



**International Rescue
Committee, UK**

Annual Report and Financial Statements

30 September 2012

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

Charity Registration Number
1065972

We certify that this is a true
copy of the original

NAME: White & Case LLP

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2013

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

Trustees	Kathleen O'Donovan (Co-Chair) Sir John Holmes GCVO, KBE, CMG (Co-Chair) George Biddle Mary Blewitt OBE Glenda Burkhart Susan Gibson François-Xavier de Mallman Dylan Pereira The Hon Richard Sharp Diane Simpson Iliane Ogilvie Thompson Jake Ulrich
Executive Director	Carolyn Makinson
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 2012

The trustees present their statutory report together with the financial statements of International Rescue Committee, UK (IRC-UK) for the year ended 30 September 2012.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and the requirements for a directors' report set out in the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 21 therein and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities".

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

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

Liability of members

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

Organisation

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

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

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

The Board has constituted the following committees to advise the Executive Director and staff, and report to the Board: Audit and Governance, and Nominating committees (from its trustees), and Development (fundraising), and Policy and Advocacy committees (which include trustees and other members).

Trustees

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees (continued)

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

The following trustees were in office at 30 September 2012 and served throughout the year except where indicated.

Trustees

Jeremy Carver CBE	Retired 14 March 2012
Kathleen O'Donovan	
Sir John Holmes GCVO, KBE, CMG	
George Biddle	
Mary Blewitt OBE	
Glenda Burkhart	
Sir Jeremy Greenstock GCMG	Retired 19 July 2012
François-Xavier de Mallman	
Lady Trish Malloch-Brown	On leave of absence from 19 July 2012
The Hon Richard Sharp	
Diane Simpson	
Iliane Ogilvie Thompson	Appointed 14 March 2012
Jake Ulrich	Appointed 19 July 2012

Trustees appointed after 30 September 2012

Susan Gibson	Appointed 24 October 2012
Dylan Pereira	Appointed 24 October 2012

No trustee received any remuneration for services as a trustee (2011 - £nil) and travel expenses of £6,036 (2011 - £nil) relating to Board field visits were paid on behalf of 3 trustees (2011 – none). No trustee had any beneficial interest in any contract with the charity during the year.

Connected charities and related parties

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Subsidiary company

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

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

Risk management

The trustees have mandated the Audit and Governance committee to oversee 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 changes in donor funding priorities and mechanisms;
- ◆ Reputational risk – including media exposure;
- ◆ 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 – including the risk of fraud in the UK office, donor financial compliance risk. and Foreign Exchange risk;
- ◆ Statutory compliance – with UK Companies Act and Charity Commission guidance; and with specific UK legislation including the Bribery Act 2010.

In addition, the financial and management systems under which IRC-UK 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 IRC-UK Finance Director has access to Internal Audit reports of operations and activities, through membership of the IRC Audit Committee.

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.

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).

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

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

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

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

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

The trustees are responsible for keeping adequate 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.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Principal aims and objects

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

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

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

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

Objectives and activities

During 2012, IRC-UK began the implementation of its new Strategic Plan, which has six areas of focus: emergency assistance; women's protection and empowerment; urban refugees and displaced people; research, evaluation and learning; accountability to beneficiaries; and outreach to policy-makers and the general public (becoming the "Go To" Agency). All IRC-UK departments contribute to the accomplishment of the strategic plan: for all our strategic objectives, we hope to increase the resources available, shape the policies and programmes of major donors and policy-makers, and increase visibility and understanding of issues among the media and the general public. We list below some of the highlights of the past year for each of our six strategic priorities, which cut across our organisational activities of Saving lives, Protecting the vulnerable and Rebuilding communities.

- ◆ **Emergency assistance.** IRC-UK qualified for the Department for International Development's (DFID) new Rapid Response Facility. The Facility was activated for the first time in August 2012 to respond to an outbreak of cholera in Sierra Leone, and the IRC was successful in its application for funding.

IRC-UK recruited a new Emergency Field Director who has conducted emergency field assessments in Lebanon, where many Syrians have fled in recent months, and in Mali. See also, in the next paragraph, IRC-UK's work on preventing violence against women and girls in emergencies.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Objectives and activities (continued)

- ◆ **Women's protection and empowerment:** In October 2011, IRC-UK organised a conference at Ditchley Park to advise DFID on programmes to improve women's protection and empowerment. DFID asked IRC-UK to organise a second conference in October 2012, focused on preventing violence against women and girls in emergencies. Given the opportunities for influencing large-scale policies and practices in this area, IRC-UK recruited a Senior Women's Protection and Empowerment Advocate during 2012 to advise DFID and other donors on their policies and programming, in particular to ensure that preventing violence against women and girls is prioritised as a lifesaving activity in the immediate response to humanitarian emergencies. The 2012 Ditchley Park conference brought together key decision-makers from around the world to discuss the challenges and solutions. Since the conference, donors have given higher priority to this issue, as evidenced by DFID's funding of programmes to prevent violence against women and girls as part of its Syria regional humanitarian response. IRC-UK also contributed to the development of DFID's guidance on preventing violence against women and girls, which has been used by DFID country offices to design and implement field programmes.

