,105	76,185
Governance costs	3	52	—	52	62
Total resources expended		2,570	99,420	101,990	76,884
Net incoming resources for the year before transfers					
		346	7,176	7,522	6,747
Transfer between funds	13	403	(403)	—	—
Net incoming resources for the year	6	749	6,773	7,522	6,747
Balances brought forward at 1 October 2013	13	1,103	19,737	20,840	14,093
Balances carried forward at 30 September 2014		1,852	26,510	28,362	20,840

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

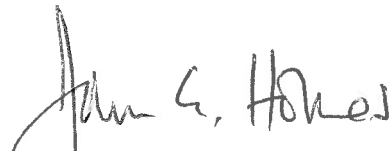
The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.


The notes on pages 28 to 38 form part of these financial statements.

Balance Sheet as at 30 September 2014

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Tangible assets	9		85		111
Current assets					
Debtors	11	15,029		15,743	
Cash at bank and in hand		<u>23,722</u>		<u>16,851</u>	
		38,751		32,594	
Creditors: amounts falling due within one year	12	<u>(10,474)</u>		<u>(11,865)</u>	
Net current assets			<u>28,277</u>		<u>21,729</u>
Total net assets			<u>28,362</u>		<u>20,840</u>
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	13		26,510		19,737
Unrestricted funds					
. Designated funds	14		65		15
. General fund			<u>1,787</u>		<u>1,088</u>
			<u>28,362</u>		<u>20,840</u>

Approved by and signed on behalf of the Trustees:


Sir John Holmes
Chair


Kathleen O'Donovan
Chair of Audit and Governance Committee

Approved by the Trustees on: 18th MARCH 2015

Company Registration Number: 3458056

Cash flow statement for the year to 30 September 2014

	Notes	2014 £'000	2013 £'000
Cash inflow from operating activities	A	6,825	6,714
Returns on investments	B	47	9
Capital expenditure and financial investment	B	(1)	(91)
Increase in cash	C	6,871	6,632

Notes to the cash flow statement for the year to 30 September 2014

A Adjustment of net incoming resources before transfers to net cash inflow from operating activities

	2014 £'000	2013 £'000
Net incoming resources before transfers	7,522	6,747
Depreciation charge	27	22
Investment income and interest receivable	(47)	(9)
Decrease/(increase) in debtors	714	(3,550)
(Decrease)/increase in creditors	(1,391)	3,504
Net cash inflow from operating activities	6,825	6,714

B Gross cash flows

	2014 £'000	2013 £'000
Returns on investments		
Investment income and interest received	47	9
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(2)	(91)

C Analysis of changes in net cash

	At 1 October 2013 £'000	Cash flows £'000	At 30 September 2014 £'000
Cash at bank and in hand	16,851	6,871	23,722

Principal accounting policies Year to 30 September 2013

Basis of accounting

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

Basis of consolidation

The results of the charity's subsidiary, IRC-UK Trading Limited, have not been consolidated as it was dormant throughout the year.

Income

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

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

Grants from government and other agencies have been included either as income from activities in furtherance of the charity's objectives where these amount to support for specific activities and services, or as voluntary income where the money is given in response to an appeal, although IRC Inc core funding is within income from charitable activities.

Resources expended

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

Resources expended comprise the following:

- a. The costs of generating funds represent the salaries, direct costs and overheads associated with generating income.
- b. The costs of charitable activities, which comprise expenditure on the charity's primary charitable purpose, i.e. overseas field operations. These include support costs, which represent the costs incurred by UK based staff providing support for IRC-UK's international programmes. Support costs include management, policy and advocacy work, supervision, and technical support for IRC-UK's emergency and development programmes.

Resources expended (cont)

- c. Governance costs comprise the costs which are directly attributable to the management of the charity's assets and the necessary legal and organisational procedures for compliance with statutory and governance requirements.

The majority of costs are directly attributable to specific activities. Staff costs are apportioned to the groups of costs listed above on the basis of time spent. Other non-directly attributable costs are allocated on the basis of apportioned staff time. Where not directly attributable, the cost of support to specific charitable activities is apportioned on the basis of the value of expenditure incurred on the activity during the year.

Interest receivable

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

Foreign currency

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

Foreign currency risk is managed by holding restricted donor funds in the grant reporting currency in both the UK and field.

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 unrestricted 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 inc. unrestricted funds and depreciation charged to the donor funding the specific programme (if allowed).

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

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

Fund accounting

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

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

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

1 Incoming resources from generated funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Voluntary income	435	1,038	1,473	900
Interest receivable	47	—	47	9
	482	1,038	1,520	909

Included within incoming resources from generated funds are donations of £78,247 from IRC-UK Trustees (2013: £92,587).

Interest earned and retained amounted to £47,000 (2013 £9,000).

