

Islamic Relief Worldwide

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2017 Annual Report and Financial Statements

In the name of Allah, most Gracious, most Merciful



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Cover: Nema's house was completely destroyed in the Nepal earthquake in 2015, in which the family also lost livestock. Islamic Relief in partnership with Lutheran World Federation Nepal and Batas Foundation, constructed over 150 earthquake-resilient homes for vulnerable families in the remote mountainous villages of Yarsha in Rasuwa district, with funding from the Disasters Emergency Committee. Nema's daughter, now a year old, was born in their new home.

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Message from the **Chair of Trustees and Chief Executive Officer**

Asalaamu alaikum Peace be with you

There was a time in the early days of Islamic Relief Worldwide when any one of the kind of emergencies we responded to in 2017 would have been our main intervention in the year. Now the scale of human suffering and our ability to assist have increased to the extent where we are responding to multiple large-scale crises annually, with over seven million people reached this year. We were able to undertake this scale of programming thanks to the generosity of our donors who gave the organisation a record £126 million. Our humanitarian programmes this year included It is testament to our generous donors and delivering food to two million people in war-torn supporters, as well as our hardworking staff and Yemen as well as life-saving medical aid. In East volunteers, that both the scope and quality of Islamic Africa prolonged drought put 19 million lives at risk Relief Worldwide's work continues to increase each and our teams across the region responded with year. In 2017, we became one of the first organisations emergency food, clean water and healthcare. As to be awarded the Core Humanitarian Standard violence escalated in Myanmar, our donors gave certification, recognising the effectiveness of our a generous £1 million towards our relief efforts humanitarian work. We also implemented our largest ever Ramadan programme, distributing £7.5 million within the country and in neighbouring Bangladesh. We also continued to support those devastated by worth of food in 34 countries. Meanwhile, two of our conflict in Syria, with our total regional aid response flagship implementing partner offices, Islamic Relief over the last seven years reaching £239 million. Pakistan and Islamic Relief Bosnia-Herzegovina, celebrated their 25th anniversaries while Islamic 2017 was the first year Islamic Relief Worldwide Relief Lebanon marked a decade of work with moving began working towards the new global goals tributes paid to the many lives we have touched over we commit to in our five-year strategy, which the years. continues to contribute towards the UN Sustainable

Development Goals. Presented on page 10 of this report, these goals focus on our four key priorities: reducing the humanitarian impact of conflict and natural disasters; empowering local communities to emerge from poverty and vulnerability; mobilising people and funds to support our work; and strengthening the Islamic Relief federation.

Increasingly, Islamic Relief Worldwide is advocating on behalf of vulnerable people and mobilising communities to make positive change. In 2017, we successfully challenged unacceptable social practices, contributed to the UN climate change summit and initiated a global campaign against gender-based violence.

It was also a year of strengthening our partnerships. In June, Islamic Relief UK worked with local charities to support those affected by the tragic Grenfell Tower fire in London. In November we signed a new partnership agreement with the Iraqi Red Crescent Society to strengthen our work in Iraq. We also renewed a landmark faith partnership agreement with the Lutheran World Federation to carry out joint programmes, policy, research and advocacy with a focus on the role of faith in protecting vulnerable people.

Whilst recognising these achievements, we are acutely aware of the increasingly unstable world in which we operate and the many challenges we face. In October 2017, a deadly bomb attack in Mogadishu, Somalia, claimed 300 lives and shattered our office building. Incidents like these remind us how precarious life is for some and how vulnerable our aid workers are as they deliver vital assistance in some of the most volatile parts of the world.

As we present to you our Annual Report 2017 we take none of our work, achievements or the generosity of our supporters for granted. We thank every individual and institution that has helped make our work a success and most of all we thank Allah Almighty for giving us the honour of being in a position to serve humanity.





Lamia El Amri Chair of the Board of Trustees, Islamic Relief Worldwide

Naser Haghamed Chief Executive Officer, Islamic Relief Worldwide

Our year at a glance



CHARITABLE INCOME





CHARITABLE EXPENDITURE BY REGION



CHARITABLE EXPENDITURE



CHARITABLE EXPENDITURE BY SECTOR





3 MILLION

PEOPLE ASSISTED IN DISASTER SITUATIONS

338,000

LIVES MADE SAFER THROUGH DISASTER RISK REDUCTION

4.4 MILLION

LIVES IMPROVED THROUGH DEVELOPMENT PROGRAMMES IN 34 COUNTRIES

50 PROJECTS

IMPLEMENTED TO REDUCE THE IMPACT OF CLIMATE CHANGE





ONE OF THE FIRST

CHARITIES TO ATTAIN THE CORE HUMANITARIAN STANDARD CERTIFICATION

£5.3 MILLION

LOANED TO IMPROVE LIVELIHOODS THROUGH ISLAMIC MICROFINANCE



2 NEW

ISLAMIC RELIEF OFFICES REGISTERED IN NEPAL AND NORWAY

OVER 59,000

CHILDREN SUPPORTED THROUGH ORPHAN SPONSORSHIP

Our global goals

In 2017, we launched a new five-year strategy to reflect changes in our global working environment and to focus our resources in the service of the world's most vulnerable people.

Islamic Relief Worldwide's vision and mission

- Inspired by our Islamic faith and guided by our values, we envisage a caring world where communities are empowered, social obligations are fulfilled and people respond as one to the suffering of others.
- We work to provide lasting routes out of poverty, empowering people to transform their lives and serving all communities without prejudice.

Our four global goals and key objectives are:



Reducing the humanitarian impact of conflicts and natural disasters

RESPONSE

A greater capacity to respond rapidly to disasters and better protection for communities when they occur.

EXPERTISE

A global reputation for providing effective emergency relief, particularly shelter for displaced people.

CAPACITY

Better community disaster-preparedness and influence on governmental disaster risk reduction plans.



Empowering communities to emerge from poverty and vulnerability

SUSTAINABILITY

More long-term development programmes including climate change adaptation, with multi-year funding.

DEVELOPMENT

Recognised expertise in integrated development programmes, particularly livelihoods and microfinance.

INCLUSION

A strong social justice approach, including gender justice and the role of faith in development.