IRC-UK has advised the Foreign and Commonwealth Office (FCO) on their new Preventing Sexual Violence Initiative and was one of the few international NGOs invited to attend their high-level Wilton Park conference on preventing sexual violence.

IRC-UK published a report on domestic violence in West Africa (Let Me Not Die Before My Time), with detailed recommendations for governments in West Africa and Europe, and for United Nations Agencies.

IRC-UK has also been working with donors at the country level, for example advising DFID in South Sudan on ways to address violence against women and girls as part of its programming.

IRC-UK is an active member of UK gender networks, sitting on the gender and development network (GADN) advisory board, chairing the violence against women and girls humanitarian subgroup of the GADN, and working with Gender Action for Peace and Security (GAPS) to influence the UK's National Action Plan on women, peace and security. IRC-UK continues to engage with other European donors and UN agencies to ensure that violence against women and girls is prioritised.

- ◆ **Urban refugees.** IRC-UK galvanised interest in urban settings within the IRC's global network, and has been asked to lead on this issue within the global advocacy team. IRC-UK has received its first statutory grant for communications work from the European Union, which will support IRC-UK's brand-building activities throughout the coming year. The project involves cooperation with award-winning photographer Andrew McConnell and picture agency Panos, and makes extensive use of social media and a website profiling over 30 refugees from around the world. The photographs and refugee profiles

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Objectives and activities (continued)

were exhibited in St Pancras International Station during January 2013, and will be exhibited in other venues in Europe and the USA.

In collaboration with the Humanitarian Policy Group at the Overseas Development Institute, we have produced a number of research papers on the vulnerabilities of urban displaced people in Nairobi and have participated in high level policy roundtables looking at best practice for humanitarian and development NGOs in urban contexts. Following a board visit to Kenya, UK board co-chair Sir John Holmes authored an article on Somali urban refugees in Nairobi, which was released the day before the London Conference on Somalia. We will be building on this work throughout 2013, both to promote new thinking in this area and to develop the IRC's own tools and approaches for working with urban refugees.

DFID has asked IRC-UK to organise a conference at Ditchley Park in 2013 on programming for refugees and displaced populations in urban settings.

- ◆ **Research, evaluation and learning.** Columbia University published the results of a rigorous research study that it conducted in collaboration with the IRC in the Democratic Republic of the Congo. The research, which was funded by DFID, evaluated the approach known as community-driven reconstruction. The results have generated considerable interest, both within DFID and beyond. IRC-UK has also supported a number of small-scale 'real-time' evaluations to improve the IRC's emergency response.
- ◆ **Accountability to beneficiaries.** IRC-UK is a member of the Humanitarian Accountability Partnership (HAP) and has generated awareness within the IRC global network of the need for a more systematic approach to this issue in the IRC's European and other grants. We hope to pilot new approaches in the IRC's field programmes during the coming year.
- ◆ **Becoming the 'go to' agency.** IRC-UK has seen a marked increase in media coverage and in the interest among donors and the media in learning about the IRC's field programmes and evaluation research. IRC-UK's website was re-launched in 2012, with a marked increase in our following in social media. IRC-UK has also made headway in establishing new relationships with the press.

ITV News journalist Martin Geissler won the prestigious One World Media Award for best newscast for a series of broadcasts on ITV in February covering the famine in East Africa. The broadcasts focused on the IRC's emergency programmes for children with acute malnourishment in Hagadera Hospital in Kenya's Dadaab refugee camp. IRC-UK has also been able to establish successful high profile relationships and, as a result, articles written by UK actress Romola Garai were featured in Red Magazine, the New Statesman and the Guardian.

In May, as noted above, the IRC published a report on domestic violence in West Africa, which received extensive coverage on a variety of BBC programmes, both online and on

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Objectives and activities (continued)

radio. IRC-UK also produced a short film highlighting the scale of violence against women and girls in South Sudan. The film was the centrepiece of a policy event in the UK parliament, attended by DFID, European donors, academics and operational agencies, focusing on the need for targeted programming to respond to and prevent violence against women and girls in South Sudan. The event built on written and oral evidence provided by the IRC to the International Development Select Committee as part of its enquiry into South Sudan.

ACHIEVEMENTS AND PERFORMANCE

Fundraising

IRC-UK staff are involved in raising funds from statutory donors, working closely with the IRC network to develop programmes and funding proposals, and providing expertise on the requirements of European donors. The increase in the cost of generating income from charitable activities (see note 4) is due to investment in additional business development capacity focusing on further diversification of statutory funding, reducing the risk of over-reliance on key donors.