2 Incoming resources from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Grants				
Christian Blind Mission	—	32	32	193
Comic Relief	—	188	188	247
The Danish International Development Agency (DANIDA)	—	1,794	1,794	1,567
The Dutch Government (Dutch MFA)	—	2,509	2,509	2,359
European Community (EuropeAid)	—	2,633	2,633	3,899
European Commission Humanitarian Aid Office (DG ECHO)	—	26,993	26,993	23,551
Ireland – Development Cooperation Division of the Department of Foreign Affairs (Irish Aid)	—	1,919	1,919	845
Swedish International Development Cooperation Agency (SIDA)	—	4,685	4,685	7,760
Swiss Agency for Development and Cooperation	—	259	259	162
UK Department for International Development (DFID)	—	62,936	62,936	39,435
Other trusts and foundations	2	844	846	451
Total grants	2	104,792	104,794	80,469
IRC Inc funding for UK-based Technical Units	—	766	766	527
Unrestricted income from grants	2,432	—	2,432	1,726
Total	2,434	105,558	107,992	82,722

2 Incoming resources from charitable activities (cont)

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

Contract No.	Programme	Income received £
AG4765	Community Driven Reconstruction in DR Congo "Communities Sowing the Future of Congo"	20,193,730
202909-101	Saving Lives, Saving Futures: Responding to the emergency in Eastern DRC	712,674
PO 6186	Support to the delivery of basic services in the Somali Region of Ethiopia	996,705
GPAF-IMP-090	Increased access to quality health care for children under five and mothers, in Acholi and Karamoja Regions of Uganda.	1,187,249
AG204007-111	Syria Cross-Border Assistance	14,365,662
204400-101	Improved access to vital services for IDPs in South Sudan (RRF)	917,206
203967-110	Creating Access, Creating Hope: Strengthening services for GBV survivors in 5 safe spaces in Jalojai IDP camp and Peshawar	545,013
204060-101	Accountable Grant Arrangement for creating a space, raising a voice.	1,145,703
204813-101	Iraq Rapid Response Facility	750,000
203400-102	Accountable Grant Arrangement for Legal Assistance Centre Project	710,589
203400-101	Thailand Burma Border Consortium	1,871,579
202857-101	Sierra Leone Education Consortium	1,936,743
202994-103	Enhancing Nutrition Preparedness, Surveillance and Resilience in Kenya's Arid and Semi-arid Lands	2,652,191
5097	Valorisation de la Scholarisation de la Fille (VAS-Y Fille)	5,909,680
GPAF-IMP-049	Improving maternal health and reducing child mortality for women and newborn babies in two districts of Sierra Leone	613,509
203775-109	Sahel Nutrition Response in Chad, Mali, Niger and the needs based assistance for conflict affected children, youth and their communities in North Mali	3,479,606
GEC 5096	Supporting marginalised girls in Sierra Leone to complete basic education with improved learning outcomes	605,794

2 Incoming resources from charitable activities (cont)

In addition, IRC-UK acknowledges funding from DFID through other mechanisms:

Funding via Crown Agents:	Income Received £
Support for Health service delivery and system strengthening in Northern Bahr-EI-Ghazal state, South Sudan.	177,331
Support for Health Service delivery and system strengthening in Unity State, South Sudan	1,013,629
Health Service delivery and system strengthening, Payinjar County, Unity State, South Sudan	308,016

Funding via ERC:	Income Received £
Strengthening governance and peace building in Somalia	630,684

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

Contract No.	Programme	Income received £
104.SudSudan.27-200--.6	Promoting Protection and Accountability for Women and Girls in South Sudan	1,289,350
SPEDAH	Support to Primary Education in Distant Areas of Helmand (SPEDAH), Afghanistan	504,184

3 Analysis of resources expended from unrestricted funds

	Cost of generating funds £'000	Charitable activities £'000	Governance costs £'000	Total 2014 £'000	Total 2013 £'000
Direct costs					
Staff costs	247	603	—	850	709
Direct costs	141	87	—	228	147
Audit costs	—	—	33	33	30
Total direct costs	388	690	33	1,111	886
Support costs					
Staff costs	312	515	7	834	524
General support costs	108	389	11	508	608
Travel, transport and accommodation	25	91	1	117	81
Total support costs	445	995	19	1,459	1,213
Total resources expended	833	1,685	52	2,570	
Total resources expended 2013	637	1,400	62		2,099

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

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

4 Cost of generating funds

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

	Total 2014 £'000	Total 2013 £'000
Generation of voluntary income and costs of activities for generating funds	111	158
Generation of income from charitable activities	722	479
	833	637