SUSTAINABLE DEVELOPMENT



Mobilising people and funds to support our work

• INFLUENCE

Advocacy on behalf of those we serve that influences communities, policies and global decision-makers.

SUPPORT

Greater support for our work through regular giving, volunteering, donor engagement and UK programmes.

PARTNERSHIP

Stronger relationships with key humanitarian actors and sector partners, including civil society organisations and international companies.



Strengthening the Islamic Relief federation

GOVERNANCE

Improved governance structure, with greater capacity for effective leadership, institutional fundraising, advocacy and programme management.

TRUST

Recognition as the leading international Islamic aid agency, known for transparency, neutrality and sincerity.

• IMPACT

Greater efficiency in our work, with a strong culture of learning, sharing research, experience and expertise across the federation and beyond.

Structure, governance and management

Board of Trustees

The Board of Trustees directs and oversees the organisation. Focusing on strategic planning and governance, the Board sets our priorities and objectives. It evaluates our performance and the progress of our work to alleviate poverty and suffering, and approves relevant new policies and procedures. The Board appraises the Executive Management Team and can make appointments to and dismissals from these positions. The Board of Trustees works with key stakeholders and makes sure that we satisfy the regulatory requirements on us as a charity.

Representatives of some Islamic Relief partners are included on our Board, thereby enabling us to secure a high level of skills as well as valuable diversity of experience and expertise.

Islamic Relief Worldwide is undertaking a four-year governance reform plan. This will enable many of our partners and independent implementing partners be represented on our new International General Assembly as well as be eligible for election on the Board of Trustees.

Recruiting and appointing trustees

Each member of our Board of Trustees is a volunteer, chosen because they have the range of skills, knowledge and experience that we need to respond to key challenges. Trustees may be nominated by partners and stakeholders, and sometimes we will make a personal approach to potential candidates.

Welcoming and training trustees

A comprehensive induction process and ongoing training in new or emerging areas of responsibility ensure we benefit from a professional and appropriate board. New trustees receive a full overview of our strategic and operational functions, as well as a welcome pack, which includes a copy of the Memorandum and Articles of Association, the financial statements, Board minutes, the Charity Commission guidance 'The Essential Trustee' and recent publications. We may also assign a mentor to help them settle into the role. We actively encourage trustees to identify any training they may need, and our CEO keeps trustees up to date with training opportunities and changes in regulatory standards. We continually evaluate the Board's effectiveness. The Board of Trustees receives regular performance reports, annual financial reports, plans and budgets.

Key personnel

The CEO is accountable to the Board of Trustees and, along with other senior staff, is responsible for our day-to-day management. The CEO chairs the Executive Management Team, which is made up of division directors. Division directors make sure that the policies and strategies agreed by the Board of Trustees are implemented, and they also support the work of other staff and volunteers.

A full list of trustees and key personnel is given in the corporate directory on page 82.

Remuneration policy

We strive to attract and retain talented individuals based on their passion, commitment, values, knowledge, skills and experience. Whilst the financial dimension is not the foremost basis for engagement, we are keen to give our team dignified salaries, so they can meet their reasonable needs. As such, our remuneration principle is to be market relevant, not market driven – so we position ourselves in the median quartile of benchmarking exercises. Our remuneration model is designed to be cost-effective and affordable, and in line with our determination to be lean, to minimise the amount we spend on administration.

We also recognise that attracting and retaining the best talent requires sufficient flexibility to allow for a case-by-case consideration for particularly exceptional talents, hard-to-fill roles and top performers. By using the steps within a set grade range, we can apply this flexibility while maintaining the integrity of the wider grading system.

Governing document

Islamic Relief Worldwide refers to the charity incorporated as a company limited by guarantee in England and Wales. Islamic Relief Worldwide's governing document, known as Memorandum and Articles, was originally dated 14 March 1989 and amended as a Memorandum of Association on 9 August 2010. Islamic Relief Worldwide is also registered with the Charity Commission of England and Wales. Our sole objective is 'the relief of poverty in any part of the world.'

TIC International Ltd

TIC International is a trading subsidiary. It supports our fundraising activities by recycling clothes and running charity shops across the UK.

The Islamic Relief global family

Based in Birmingham, UK, Islamic Relief Worldwide is the international office of the Islamic Relief federation. We oversee global standards, coordinate and monitor project implementation, identify new areas for fund development, oversee the response to emergencies and disasters by members of the Islamic Relief federation and support them as needed with marketing and media materials. We also coordinate relations with multi-lateral institutions, represent the federation in international forums and develop and coordinate the global strategy.

Registered as independent legal entities, Islamic Relief Worldwide's national partner offices raise funds for international humanitarian projects, implement local programmes and deliver vital advocacy and other activities. In these accounts we have included funds transferred to us from the following partner offices:

• Norway

• Spain

• USA

• Sweden

• South Africa

• Switzerland

- Australia
- Belgium
- Canada
- Germany
- Italy
 - .
- Malaysia
 The Netherland
- The Netherlands

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In addition, we have registered branches in:

- Ireland
- Mauritius

Affiliated implementing partners, some of which are independent legal entities, deliver projects on behalf of the Islamic Relief family. These include:

- Islamic Relief India
- Islamic Relief Kenya
- Islamic Relief Pakistan
- Islamic Relief Russian Federation

Countries in which we have country offices implementing humanitarian projects, raising funds and engaging in advocacy are:

- Afghanistan
- Albania
- Bangladesh
- Bosnia and Herzegovina
- Chad
- Ethiopia
- Indonesia
- Iraq
- Jordan
- Kosova
- Lebanon
- Libya

- Malawi
- Mali
- Nepal
- Niger
- Occupied Palestinian Territories
- The Philippines
- Somalia
- South Sudan
- Sudan
- Tunisia
- Turkey
- Yemen

Countries in which we work through other partners to deliver projects include:

- Central African Republic
- China
- Myanmar
- Sierra Leone
- Sri Lanka
- Syria





The Philippines 25,407

Executive management team and trustees' responsibilities

The trustees – who are also directors of Islamic Relief Worldwide – are responsible for preparing the trustees' report. This includes the group strategic report and the financial statements, preparing these in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires our trustees to prepare financial statements for each financial year. They 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 the group, and of the incoming resources and application of resources – including income and expenditure – of the charitable group 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 Charity Commission Statement of Recommended Practice (SORP)
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable group will continue in operation.