During the year, the development team doubled its income for field programmes from trust and foundations, and major donors. For the first time, we have secured large grants from individuals for specific grants in Ethiopia and Myanmar. The team has exceeded its restricted and unrestricted income target and has extended its major donor base through a series of successful events and donor cultivation.

Individual giving and corporate partnerships

IRC-UK has extended its range of challenge events with individuals raising significant amounts at 10k runs throughout the year. We have also established a presence on ebay and extended the range of giving platforms, facilitated through our new online presence.

We have held a series of major donor events highlighting our emergency work and the need for women's protection and empowerment. The events enabled us to extend our portfolio of major donors and also build our brand amongst corporate contacts. We have diversified our funder base and developed an appeal programme that now runs throughout the year.

Statutory donor funded field programmes

Some examples of field programmes funded by European donors are included below, highlighting projects across our charitable activities, donors and country programmes:

Saving lives: Health

Sierra Leone

In August, the IRC received its first funding through the newly established DFID Rapid Response Facility to respond to the cholera epidemic in Sierra Leone. The IRC was the only partner to respond to the crisis in the rural Eastern districts of Kono and Kenema. During the

ACHIEVEMENTS AND PERFORMANCE (continued)

Statutory donor funded field programmes (continued)

Saving lives: Health (continued)

six weeks of the response, the IRC treated 1,060 cases of cholera in specially designated wards, and provided cholera prevention support to more than 30,000 people through water point chlorination and the distribution of water purification tabs. Over 2,000 people were trained in cholera identification, treatment and prevention, and radio broadcasts and city "clean-up" activities were held across the two districts to help prevent the spread of the disease. A key element of the success of the project was our ability to support and strengthen the local health authorities to be better equipped to respond to similar crises in the future. (DFID: £123,321, 42,639 direct beneficiaries, plus indirect beneficiaries reached through the awareness campaigns)

The IRC in Sierra Leone was awarded a grant through DFID's Global Poverty Action Fund (GPAF) called "Back on Track", focusing on improving maternal health and reducing child mortality by supporting and building the capacity of local government health institutions and structures in Kono and Kenema districts to provide free health care for these especially vulnerable groups. Gaps between health facilities and the communities they serve (for example poor resourcing, inaccessibility and unreliable drug supplies) will be addressed by working closely with local communities. Monitoring and feedback mechanisms will be established to enable accountable and sustainable health service delivery. (DFID: £2,271,644, 308,056 beneficiaries)

Saving lives: Health, water and sanitation, and child protection

Mali

Through SIDA's "Saving Lives, Protecting Rights and Rebuilding Communities" Humanitarian Framework Rapid Response Mechanism, the IRC launched its first multi-sectoral project in southern Mali to respond to the ongoing food crisis that plagues the country. An emergency nutrition intervention, for which the IRC partnered with local NGO ASDAP (Association de Soutien au Développement des Activités des Populations), is being complemented with water and sanitation (WASH) interventions in six Community Health Centres and Referral Health Centres, child protection activities in communities, and by targeting Children and Mothers' Centres to increase awareness about malnutrition and services available. The intervention is taking place in Kati District, Koulikoro Region, which is the district with the highest estimated caseload of Severe Acute Malnutrition in children under 5 years of age, and with major gaps in life-saving services to respond to the crisis. The programme has trained 50 health centre staff on Ministry of Health protocols and management protocols, and Management of Acute Malnutrition through outpatient therapy programmes and within communities. Through SIDA, the IRC has also covered the costs of all medical consultations for children under 5 years.

Each of the centres targeted has benefited from improved WASH facilities, including latrines, hand-washing points and waste management systems. Child protection volunteers conduct outreach in communities on response and prevention of malnutrition, referring children and addressing obstacles to accessing services. Messaging is also focused in seven Children and Mothers' Centres. An initial evaluation was conducted to assess the environmental

ACHIEVEMENTS AND PERFORMANCE (continued)

Statutory donor funded field programmes (continued)

Saving lives: Health, water and sanitation, and child protection (continued)

impact of the project and IRC Mali met the programme targets during the period of implementation. (SIDA: 15 May–31 October 2012, SEK 2,485,122)

IRC Mali is implementing two ECHO projects: one in Koulikoro Region to respond to the acute nutrition crisis in the south targeting 20 Community Health Centres, where children with Severe Acute Malnutrition are treated or referred to the District Referral Centre (supported by the IRC through UNICEF). The project encourages families to attend the health centres for treatment by also providing ambulance services and travel kits. Seven mobile teams are also conducting screenings and referrals. (ECHO: 23 July 2012–22 March 2013, EUR 900,000)