5 Charitable activities

	Support costs £'000	Activities undertaken directly £'000	Total 2014 £'000	Total 2013 £'000
Saving lives				
Health (includes psychosocial)	468	27,617	28,085	24,911
Environmental health	188	11,089	11,277	4,608
	656	38,706	39,362	29,519
Protecting the vulnerable				
Child protection	126	7,491	7,617	1,929
Women's protection and empowerment (GBV)	172	10,122	10,294	5,375
Protection and rule of law	267	15,726	15,993	17,062
	565	33,339	33,904	24,366
Rebuilding communities				
Livelihoods (including agriculture)	125	7,404	7,529	6,467
Economic development	—	—	—	11
Community development	160	9,423	9,583	11,584
Civil society	1	46	47	375
Education	162	9,585	9,747	3,329
	448	26,458	26,906	21,766
Other				
General costs	16	917	933	534
	16	917	933	534
Total	1,685	99,420	101,105	76,185

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.

6 Net movement in funds

This is stated after charging:

	Total 2014 £'000	Total 2013 £'000
Staff costs (note 7)	2,573	1,908
Statutory auditor's remuneration		
. Current year	25	22
. Prior year	5	4
Non-audit services	21	14
. Current year	17	14
. Prior year	4	—
Other auditor's remuneration	3	3
Depreciation	27	22
Operating lease charges	127	126

7 Staff costs and trustees' remuneration

	2014 £'000	2013 £'000
Staff costs for UK based staff during the year were as follows:		
Wages and salaries	2,248	1,669
Social security	247	196
Pension costs	78	43
	<u>2,573</u>	<u>1,908</u>

Staff funded by field programmes make up £628,000 of total staff costs 24% (2012 - £408,000; 21%). 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:

	2014	2013
£60,001 - £70,000	3	1
£80,001 - £90,000	1	—
£110,001 - £120,000	—	1

No trustee received any remuneration for services as a trustee (2013 - £nil) and travel expenses of £11,062 (2013 - £7,083) relating to Board field visits were paid on behalf of 5 trustees (2013 - 5).

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

	2014	2013
Fundraising and donor development	10	7
Programme delivery	37	26
Programme support	9	9
Management and administration	1	1
	<u>57</u>	<u>43</u>

8 Taxation

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

Notes to the financial statements Year to 30 September 2014

9 Tangible fixed assets

	Computer equipment £'000	Furniture, fixtures and equipment £'000	Leasehold improve- ments £'000	Total £'000
Cost				
At 1 October 2013	15	77	41	133
Additions	—	1	—	1
At 30 September 2014	15	78	41	134
Depreciation				
At 1 October 2013	3	16	3	22
Charge for year	3	20	4	27
At 30 September 2014	6	36	7	49
Net book values				
At 30 September 2014	9	42	33	85
At 30 September 2013	12	61	38	111

10 Investments

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

11 Debtors

	2014 £'000	2013 £'000
Funds held overseas	10,329	7,956
Grants receivable	4,421	7,333
Other debtors and prepayments	279	454
	15,029	15,743

12 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Programme creditors	10,226	11,628
Other creditors and accruals	248	237
	10,474	11,865

13 Restricted funds

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

	At 1 October 2013 £'000	Incoming resources £'000	Expenditure and transfers £'000	At 30 September 2014 £'000
Afghanistan	150	993	(803)	340
Burundi	532	1,096	(1,284)	344
Central Africa Republic	778	487	(1,050)	215
Chad	180	4,535	(3,593)	1,122
Democratic Republic of Congo	4,676	29,397	(28,551)	5,522
East Africa Region	5	—	—	5
Ethiopia	2,466	5,753	(5,752)	2,467
Haiti	239	273	(524)	(12)
Iraq	(21)	5,481	(4,151)	1,309
Ivory Coast	599	3,502	(2,284)	1,817
Japan	18	—	—	18
Jordan & Middle East	428	4,948	(5,259)	117
Kenya	862	4,642	(4,840)	664
Lebanon	741	3,073	(3,465)	349
Liberia	88	504	(195)	397
Mali	830	4,126	(4,420)	536
Myanmar	92	653	(255)	490
Niger	651	2,310	(2,119)	842
Nigeria	29	550	(561)	18
Northern Caucasus	—	373	—	373
Pakistan	895	3,528	(2,651)	1,772
Philippines	—	400	(379)	21
Rwanda	240	431	(572)	99
Sierra Leone	625	4,574	(3,948)	1,251
Somalia	492	2,919	(2,638)	773
South Sudan	371	6,066	(4,663)	1,774
Thailand	217	2,531	(2,469)	279
Turkey	2,049	8,869	(8,608)	2,310
Uganda	9	1,175	(901)	283
Zimbabwe	166	(4)	(145)	17
Multi-country	752	584	(170)	1,166
Unrealised restricted exchange (losses) gains accumulated	182	—	(1,209)	(1,027)
Programme and technical support	109	780	(417)	472
Technical Units	287	2,046	(1,946)	386
	<u>19,737</u>	<u>106,596</u>	<u>(99,822)</u>	<u>26,510</u>

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

13 Restricted funds (cont)

Fund balances in deficit relate to ongoing projects only, and have arisen where expenditure exceeds funds received from the donor as a result of the translation of foreign currency transactions into sterling at the rate of exchange ruling at the date of the transaction.