Trustees must keep adequate accounting records that are sufficient to:

- show and explain the charitable company and the group's transactions
- disclose with reasonable accuracy at any time the financial position of the charitable group
- enable them to ensure that the financial statements comply with the Companies Act 2006.

The trustees are also responsible for safeguarding the assets of the charitable company and the group, and, therefore, have to take reasonable steps to prevent and detect fraud and other irregularities.

Statement on disclosure of information to the auditors

Under Section 418, in the case of each director in office at the date the trustees' report is approved, the reports include a statement that declares:

• So far as they are aware, there is no relevant audit information of which our auditors are unaware. They have taken all the steps that they should have taken to make themselves aware of any relevant audit information, and to establish that our auditors are aware of that information.

Public benefit

We develop strategic plans to make certain that we deliver maximum public benefit and achieve our strategic objectives, which fall under purposes defined by the Charities Act 2011. The trustees have carefully considered the Charity Commission's general guidance on public benefit in setting our objectives and planning our activities.

Employees

We support our employees and actively develop their skills. We encourage all our colleagues to engage with the organisation's strategy and objectives, and to give their suggestions and views on performance and strategy. We are committed to the People in Aid (PIA) code of good practice.

Islamic Relief Worldwide is an equal opportunities employer and we are proud to recruit and promote based on aptitude and ability, without discrimination.

Our staff benefit from training and career development policies, as well as regular supervision and an annual appraisal.

Volunteers

Our volunteers provide crucial support for our work and we continue to be assisted by a committed and passionate network of volunteers, who we actively manage. During 2017, our network of dedicated volunteers contributed significant hours supporting our shops, administration, fundraising and campaigning activities.

Auditors

A resolution to reappoint Crowe U.K. LLP as auditors will be put to the members at the Annual General Meeting.

Fundraising structure

Islamic Relief Worldwide raises funds through various channels including online platforms, and through its Middle East and Emerging Markets fundraising departments which help new partner offices establish and grow, as well as strengthen links with institutional donors around the world. It also has a structure in place that governs the fundraising function through its fundraising division, Islamic Relief UK. The overall objectives are agreed with the Board and disseminated to Islamic Relief UK. The Board and Islamic Relief UK then plan accordingly, setting Key Performance Indicators for their teams and delivering in accordance with the Fundraising Regulator's Code of Fundraising, to which the charity adheres. The results of the fundraising teams are monitored on a regular basis by management and reports are issued to the Board periodically.

Fundraising

The Charity adheres to all relevant statutory regulations including the Data Protection Act 1998, the Charities Act 2011 and the Telephone Preference Service. We are registered with the Fundraising Regulator and strive for best practice in fundraising by adhering to the Code of Fundraising Practice. The organisation is also a member of the Institute of Fundraising.

Our fundraising utilises a number of different approaches, which include the following:

- Major-donor giving
- Corporate giving
- Community fundraising
- Charity shops
- Challenges
- Live TV appeals
- Events
 - Volunteers
 - Direct mail
 - Online giving

In 2017, all activities were carried out by our own staff and we did not use professional fundraising agencies or other third parties.

Charity Week

Charity Week started in 2002 with a group of students in London and is now an international event that raises funds in the UK, Ireland, Germany, Qatar, the USA and Australia, as well as at the Islamic Relief Worldwide offices in Birmingham, UK. This year in the UK, we worked with students from 169 higher and further education student societies. The Charity Week Board of Advisors ensured that robust training was given to every student society team through regional workshops which were then managed locally by the delivering teams and filtered down to every participating student. Members of the Islamic Relief UK community volunteer fundraising team and the Board of Advisors visited Charity Week events across the country to monitor these activities and ensure best practice.

Code of Fundraising Practice

During the year we performed an internal audit of our compliance with the Fundraising Regulator's Code of Fundraising Practice. We plan to subject ourselves to an external audit of compliance in 2019.

Protection of vulnerable people

Islamic Relief Worldwide abides by the Fundraising Regulator's Code of Fundraising Practice and ensures our staff and volunteers are fully briefed about the protection of vulnerable people. Before any external facing fundraising activity is undertaken, we brief staff and volunteers on best practice and make them aware of the need to identify, respect, support and protect vulnerable people.

Complaints handling

There may be times when we do not meet the high standards we set ourselves and for such instances we have a complaints policy in place. The policy is published on our website and a complaint can also be lodged through the website. Complaints are captured centrally, dealt with in accordance with the process laid down in the policy and reported to the Fundraising Regulator through the annual return.

We received 39 complaints in 2017, all of which were investigated and addressed in accordance with the complaints policy.

General Data Protection Regulation (GDPR)

An assessment of our compliance with the GDPR was carried out by an external consultant. From this an action plan was produced and its implementation overseen by a steering committee. By early May 2018, staff had completed GDPR training and the organisation had in place a Data Protection policy and privacy statements.

Trustees' Strategic Report

Our trustees are pleased to present their annual report with the audited consolidated financial statements of Islamic Relief Worldwide and its trading subsidiary for the year ended 31 December 2017.

Reducing the impact of conflicts and natural disasters

In 2017, we responded to 16 natural disasters and supported people affected by new and ongoing conflicts around the world. It was a year of many large-scale emergencies, from the devastating wars in Syria and Yemen, to the humanitarian crisis in Myanmar and drought across east Africa.

We built the resilience of communities at risk of disaster and strengthened local capacity to respond to emergencies. We influenced governments' disaster risk reduction strategies and shared our global expertise on accessing hard-to-reach communities. By the end of the year we had responded to the needs of over three million people affected by disasters and helped mitigate the risk of future disasters for almost 200,000 people.

LIFE-SAVING FOOD AID DELIVERED TO MORE THAN

OVER 405,000 **PEOPLE PROVIDED WITH** WINTER SURVIVAL ITEMS **IN 17 COUNTRIES**



LION PEOPLE **INSYRIA**





Timeline

As the crisis in **Yemen** escalated, our emergency response programme expanded. In South Sudan we provided emergency food, water, sanitation and healthcare to 12,500 people displaced by violence. In Malaysia 13 lorries carrying vital aid reached communities deluged in the country's worst flooding in three decades. In Indonesia we met the urgent needs of over 200 people affected by an earthquake in Pidie Jaya.