The second project responds to the cholera epidemic and dire water and sanitation conditions in the north, where violent conflict and instability threaten social services and communities' ability to prevent and respond to the threat of cholera. The IRC is partnering with a local organisation GREFFA (Groupe de Recherche, d'Etude, de Formation, Femme Action) to repair 25 essential water points, repair sanitation facilities in three health centres, distribute hygiene kits to prevent cholera, conduct awareness and monitoring on cholera prevention, and to train volunteers in water chlorination. (ECHO: 1 July–31 December 2012, EUR 349,044)

Protecting the vulnerable: Women's protection and empowerment

Kenya and Ethiopia

Towards the end of 2011, Irish Aid contacted the IRC, with a view to initiating protection of women and girls projects in Kenya and Ethiopia. Previously a regular donor of IRC-UK's, the collaboration had been somewhat smaller in recent years following the financial crises. The IRC was delighted by the re-engagement of this major donor, and that Irish Aid recognises the IRC as a leading agency when it comes to gender, protection and empowerment work. Following the severe drought of 2011, the IRC has set up a range of initiatives aimed at increasing resilience in households and communities. (Irish Aid: Kenya EUR 200,000 beneficiaries 50,000; Ethiopia EUR 200,000, beneficiaries 37,883)

South Sudan

The IRC and DANIDA entered into a longer-running, high value collaboration to improve the situation of women in South Sudan in 2011. Following its recent independence, South Sudan is struggling to provide adequate basic services to its own population, and much of the IRC's work in-country is aimed at supporting this process. IRC programmes focus on gender and protection, including advocacy activities, and establishing Girls' Empowerment Movement (GEM) clubs and Village Saving and Loan Associations (VSLA). (DANIDA: DKK 25,000,000)

Jordan

Since violence erupted in Syria, an estimated 600,000 people have fled to neighbouring countries. Violence against women and girls was a fact of life for many Syrians prior to the

ACHIEVEMENTS AND PERFORMANCE (continued)

Statutory donor funded field programmes (continued)

Protecting the vulnerable: Women's protection and empowerment (continued)

conflict, and survivors of violence face a lack of access to specialised services once in Jordan. The IRC, funded by ECHO, has launched a programme in Jordan that is working with partners to ensure quality violence against women prevention and response services, as well as providing psychosocial support services to Syrian refugees in Jordan. (ECHO: EUR 200,000 [EUR 50,000 match], beneficiaries 6,050 refugees and 60 health staff)

Rebuilding communities: Education

Afghanistan

In Helmand, more than half of Ministry of Education (MoE) schools are closed, mainly due to security reasons, and only 23% of the students are girls. The DANIDA funded project, SPEDAH, will complement the anticipated on-budget funding to the MoE, building the capacity of the MoE, teachers and community members to take full responsibility for community based education, expanding access and improving the quality of education for children, young people and adults, with a particular focus on girls. (DANIDA: \$878,572, beneficiaries 2400 students and 80 teachers)

Sierra Leone

As the lead agency of a consortium of NGOs working to improve the education outcomes of all children in Sierra Leone, the IRC has recently been awarded a grant from DFID to fund an ambitious and wide-reaching new project. The project aims to increase children's access to quality education through a programme of activities, including "catch-up" programmes, mentoring, supporting community assistants, teacher training, and community-based monitoring, with a target of increasing primary school enrolment and attendance by 20%.

Over three years, an anticipated 24,000 primary school children will complete primary school and reach reading and numeracy benchmarks; over 60,000 primary school children will participate in and achieve target standards in an innovative, evidence-based reading programme; and a further 16,000 marginalised students in junior secondary schools across seven districts will be supported through stipends. The IRC's consortium partners are ActionAid, Concern Worldwide, IBIS, Plan and Save the Children. (DFID: £6,994,068 (IRC budget £4,047,902), 112,928 beneficiaries)

FINANCIAL REVIEW

Financial report for the year

In 2011-12, IRC-UK maintained its level of charitable expenditure, in particular in maintaining the level of activities in Chad, Liberia, Myanmar and Sierra Leone, and growth in Democratic Republic of Congo, Ethiopia, Ivory Coast, Kenya (in response to the drought in the region) and South Sudan (the world's newest country). Operations in Pakistan and Afghanistan were scaled back, following a peak in funding in 2011, and funding has been obtained for new activities in Egypt and Jordan (in response to the Syria crisis) and Mali.

FINANCIAL REVIEW (continued)

Financial report for the year (continued)

This was made possible by continued grant funding for international work from statutory donors, including DFID, the European Commission Humanitarian Aid Office (DG ECHO), Swedish International Development Agency (SIDA), and the Danish International Development Agency (DANIDA), together with an increase in funding from trusts and foundations. Emergency appeals in response to the East Africa drought and the Syrian crisis also succeeded in attracting donations from individuals, corporate partners and trusts and foundations to support the scaling-up of operations.

We succeeded in increasing voluntary income to £646,000 (2011: £460,000), with particular success in raising restricted funds, and exceeding our target for unrestricted fundraising from individuals.