Once a project is complete, foreign exchange gains and losses are written-off to bring the sterling project balance to nil. A historic misclassification in matching project balances with their related assets has been identified and a transfer was made in the current year to correct the 'restricted accumulated losses' on closed projects totalling £403,000.

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

	At 1 October 2013 £'000	Incoming resources £'000	Expenditure and transfers £'000	At 30 September 2014 £'000
Saving lives				
Health (includes psychosocial)	6,389	29,489	(27,617)	8,261
Environmental health (water, sanitation, & shelter)	2,455	11,373	(11,089)	2,739
	<u>8,844</u>	<u>40,862</u>	<u>(38,706)</u>	<u>11,000</u>
Protecting the vulnerable				
Child protection	1,555	7,351	(7,491)	1,415
Women's protection & empowerment	2,962	10,800	(10,122)	3,640
Protection & rule of law	2,036	17,363	(15,726)	3,673
	<u>6,553</u>	<u>35,514</u>	<u>(33,339)</u>	<u>8,728</u>
Rebuilding communities				
Livelihoods (including agriculture)	1,820	7,560	(7,404)	1,976
Economic development	10			10
Community development	52	10,809	(9,423)	1,438
Civil society	143	29	(46)	126
Education	2,316	10,512	(9,586)	3,242
	<u>4,341</u>	<u>28,910</u>	<u>(26,459)</u>	<u>6,792</u>
Other				
General costs (including foreign exchange (gain)/loss)	(1)	1,309	(1,318)	(10)
	<u>(1)</u>	<u>1,309</u>	<u>(1,318)</u>	<u>(10)</u>
	<u>19,737</u>	<u>106,595</u>	<u>(99,822)</u>	<u>26,510</u>

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

14 Designated funds

	At 1 October 2013 £'000	New designations £'000	Released £'000	At 30 September 2014 £'000
Premises investment	—	50	—	50
Systems investment	—	5	—	5
Premises repairs	15	10	(15)	10
	15	65	(15)	65

Designated funds have been created for the following:

- A new provision of £50,000 has been made in 2014-15 for the fit-out costs of expanding premises
- The lease for premises is a full self-repairing lease (previously IRC-UK had occupied managed properties). Annual provisions of £15,000 are made for major repairs.

15 Operating leases

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

	2014 £'000	2013 £'000
Within two to five years	2	2
Over five years	125	125

16 Connected charities and related parties

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

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

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

During the year, remittances of £3,198,000 (2013 - £2,253,000) were received from IRC Inc, of which £2,432,000 was unrestricted funding from European donor-funded programmes covering IRC-UK's core operating costs (2013 - £1,726,000) and £766,000 was reimbursement of the salary and operating costs of UK-based Technical Units (2013 - £527,000) (see note 2).

16 Connected charities and related parties (cont)

Due to the international nature of the organisations' operations, certain salaries and costs are paid by IRC Inc and then recharged to IRC-UK, and vice versa. At 30 September 2014, £121,000 (2013 - £160,000) was owed by IRC Inc to IRC-UK in relation to such charges.

At the year end, funds held by IRC offices overseas, which related to IRC-UK programmes totalled £10,329,000 (2013 - £7,956,000). Funds owed to IRC overseas offices in relation to monies already disbursed totalled £10,226,000 (2013 - £11,628,000).

IRC Inc has agreed to support the fulfilment of matching fund obligations of projects that have been approved under IRC network procedures, as well as to guarantee any expenditure which is disallowed by donors on these projects. At the year end £0 (2013 - £91,000) was owed by IRC Inc to IRC-UK in relation to disallowable expenditure on grants.

17 Contingent liabilities

As at the year end there were a number of projects on which funds are outstanding from the donor pending finalisation of donor audits. 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 Inc support referred to above.

18 Project commitments

As at 30 September 2014, IRC-UK was committed to expenditure on ongoing and future programmes totalling £73m (2013 - £124m). Funding agreements are in place for all of the aforementioned programmes.

19 Analysis of net assets between funds

	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total 2014 £'000
Fund balances at 30 September 2014				
Are represented by:				
Tangible fixed assets	85	—	—	85
Current assets	1,918	65	36,768	38,751
Creditors: amounts falling due within one year	(216)	—	(10,258)	(10,474)
Total net assets	1,787	65	26,510	28,362