Medina and her three-year-old son Zakaria were desperately need of life-saving treatment. When they were discharged, Medina. "I am so thankful to you and your donors."

The war in **Syria** entered its seventh year and despite the challenges, our teams assisted over 4.5 million people during the year. A famine was declared in South Sudan, with Ethiopia, Kenya and Somalia also at risk, prompting a Disasters Emergency Committee (DEC) appeal. Our teams improved food security across the region, from supplying food and clean water to providing climate-resilient livestock and community microfinance to help people back on their feet.

MARCH

JANUARY

In Yemen, we provided life-saving aid in 18 governorates, reaching 2.1 million people at risk of famine and disease.

FEBRUARY

Our 2017 winter programme provided Syrian refugees in Lebanon and 4,000 vulnerable people in Jordan with heating and winter survival items. In Tunisia, 1,500 children in remote areas received winter clothing, in the Occupied Palestinian Territories 400 vulnerable families received warm bedding and in Afghanistan we provided winter aid to almost 6,500 families displaced by violence. Meanwhile in Azad Jammu and Kashmir we built the resilience of almost 75,000 people against natural disasters.



my family. I feel sad when the children cry from hunger. I also get sick and do not have the strength to look after them.

Saina, from Malawi's Balaka district,

was struggling to feed her four orphaned grandchildren this year. parcel in Malawi this Ramadan. She told Islamic Relief; "This will really help as we will not have to struggle to find food for Iftar."

In 2017, we launched emergency appeals for the Myanmar crisis and the East Africa drought, which along with DEC appeals raised over £3.2 million for our work.



India's worst flooding in 30 years began in Assam, where we gave 2,500 families temporary shelter, clean water and household items. We also provided 600 South Sudanese refugee families in Sudan and 300 families from host communities with water cans, buckets and soap, while improving hygiene practices in West Kordofan camps.

Timeline

In the immediate aftermath of Cyclone Mora in Bangladesh, Myanmar and neighbouring countries, we were on the ground with food and clean water for 14,500 people, as well as emergency shelter kits. We also reached flood-affected people in Sri Lanka with food and began building robust shelters for families left without homes. As Ramadan began so did our £7.5 million programme which delivered over 240,500 family food parcels in 34 countries, including war-torn Syria.



"It was the middle of the night when we had to leave our home in been suffering from fear, hunger and pain ever since. I don't know when it will end.

mother and niece were killed. It is a very cruel life that has taken so many family members away from me. The conditions are nappies I need for my disabled daughter.

stop smiling. It reminded me of the past, when we lived in our own home and I cooked nice meals for my family. Cooking for my

MAY

Our £7.5 million Ramadan programme provided food parcels to over 240,000 foodinsecure families.

JUNE

Our community Iftars brought joy to 2,500 vulnerable people in Gaza and we distributed Eid gifts to children in Malawi, Ethiopia, Sri Lanka and the Philippines. Meanwhile in Sylhet, Bangladesh, we provided almost 10,000 flood-affected people with emergency food. In the United Kingdom, we worked with other charities to distribute clothes and 6,000 bottles of water to survivors of the Grenfell Tower fire - we also donated £25,000 to help meet their needs and over £34,000 towards funeral expenses.

As government forces regained control of Mosul in **Iraq**, our huge aid effort to assist families returning home included clearing debris from the streets and repairing schools, health centres, water sources and sewage systems. Six thousand families received food parcels and 1,000 were given tents and household items. We also gave 600 children school kits and trained 49 teachers. In Kirkuk, Anbar and Baghdad we continued to tackle sexual abuse and early marriage.

JULY



Thirteen kilometres outside Somalia's capital, Mogadishu, lies the them is Khadija, a 38-year-old mother of five who was heavily pregnant when we met her in September 2017. Her husband had fallen ill and passed away, and she had resorted to begging for

"Our lives have changed since we lost our animals to the famine. Relief to give us food, water, shelter and healthcare.

buy anything for them.

"The only thing we have to look forward to is this Qurbani meat, which will bring us a few days of relief. We rarely eat meat and our children are not growing well. People here are suffering from diseases caused by the lack of food, and nursing mothers

but while we are here, it is Islamic Relief that is supporting us.

Our emergency response programme reached over 4.5 million people affected by the war in Syria.



This month we responded to flooding in Bangladesh by providing 12,000 people with food, clean water and household items, as well as cash grants to rebuild livelihoods. In Bihar, India, we gave 2,000 floodaffected families emergency shelter and survival items and disinfected water sources for thousands more. In Ethiopia we lessened the impact of drought for 57,000 people by reducing vulnerability to water shortages and strengthening early warning systems.

Timeline

Eid-ul-Adha was marked with an £11 million global Qurbani programme that provided meat to almost three million people, including some besieged families in **Syria** who felt the world had forgotten them. We delivered meat to 15,000 families in **Gaza** and gave 4,500 orphans Eid gifts to encourage school attendance. Eid gifts also brought a smile to the faces of children in **Afghanistan**, **Ethiopia**, **Malawi**, **Philippines**, **Yemen**, **Sri Lanka**, **Sudan** and **Niger**.

SEPTEMBER

The put my heart and soul and all of my experience and

"I've put my heart and soul and all of my experience and expertise into making sure this life-saving aid is delivered where it is needed most, often in dangerous circumstances."

Salem Jaafar Baobaid is Islamic Relief's Project Coordinator in Yemen, a country in which this year over 200 Islamic Relief staff and 1,200 volunteers provided emergency food, water, health care and medical supplies. In total, we helped more than two million people in 18 governorates, including those in blockaded areas. Violence escalated in **Myanmar** during October and the DEC launched an appeal to help meet the urgent needs of displaced people. Our aid workers heard the heart-breaking stories of traumatised families and worked with partner agencies to deliver food, shelter and hygiene supplies to 300,000 refugees living in camps in Cox's Bazaar, **Bangladesh**.

NOVEMBER

Qurbani is our largest annual food distribution programme which in 2017 reached almost three million people.

OCTOBER

As the crisis in **Yemen** escalated and before all access routes were closed, we delivered 19 tonnes of medication to help tackle the world's worst outbreak of cholera in modern history. We also continued to provide life-saving aid in 18 governorates, including support for hospitals overflowing with patients. Meanwhile in **Niger**, we provided food, water and sanitation facilities for over 5,000 people affected by floods in Tanda.