Principal funding sources

The principal funding sources for the charity were:

- ◆ Grants from institutions and trusts (as detailed in the financial statements), almost entirely applied for and restricted to specific programmes as classified above; and
- ◆ Voluntary income and individual donations.

Reserves policy

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

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

The designated fund created in 2010-11 for investment in premises had been partially used by the Year End in preparation for the office move in early December 2012. The designated fund for investment in systems was used to upgrade the accounting system and the website.

Financial position

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 2012, and which does not form part of the charity's available reserves, was £13 million (2011: £18 million).

At 30 September 2012, the unrestricted funds of the charity stood at £1.1 million (2011: £1.1 million), which, after deducting £42,000 (2011: £41,000) tied up in fixed assets and £106,000 (2011: £180,000) of designated funds, leaves a balance of free reserves of £962,000 (2011: £921,000).

FINANCIAL REVIEW (continued)

Financial position (continued)

During the year, IRC-UK made a small loss of £32,000 (2011 – surplus of £798,000) on the unrestricted fund. This is due to several factors including: a fall in Unrestricted income from Grants of £348,000 compared to 2011, partially due to delays in the delivery of Grants in a number of countries where activities will be delivered in 2013; accounting exchange losses recognised on the closure of foreign currency Grants (£160,000); increased investment in resources to deliver the strategic plan and business development (staff costs £192,000 and related support costs £89,000); and a provision of £42,000 for the known costs of terminating the lease prior to the premises move in December 2012, already provided for within the designated fund for this purpose. We expect to make a small surplus in 2013 and to maintain Reserves at the current level.

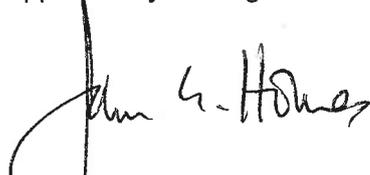
IRC Inc has agreed to continue to provide an allocation of unrestricted funds to be agreed annually, based a percentage share of internal cost recovery on restricted funds generated by IRC-UK for international programmes, and to renegotiate the level of budget support if exceptional circumstances arise.

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. Fixed assets include IT equipment, other fixtures and equipment, and capitalised leasehold improvements.

Approved by and signed on behalf of the Trustees:


Sir John Holmes (Co-Chair)


Glenda Burkhart

Approved by the Trustees on:

20 March 2013

Independent auditor's report Year to 30 September 2012

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 2012 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

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

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

Scope of the audit of the financial statements

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

Independent auditor's report Year to 30 September 2012

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 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.



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

28 March 2013

Statement of financial activities Year to 30 September 2012

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2012 funds £'000	Total 2011 funds £'000
Income and expenditure					
Incoming resources					
Incoming resources from generated funds	1	267	379	646	493
Incoming resources from charitable activities	2	1,470	54,428	55,898	67,270
Total incoming resources		1,737	54,807	56,544	67,763
Resources expended					
Cost of generating funds	4	506	—	506	447
Charitable activities	5				
. Saving lives		597	29,888	30,485	28,571
. Protecting the vulnerable		318	15,896	16,214	12,978
. Rebuilding communities		284	14,202	14,486	20,596
. Other		5	237	242	(530)
Total charitable activities		1,204	60,223	61,427	61,615
Governance costs	3	59	—	59	68
Total resources expended		1,769	60,223	61,992	62,130
Net (outgoing)/incoming resources for the year		(32)	(5,416)	(5,448)	5,633
Balances brought forward at 1 October 2011		1,142	18,399	19,541	13,908
Balances carried forward at 30 September 2012		1,110	12,983	14,093	19,541

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 23 to 33 form part of these financial statements.

Balance sheet Year to 30 September 2012

	Notes	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Fixed assets					
Tangible assets	9		42		41
Current assets					
Debtors	11	12,193		11,425	
Cash at bank and in hand		10,219		15,785	
		<u>22,412</u>		<u>27,210</u>	
Creditors: amounts falling due within one year	12	<u>(8,361)</u>		<u>(7,710)</u>	
Net current assets			<u>14,051</u>		<u>19,500</u>
Total net assets			<u>14,093</u>		<u>19,541</u>
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	13		12,983		18,399
Unrestricted funds					
. Designated funds	14		106		180
. General fund			1,004		962
			<u>14,093</u>		<u>19,541</u>

Approved by the Trustees and signed on their behalf by:


Sir John Holmes (Co-Chair)


Glenda Burkhart

Approved by the Trustees on:

20 March 2013

Cash flow statement for the year to 30 September 2012

	Notes	2012 £'000	2011 £'000
Cash (outflow)/inflow from operating activities	A	(5,534)	3,648
Returns on investments	B	10	33
Capital expenditure and financial investment	B	(42)	(9)
(Decrease)/increase in cash	C	(5,566)	3,672

Notes to the cash flow statement for the year to 30 September 2012

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

	2012 £'000	2011 £'000
Net (outgoing)/incoming resources before transfers	(5,448)	5,633
Depreciation charge	41	40
Investment income and interest receivable	(10)	(33)
Increase in debtors	(768)	(5,035)
Increase in creditors	651	3,043
Net cash (outflow)/inflow from operating activities	(5,534)	3,648

B Gross cash flows

	2012 £'000	2011 £'000
Returns on investments		
Investment income and interest received	10	33
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(42)	(9)

C Analysis of changes in net cash

	At 1 October 2011 £'000	Cash flows £'000	At 30 September 2012 £'000
Cash at bank and in hand	15,785	(5,566)	10,219

Principal accounting policies Year to 30 September 2012

Basis of accounting

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

Basis of consolidation

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

There was no material difference between the charity and group balance sheets for 2011.

Income

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

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

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

Resources expended

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

Resources expended comprise the following:

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

Principal accounting policies Year to 30 September 2012

Resources expended (continued)

- 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.

Foreign currency

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

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

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

Leased assets

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

Tangible fixed assets

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

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

- ◆ Vehicles and equipment, including computer equipment - three years
- ◆ Land and buildings, and leasehold improvements - over the remaining life of the lease up to a maximum of ten years

Principal accounting policies Year to 30 September 2012

Tangible fixed assets (continued)

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

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

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

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

Fund accounting

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

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

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

Notes to the financial statements Year to 30 September 2012

1 Incoming resources from generated funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000	Total 2011 £'000
Voluntary income	257	379	636	460
Interest receivable	10	—	10	33
	267	379	646	493

Included within incoming resources from generated funds are donations of £94,675 from IRC-UK Trustees (2011: £159,339).

Interest earned and retained amounted to £10,000 (2011: £33,000). This was after interest earned amounting to £nil (2011: £1,000) was allocated to relevant donors.

2 Incoming resources from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000	Total 2011 £'000
Grants				
. Big Lottery Fund	—	—	—	151
. The Danish International Development Agency (DANIDA)	—	1,117	1,117	385
. European Community	—	2,961	2,961	3,000
. European Commission Humanitarian Aid Office (DG ECHO)	—	13,245	13,245	20,494
. Ireland – Development Cooperation Division of the Department of Foreign Affairs	—	777	777	833
. Jersey Overseas Aid Corporation	—	62	62	—
. Oak Foundation	—	—	—	193
. Scottish Government International Development Fund (via CONCERN Worldwide)	—	—	—	84
. Stichting Vluchteling	—	18	18	920
. Swiss Agency for Development and Cooperation	—	692	692	547
. Swedish International Development Cooperation Agency (SIDA)	—	6,463	6,463	10,506
. UK Department for International Development (DFID)	—	28,529	28,529	27,877
. Other trusts and foundations	—	191	191	126
Total grants	—	54,055	54,055	65,116
IRC Inc funding for UK-based Technical Units	—	373	373	336
Unrestricted income from grants	1,470	—	1,470	1,818
Total	1,470	54,428	55,898	67,270

Notes to the financial statements Year to 30 September 2012

2 Incoming resources from charitable activities (continued)

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

Contract No.	Programme	Income received £
AG4765	Community Driven Reconstruction in DR Congo "Communities Sowing the Future of Congo"	16,035,717
AG5130	Access to Healthcare in DRC	11,275,556
AG5332	Legal Assistance Centre Project (LAC)	445,656
202316-102	Restoring Livelihoods in Myebon, Myanmar	92,446
202080-138	Support to Flood Affected Population through Protection monitoring, Referral and Legal Assistance	428,706
202316-106	Restoring Livelihoods in Minbya, Myanmar	50,000
203610-101	Cholera prevention & treatment in Easter Sierra Leone	88,442
BSF IAe25	SHTP11 Gap funding for Aweil South & Panyijar counties	181,749

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

Funding via Consortium of British Humanitarian Agencies (CBHA):	Income Received £
Humanitarian Capacity Building: Surge capacity component	28,846

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

Contract No.	Programme	Income received £
104.Africa.29-32	Women's Economic and Social Empowerment Programme in East Africa (Kenya, Uganda, Sudan)	363,298
104.SudSudan.27-200--.6	Promoting Protection and Accountability for Women and Girls in South Sudan	491,178
SPEDAH	Support to Primary Education in Distant Areas of Helmand (SPEDAH), Afghanistan	287,762

3 Analysis of resources expended from unrestricted funds

	Cost of generating funds £'000	Charitable activities £'000	Governance costs £'000	Total 2012 £'000	Total 2011 £'000
Direct costs					
Staff costs	266	326	10	602	483
Direct costs	51	61	-	112	74
Audit costs			27	27	33
Total direct costs	317	387	37	741	590
Support costs					
Staff costs	105	365	13	483	417
General support costs	71	408	8	487	230
Travel, transport and accommodation	13	44	1	58	32
Total support costs	189	817	22	1028	679
Total resources expended	506	1,204	59	1,769	
Total resources expended 2011	447	754	68		1,269