Children celebrate ten years of Islamic Relief's work in Lebanon, where we assisted 80,000 people in 2017, including many Syrian refugees.

We provided over 400,000 people in 17 countries with essential winter survival items.

DECEMBER

The year ended with our **global** winterisation programme operating in 17 countries to supply essential survival items to over 380,000 people, including families devastated by war in Syria and orphaned children in **Bosnia-Herzegovina.**

In **Yemen**, we provided 125,000 people with winter aid supplies and distributed 1,500 food packs, stoves, firewood and blankets to vulnerable families in **Kosova**.

Empowering communities to emerge from poverty and vulnerability

Our global development programmes contribute to the UN Sustainable Development Goals by addressing the root causes of poverty and improving lives in a sustainable way. In 2017, we supported 4.3 million people in 34 countries, many of them through integrated programmes that help communities become self-sufficient by tackling multiple issues.

We improved livelihoods through microfinance loans and provided better access to clean water, sanitation, healthcare and education. We delivered climate adaptation and food security projects to reduce vulnerability, and in line with our strategic objectives empowered women, promoted inclusion, and built the capacity of faith institutions to contribute to community development.









48,000 HAD BETTER ACCESS TO EDUCATION

Boosting self-sufficiency

Widespread drought across East Africa left millions on the brink of starvation in 2017, making Islamic Relief's continued efforts to improve food security in the region more important than ever. In Kenya's Mandera county, an innovative three-year project provided efficient solar-powered systems to irrigate the land using 80 per cent less water than diesel-powered pumps and requiring minimal maintenance. As a result, over 230 farmers were able to grow enough food for their families and sell the excess for a profit.



In Kenya's Mandera county, a farmers' group is using innovative technology to grow and sell high-value crops despite the ongoing drought. Among them is Halimo (right), a mother of five and sole provider for her family. "I want to change my life and that of my children using new technology," said Halimo.

With a loan from Islamic Relief, the group purchased a climate-smart irrigation kit and their 1.5 acres of land is now irrigated with agro-solar technology. They are already repaying their loan and looking forward to a more secure future. In Ethiopia's Somali region, an ambitious integrated project enabled over 29,000 people to build lasting livelihoods. Two thousand drought-resistant trees are now repairing and protecting the environment for farming communities and we have halved the number of trees cut down for firewood by distributing energyefficient cooking stoves. We also raised awareness of the disproportionate impact of environmental degradation on women, encouraging them to take an active role in protecting natural resources.

Providing energy-efficient cooking stoves has halved the number of trees cut down for firewood and reduced harmful emissions.

To reduce hunger and vulnerability in Sudan, in 2017 we began a £5.6 million development programme, funded jointly by the UK Government's Aid Match initiative. The three-year scheme is redeveloping 54 rural villages in Blue Nile and Greater Kordofan through repairing hand pumps, vaccinating over 166,000 animals and training 100 farmers. The project will also ensure better access to education and healthcare and provide training for young women.

In Niger, recurrent drought in the Oullam and Filingué districts was forcing villagers to leave their homes in the lean season to seek alternative employment. With Islamic Relief's support, these farmers are now growing crops from drought-resistant seeds that allow them to earn more from their harvests and stay with their families, improving the lives of 1,440 people. They are also using techniques that conserve water, reduce the use of harmful chemicals and help protect the environment.

Farmers in Niger are no longer leaving their villages in search of work but staying and protecting their environment and livelihoods.



nsecurity and clan conflicts have ruined ivelihoods in Datu Saudi-Ampatuan in he Philippines, where Islamic Relief nas been supporting village cooperatives o establish successful enterprises.

In 2017, we trained over 900 women, youth and people with disabilities to make and sell high-value products from locally available resources such as wate hyacinth, coconut and corn. The scheme has also estab villages and m groups to get i affairs and loc

Since learnin bags and slip are growing i set up a mark outside the m



ished cooperatives in ten obilised under-represented nvolved in community Il development councils.

to make woven mats, ers, this group's products popularity so they plan to t stall and hope to expand nicipality in the future.

Our livelihood support

programmes in Indonesia helped female farmers use their land during periods of drought and set up women's groups to launch successful mushroom cultivation businesses. In 2017, this project increased the resilience of 240 families in 16 villages in Lombok, and local government is now working with the groups to help their businesses thrive. In 2017 we celebrated the 15th anniversary of our START Microfinance Institution in Kosova, a pioneering programme that has helped nearly 20,000 people break the cycle of poverty. Self-sustaining, it is now the country's leading Islamic financial institution and plays a key role in stimulating economic growth.

In South Sudan, we supported the livelihoods of over 620 female farmers while a microfinance scheme in Niger lifted 543 women out of poverty. In Yemen, we provided 125 women with vocational skills-training and equipment to establish small businesses and in Gaza, the first ever date-paste producing company run by women doubled its production thanks to Islamic Relief funding.

In Chechnya in the Russian Federation, a poultry farming project improved incomes for 200 families and in Tunisia, 146 families were able to build greenhouses to grow produce. Meanwhile in Bosnia-Herzegovina, over 130 people were supported to earn a decent living from selling fruit, vegetables and herbs.



For the past 35 years, Nasreen has been sewing clothes as a source of income but it was only after taking out a microfinance loan in 2017 that her business grew. With a new sewing machine that requires less maintenance, she is more productive than ever before and can now fully support her four children. Nasreen also teaches other women to sew for a small fee, although she does not charge widows and orphaned girls. She has already helped 200 women in Rawalpindi, Pakistan, to set up their own sewing businesses.



Building brighter futures

In 2017, we completed an education rehabilitation programme that improved school attendance in the villages worst affected by the 2015 Nepal earthquake. We built eight community learning centres, provided pupils with clothes and school items and ran a programme of coaching, psychosocial support and extra-curricular activities to keep children engaged in school.

In Tunisia, our mobile libraries took learning materials and e-books to rural communities and use of 17 public libraries shot up after we provided new technology and training for staff. We also enabled 14 schools to provide quality education to over 8,200 children, thanks to new ICT infrastructure, teacher training and an exciting extra-curricular programme.