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 2012 £'000	Total 2011 £'000
Generation of voluntary income and costs of activities for generating funds	94	75
Generation of income from charitable activities	412	372
	506	447

Notes to the financial statements Year to 30 September 2012

5 Charitable activities

	Support costs £'000	Activities undertaken directly £'000	Total 2012 £'000	Total 2011 £'000
Saving lives				
Health (includes psychosocial)	499	24,969	25,468	24,832
Environmental health	98	4,919	5,017	3,739
	597	29,888	30,485	28,571
Protecting the vulnerable				
Child protection	10	492	502	755
Women's protection and empowerment (GBV)	64	3,190	3,254	2,058
Protection and rule of law	244	12,214	12,458	10,165
	318	15,896	16,214	12,978
Rebuilding communities				
Livelihoods (including agriculture)	88	4,449	4,537	9,620
Economic development	6	283	289	162
Community development	161	8,035	8,196	9,554
Civil society	9	467	476	712
Education	20	968	988	548
	284	14,202	14,486	20,596
Other				
General costs	5	237	242	(530)
	5	237	242	(530)
Total	1,204	60,223	61,427	61,615

Support costs are allocated across charitable activities in proportion to activities undertaken directly, and include accounting exchange losses of £160,824 recognised on the closure of foreign currency Grants. The cost of Activities undertaken directly includes a temporary net exchange loss of £120,071 resulting from the translation of restricted fund balances at the year end.

6 Net movement in funds

This is stated after charging:	Total 2012 £'000	Total 2011 £'000
Staff costs (note 7)	1,544	1,279
Statutory auditor's remuneration		
· Current year	20	20
· Prior year	4	7
Non-audit services	16	1
Other auditor's remuneration	3	5
Depreciation	41	40
Operating lease charges	115	67

Notes to the financial statements Year to 30 September 2012

7 Staff costs and trustees' remuneration

	2012 £'000	2011 £'000
Staff costs for UK based staff during the year were as follows:		
Wages and salaries	1,348	1,130
Social security	170	128
Pension costs	26	21
	1,544	1,279

Staff funded by field programmes make up £438,000 of total staff costs 28% (2011 - £340,000; 27%). This is classified as restricted expenditure.

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

	2012	2011
£60,001 - £70,000	1	1
£100,001 - £110,000	1	1

No trustee received any remuneration for services as a trustee (2011 - £nil) and travel expenses of £6,036 (2011 - £nil) relating to Board field visits were paid on behalf of 3 trustees (2011 - none).

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

	2012	2011
Fundraising and donor development	6	7
Programme delivery	21	17
Programme support	7	5
Management and administration	1	1
	35	30

8 Taxation

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

Notes to the financial statements Year to 30 September 2012

9 Tangible fixed assets

	Computer equipment £'000	Furniture, fixtures and equipment £'000	Leasehold improve- ments £'000	Total £'000
Cost				
At 1 October 2011	114	14	75	203
Additions	15	—	27	42
At 30 September 2012	129	14	102	245
Depreciation				
At 1 October 2011	103	14	45	162
Charge for year	11	—	30	41
At 30 September 2012	114	14	75	203
Net book values				
At 30 September 2012	15	—	27	42
At 30 September 2011	11	—	30	41

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.

A summary of the results for the year ended 30 September 2012 and the position at the year end of IRC-UK Trading Limited is shown below:

	2012 £'000	2011 £'000
Turnover	—	—
Expenditure	—	(1)
(Loss)/profit on ordinary activities before Gift Aid payment	—	(1)
Gift Aid payment: IRC-UK	—	—
Loss retained in subsidiary at 30 September 2012	(1)	(1)
<i>Balance sheet</i>		
Assets	—	—
Liabilities	(1)	(1)
	(1)	(1)
<i>Represented by:</i>		
Called up share capital	—	—
Profit and loss account	—	(1)
Shareholders' funds	(1)	(1)

The £1 issued share capital equalled the net assets of the company at 30 September 2012.

Notes to the financial statements Year to 30 September 2012

11 Debtors

	2012 £'000	2011 £'000
Funds held overseas	5,634	5,220
Grants receivable	6,327	5,960
Other debtors and prepayments	232	245
	12,193	11,425

12 Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Programme creditors	8,048	7,501
Other creditors and accruals	313	209
	8,361	7,710