We took e-books to rural communities in Tunisia and saw the use of public libraries increase dramatically after we provided new technology.

> Over 2,550 orphaned children in Ethiopia were supported to attend school this year as we covered their education costs, built the capacity of local schools to provide quality education, refurbished youth centres as safe learning spaces and helped widowed women become financially stable.





In Afghanistan's Nangarhar and Bamyan school attendance among orphans by providing over 650 children with school uniforms, bags and stationery. We also held recreational activities, provided health and hygiene services, and raised community awareness of children's rights - particularly the importance of education.

Providing safe shelter

With the escalation of violence in Myanmar in 2017, Islamic Relief built new homes for 20,000 internally displaced people in Rakhine state. The typhoonresistant shelters serve as temporary homes for people who face an uncertain future and have helped improve the quality of life in dire camp conditions. Meanwhile in Nepal, thanks to funding from the DEC, we provided 151 new earthquake-resilient homes for mountain tribespeople and Dalits, a marginalised minority living in the remote Himalayan mountains.

In Delhi, India, we helped 19,500 homeless people get access to critical support, including help from government schemes. We provided clothing and toiletries, promoted good hygiene and sanitation practices and set up street health clinics offering eye care, dental checks and immunisation. We also offered psychosocial counselling to help vulnerable people deal with trauma and made homeless people aware of their rights and entitlements, which in turn has challenged the government to provide them with better services.

In 2017, with our support around 270 street children in India gained entry into state-run homes, schools, shelters and drug rehabilitation centres. We also trained homeless women in skills to help them earn a living.



Lan Xinhua and her husband. Ma Liangfa. from Gansu province, China, moved out of their dangerous cave-dwelling into a brand new home constructed by Islamic Relief. The two-year project was completed in 2017, benefitting a total of 510 people. Families in the remote village community no longer spend time repairing dilapidated shelters and are able to focus on earning a living. They have also developed a closer relationship with the local government.

Providing clean water and sanitation

This year, we provided access to safe water for thousands of families in Bihar, India, where widespread flooding damaged and contaminated water supplies. We built new water points above the flood level, installed a plant to remove iron from groundwater, trained men and women to maintain the new facilities and promoted awareness of good health, hygiene and sanitation practices.

Our intervention in Bihar meant that when floodwaters returned, 1,300 people still had access to safe drinking water, and the project became a model for other disaster-resilient schemes.

In the Somali region of Ethiopia, recurrent drought left many without access to safe drinking water, putting lives and livestock at risk. Working with Oxfam GB and Save the Children International, Islamic Relief assisted over 430,000 people by providing potable water and food — including therapeutic feeding for malnourished people — reinforcing emergency health services to tackle life-threating epidemics, and saving livestock.

In drought-afflicted Balochistan, Islamic Relief worked with aid agencies and the Pakistan government to resolve challenges around water, sanitation and hygiene, directly benefiting 7,500 people. Working across three union councils, we constructed water and sanitation facilities in public spaces such as schools, hospitals and market places, installed solar-powered hand pumps and trained community members to maintain the facilities.



In Pakistan, Islamic Relief pioneered the use of renewable energy to extract water through wind and solar technology, and our work with the government has reduced the impact of climate change on communities through policy change

Our work with water-scarce communities in Chad benefited over 5,800 people in 2017, with new boreholes, vegetable gardens run by women's groups and opportunities for youth to earn a living making bricks.

Our environment-friendly water scheme in Chad reduced incidents of waterborne diseases, helped local women grow crops and increased school attendance.



In Rakhine state, Myanmar, our newly installed tube wells were a lifeline for over 3,100 displaced people after Cyclone Mora damaged water sources. In Kosova, 400 people gained access to clean drinking water through a project that also raised awareness of water conservation practices. Meanwhile in Tunisia, we provided water and hand-washing facilities in 100 primary schools, serving 9,800 children.



More than 6,200 people now have local access to clean water thanks to an Islamic Relief project in Niger's Loga district. water is clean, safe and tastes good. Being able to get clean water from a tap gives us some rest and helps keep us healthy."



The water crisis in Gaza has seriously impacted the health of many families, particularly those who cannot afford to buy safe drinking water. Among them were Khadra and her disabled husband from Wadi Al-Salga village, where 4,000 people now have access to clean water thanks to a desalination unit installed by Islamic Relief. We also ran a community health awareness programme, gave hygiene kits to 1,000 children, set up eight women's support groups and a neighbourhood committee that now brings community

As a result, waterborne diseases have declined dramatically and diarrhoea among children aged over three has reduced by 75 per cent.





Women and children from the minority Kalash community in Chitral, Pakistan, attend a hygiene awareness session as part of a rehabilitation project funded by UNICEF.

Completed in 2017, the project ensured over 10,000 flood and earthquake-affected people had access to clean water and sanitation. Addressing the needs of women and girls, Islamic Relief also constructed five private solar-heated bathing areas and raised travelling to use the bathroom or fetch water.

Improving health and wellbeing

As the humanitarian crisis in Syria continued, Islamic Relief provided healthcare to over 1.3 million people through delivering emergency medicine and medical supplies to health facilities in Aleppo, Idlib and Homs; running four mobile health units and supporting 16 paediatric health centres. We also funded over a dozen dialysis centres and set up a new facility serving thousands of kidney patients. In Douma Hospital we paid the salaries of medical staff so they could keep working during the siege and trained over 150 health workers, doctors, midwives and healthcare managers to deliver better services.

Our support allowed medical staff to keep working during the 2017 siege in Douma, Syria, while in Jordan our health services were a lifeline for refugees.

In neighbouring Jordan, the government announced an end to free healthcare for Syrian refugees, leaving an estimated 300,000 people in need. Islamic Relief provided critical support to almost 12,000 people and included haemodialysis services, secondary and tertiary healthcare, a mobile clinic and health awareness sessions. We also supported Syrian refugees living in informal camps and abandoned buildings in Lebanon through our mobile health clinic. Aiming to reach 5,000 people, the clinic went on to assist over 9,000 patients through primary medical care and referrals to health centres.