Notes to the financial statements Year to 30 September 2012

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 2011 £'000	Incoming resources £'000	Expenditure and transfers £'000	At 30 September 2012 £'000
Afghanistan	(88)	266	(78)	100
Burundi	258	649	(648)	259
Central Africa Republic	134	409	(310)	233
Chad	907	1,724	(2,569)	62
Democratic Republic of Congo	7,294	31,116	(32,732)	5,678
East Africa Region	5	3	(3)	5
Ethiopia	914	1,099	(1,777)	236
Haiti	(20)	899	(449)	430
Iraq	—	—	(10)	(10)
Ivory Coast	256	1,383	(1,346)	293
Japan	18	—	—	18
Jordan & Middle East	—	214	(58)	156
Kenya	240	2,868	(2,551)	557
Lebanon	—	63	—	63
Liberia	538	3,810	(3,890)	458
Mali	—	247	(237)	10
Myanmar	1,083	990	(1,562)	511
Pakistan	2,752	3,164	(4,887)	1,029
Rwanda	—	—	—	—
Sierra Leone	775	861	(950)	686
Somalia	131	1,479	(865)	745
South Sudan	644	1,978	(2,335)	287
Tanzania	84	9	(69)	24
Thailand	207	558	(702)	63
Uganda	113	165	(272)	6
Zimbabwe	717	372	(949)	140
Multi-country	452	(308)	(45)	99
Restricted exchange gains accumulated	648	—	(120)	528
Programme and technical support	307	99	(180)	226
Technical Units	30	690	(629)	91
	18,399	54,807	(60,223)	12,983

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

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

Notes to the financial statements Year to 30 September 2012

13 Restricted funds (continued)

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

	At 1 October 2011 £'000	Incoming resources £'000	Expenditure and transfers £'000	At 30 September 2012 £'000
Saving lives				
Health (includes psychosocial)	7,450	21,751	(24,969)	4,232
Environmental health (water, sanitation, & shelter)	2,778	3,116	(4,919)	975
	<u>10,228</u>	<u>24,867</u>	<u>(29,888)</u>	<u>5,207</u>
Protecting the vulnerable				
Child protection	174	575	(492)	257
Women's protection & empowerment	2,197	2,302	(3,191)	1,308
Protection & rule of law	1,492	12,544	(12,214)	1,822
	<u>3,863</u>	<u>15,421</u>	<u>(15,897)</u>	<u>3,387</u>
Rebuilding communities				
Livelihoods (including agriculture)	2,111	4,649	(4,448)	2,312
Economic development	41	263	(283)	21
Community development	426	8,430	(8,035)	821
Civil society	315	270	(467)	118
Education	549	1,160	(968)	741
	<u>3,442</u>	<u>14,772</u>	<u>(14,201)</u>	<u>4,013</u>
Other				
General costs (including foreign exchange (gain)/loss)	866	(253)	(237)	376
	<u>866</u>	<u>(253)</u>	<u>(237)</u>	<u>376</u>
	<u>18,399</u>	<u>54,807</u>	<u>(60,223)</u>	<u>12,983</u>

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

Notes to the financial statements Year to 30 September 2012

14 Designated funds

	At 1 October 2011 £'000	New designations £'000	Released £'000	At 30 September 2012 £'000
Premises investment	150	10	(69)	91
Systems investment	30	5	(30)	5
Premises repairs	-	10	-	10
	180	25	(99)	106

Designated funds have been created for the following:

- ◆ Investment in new premises, approved by the Board of Trustees in July 2011. The move to new premises took place in December 2012.
- ◆ Investment in systems: projects to improve the organisation's external web presence and to upgrade the accounting system to a more stable platform were completed in 2011-12.
- ◆ The lease for the new premises is a full self-repairing lease (previously IRC-UK had occupied managed properties). In view of this, a new designated fund has been created to provide a fund for future large-scale repairs.

15 Operating leases

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

	2012 £'000	2011 £'000
Within two to five years	115	67

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 £1,842,811 (2011 - £2,247,218) were received from IRC Inc, of which £1,470,091 was unrestricted funding from European donor-funded programmes covering IRC-UK's core operating costs (2011 - £1,818,328) and £372,720 was reimbursement of the salary and operating costs of UK-based Technical Units (2011 - £336,494) (see note 2).

Notes to the financial statements Year to 30 September 2012

16 Connected charities and related parties (continued)

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 2012, £58,942 (2011 - £16,827) 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 £5,717,063 (2011 - £5,220,456). Funds owed to IRC overseas offices in relation to monies already disbursed totalled £8,028,035 (2011 - £7,699,897).

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 £nil (2011 - £nil) 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. Amounts disallowed are generally insignificant as a proportion of overall project budgets and are considered to be fully recoverable as they are covered by the IRC Inc support referred to above.

18 Project commitments

As at 30 September 2011, IRC-UK was committed to expenditure on ongoing and future programmes totalling £68m (2011 - £99m). Funding agreements are in place for all of these programmes.

19 Analysis of net assets between funds

	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total 2012 £'000
Fund balances at 30 September 2012				
Are represented by:				
Tangible fixed assets	42	—	—	42
Current assets	1,209	106	21,097	22,412
Creditors: amounts falling due within one year	(247)	—	(8,114)	(8,361)
Total net assets	1,004	106	12,983	14,093