Funding from Islamic Relief Waqf improved health services for children at two special needs schools in Gaza by installing classrooms and libraries, and providing equipment and games to assist children with disabilities. Eight-year-old Ahmed, who has cerebral palsy, was one of those to benefit from the facilities. "Finally, Ahmed is able to take his first

In parts of Myanmar inaccessible by road, our mobile health clinic reached remote communities by boat to provide vital medical care to residents of 61 villages.

As Islamic Relief marked 25 years of working in Pakistan, we tackled sight loss through mobile screening and eye care clinics serving in excess of 2,800 people in Balochistan. We also ran a similar scheme in South Africa, providing free cataract surgery to 150 people. Meanwhile in Yemen, we provided 93 people with hearing aids, thanks to a collaboration with the National Hearing Centre.



A simple wheelchair repair has improved Rumiya's quality of life, restoring her mobility and independence and allowing her to spend more time with her grandson.

Islamic Relief's mobile team of technicians repaired over 300 wheelchairs in Chechnya, in the Russian Federation, as part of a project that aims to reduce the marginalisation of people with disabilities.

Mobilising people and funds

Our work is driven by people who want to see positive change in the world, from the volunteers who support our events and the donors who respond generously to appeals, to the global audiences we engage through social media. In 2017, our income grew significantly to £126 million, our annual Ramadan and Qurbani campaigns set new records and our ongoing Syria appeal allowed us to reach more war-affected people than ever before.

This year we continued to campaign for change at all levels, from grassroots community action against gender injustice to advocating for sustainable environmental policies. We provided an Islamic perspective on humanitarian challenges, engaged faith leaders and supported faith-sensitive humanitarian and development programmes. **RAMADAN DONATIONS WITH** £10 MILLION **RAISED IN THE UK**



10,000 STUDENTS TOOK PART IN CHARITY WEEK, RAISING £949,000



£346,000 ALLOCATED BY **ISLAMIC RELIEF WAQF** TO SUPPORT **7 PROJECTS**





Children in Ouelessebougou, Mali, take part in a drawing competition to raise awareness of gender-based violence and child protection.

Fighting injustice

This year, Islamic Relief Worldwide marked its commitment to ending gender injustice with a global campaign during the UN's 16 Days of Activism against gender-based violence. In Bangladesh, staff took to the streets to raise awareness of genderbased violence. In Gaza, Muslim and Christian religious leaders joined government representatives to speak out against early marriages; in Ethiopia, we delivered training on protection in emergency situations and in Bosnia-Herzegovina, we ran a public awareness campaign on children's rights.

Our Pakistan team ran an innovative campaign that secured the backing of influential tribal and faith leaders, raising community awareness of women and children's rights from an Islamic perspective, directly addressing the stigma that keeps survivors from speaking out and engaging over 1,100 people. Similarly, in Lebanon we teamed up with World Vision International to train faith leaders on challenging gender injustice and child abuse in their communities.

Molvi Mohammad Anwar, leader of a mosque and Islamic school in Pakistan, now educates his community on the rights of women and children.

"Islamic Relief has brought about revolutionary change in my mind and inclined me to play an active role in leading positive change."

This year also saw Islamic Relief Worldwide complete a major project, funded by the Swedish International Development Cooperation Agency, integrating gender-based violence and child protection interventions into our programmes in Mali, Niger and Pakistan, benefiting over 11,000 people. We also joined the International Partnership on Religion and Sustainable Development and began co-leading work on gender equality. Meanwhile, at an annual girls' rights summit hosted in partnership with the Mayor of Paris in France, we spoke out about harmful practices such as early and forced marriages.

At this year's UN Commission on the Status of Women, we partnered with UN Women and UNFPA for a special side event highlighting the daily struggles faced by Syrian women. In India, at a national consultation on the needs of vulnerable groups, we teamed up with the National Institute of Disaster Management and SPHERE India to urge the government and civil society to better assist women, children, Dalits, transgender people and those with disabilities.



Protecting our planet

At this year's UN Climate Change Conference (COP23) in Bonn, Germany, we contributed our climate expertise with the launch of a report, *Climate Champions.* We highlighted our work with faith communities through a coalition supporting faith-based climate advocacy, and Islamic Relief Germany co-hosted an insightful workshop on the power of Islamic climate finance. Meanwhile, our staff and volunteers joined people of different faiths on bicycles and bicycle rickshaws to deliver a multi-faith statement promising to adopt sustainable behaviours and calling on world leaders to do the same.

In 2017, we implemented over 50 climate-related projects in 14 countries.

We were also pleased to support colleagues from our Humanitarian Academy for Development (HAD) at COP23 as they led a workshop on sustainable living from a faith perspective as part of their Action on Climate and Consumption project — a £350,000

global scheme using the power of faith to change behaviour. Working with ten country offices across three continents, the project focuses on localised carbon reduction initiatives, faith-literate climate change advocacy, global campaigns, research papers and the development of eco-centres.



Dr Sobia Ramzan, Chair of the Faculty Training and Development Centre at the University of Balochistan, Pakistan, speaks at a seminar organised by Islamic Relief on reducing the impact of climate change.

Our work in the region includes engaging students, academics, civil society organisations, think-tanks and the media to promote public discourse on climate change, supporting the introduction of a new drought-resilient onion crop, and influencing the government's drought policy.

Growing our programmes

Our annual Ramadan appeal set a new record this year as funds grew 13 per cent on 2016, enabling us to feed more than 1.3 million people during the holy month. Our annual Qurbani campaign also grew by six per cent, resulting in a global food distribution programme that reached an incredible 2.9 million people across 33 countries.

In the UK, a new charity shop was opened by TIC International, our trading subsidiary, increasing its capacity to raise funds to support our work. With 14 shops and 238 clothing banks in the UK, TIC International processed over 2,800 tonnes of donations this year and achieved a turnover of £3.2 million.

Islamic Relief Waqf - an Islamic form of permanent endowment - generated income of £687,786 which supported seven humanitarian projects

in six countries. Of the total income. £255.496 came from Wagf shares, Sadagah Jariya and Wagf Support Fund donors, while £432,290 came from returns generated by investments.

Meanwhile, our orphan sponsorship programme grew by seven per cent on 2016, as we began supporting an additional 4,000 orphaned children. The £19.6 million programme expanded into Chad and Malawi, bringing the total number of sponsored children to over 59,000 across 26 countries. Our children's projects also received a significant boost thanks to an increasing number of students raising funds through Charity Week around the world, with £949,000 raised in the UK alone.



For the past four years, Assoumao from Mali has been sponsored by Islamic Relief. In 2017, she lost her mother and along with her brother had to move in with their half-sister. who has two children of her own to support. Had it not been for our orphan sponsorship scheme the financial strain of taking in her siblings would have been too much for Assoumao's sister to bear. Despite the tragedy of losing both parents, Assoumao has the security of knowing that her living costs and school fees are being met and she dreams of being a doctor when she grows up.

In 2017, we were able to assist more people than ever before through our Syria emergency programme, reaching 4.5 million people this year and bringing the total cost of our regional emergency programme to over £239 million since the start of the conflict.

The year also marked a major milestone in our pioneering microfinance programme, as we provided a record-breaking £5.3 million in active loans to help 16,500 people escape poverty. To

date. Islamic Relief Worldwide has invested over £50 million in loans, supporting people who may otherwise have been excluded from the financial services they need to develop their enterprises.

Islamic Relief Worldwide is one of the very few organisations that runs a multi-national Islamic microfinance programme, allowing families to improve their livelihoods without compromising their faith principles.

By the end of 2017, Islamic Relief Worldwide's microfinance programmes were running in 11 countries and serving over 16,500 people; more than 60 per cent of them women.

Country	Number of microfinance loans supported
Bangladesh	4,409
Bosnia and Herzegovina	991
Chad	221
Indonesia	389
Kenya	1,601
Kosova	1,900
Mali	1,329
Pakistan	4,718
Occupied Palestinian Territories	238
Russian Federation	555
Sudan	181
TOTAL	16,532

Raising funds and awareness in the UK

This year saw Islamic Relief UK launch a brand refresh with the core message, 'Saving Lives Since 1984'. We invested in digital marketing and ran innovative campaigns aimed at attracting new donors and improving engagement. Over 9.5 per cent of donors now give regularly and an increasing number donate unrestricted funds, allowing us to channel money to where it is most needed.

This year's Ramadan campaign was launched with a gala dinner that brought together over 200 figures from business, politics and the media, followed by a fundraising tour that raised over £700,000 for the East Africa appeal. We also successfully piloted a new fundraising concept in which donors set up regular donations for the last ten holy nights of

Ramadan, raising over £100,000 and contributing to a staggering £10 million total given by UK donors in Ramadan - £1 million more than the previous year.

In addition to raising funds, Islamic Relief UK also continued to raise awareness of international development and humanitarian issues in the media and through social media, carry out advocacy campaigns, mobilise communities and deliver programmes in the UK through partners.



Broadcaster Jon Snow met Islamic Relief volunteers supporting the local community in the wake of the devastating Grenfell Tower fire in London, UK.

Our domestic programmes this year included a Facebook Live appeal with Muslim Aid that raised £8,500 for the survivors of the Grenfell Tower fire and support for Birmingham and Solihull Women's Aid to help women and children fleeing domestic violence. We also organised Friday sermons speaking out against gender-based violence by working with London mosques. To mark Eid-ul-Adha we teamed up with the National Zakat Foundation and FareShare to deliver 273 Qurbani meat parcels to food banks, care homes, soup kitchens and homeless shelters in nine UK cities.

This year we increased our efforts to give back to the communities that support us.

The year saw the launch of two new humanitarian appeals, responding to the East Africa drought and the Myanmar conflict which, along with the DEC appeals, raised over £3.2 million for these emergency response programmes. We continued to raise funds for our life-saving work in Yemen and used Facebook Live events to engage donors with our work in East Africa, Occupied Palestinian Territories, Syria and Yemen. Meanwhile, a new partnership with the Malawi Asian Organisation saw £250,000 raised in ten minutes at their 40th anniversary event, with Muslims, Hindus, Christians and Sikhs contributing generously to a housing project in Malawi.

Islamic Relief UK's popular #Cakes4Syria campaign mobilised an amazing 3,000 volunteers to raise over

£250,000, whilst 10,000 students got involved in Charity Week, raising nearly £949,000. Islamic Relief also reached new audiences through an eye-catching partnership with UK department store Selfridges, in which one of our charity shops was recreated in a high street window display by Miranda July.

We also increased our profile with parliamentarians, attending Conservative and Labour party annual conferences and building key relationships in order to influence positive change. Our staff addressed the UK government's All Party Parliamentary Group (APPG) on Yemen, urging action to end the conflict and our supporters urged their MPs to take action to end the suffering in both Syria and Yemen. They also showed their support for the International Climate Agreement and the UK government's commitment to funding international development.

Building capacity and engaging volunteers

Our Emerging Markets team supported the expansion of Islamic Relief Worldwide's fundraising operation in new areas and their capacity to meet local humanitarian needs, particularly in response to the refugee crisis in Europe. To help raise funds for local



programmes we organised challenges including hikes and cycle rides and events such as charity bake-offs, all of which increased our engagement with staff,

Volunteers take part in a trek in Lake Endine, Italy, to help raise funds for Islamic Relief's water projects.

donors and volunteers. We also provided training and development opportunities for volunteers and actively engaged donors to raise funds from their own networks through hosting events like home Iftars.

Developing youth leadership was also a priority this year, as Islamic Relief UK's sector-leading volunteer programme trained people from a range of backgrounds to serve and inspire their communities. Young volunteers were the backbone of our domestic work including support for food banks, assisting survivors of the horrific Grenfell Tower disaster, and organising the first UK 'Lifesaver' awards to recognise the achievements of 300 volunteers.

ONE OF THE **FIRST CHARITIES TO ATTAIN GLOBAL CHS CERTIFICATION**

ACH FOR PROGRAMME QUALITY **IN BANGLADESH**

2,000 LIVES IMPROVED

THROUGH PEACE-BUILDING WORK



Strengthening the federation

This year the quality of our programmes and our commitment to accountability received prestigious recognition, while we continued to strengthen the global Islamic Relief federation. We registered two new offices and as our global reach expanded, we adopted a new governance structure to improve the efficiency of our work.

In 2017, we also helped nurture talent and encouraged collaboration within the humanitarian sector. We actively developed civil society organisations and cemented exciting partnerships as we worked together to change lives and transform communities.

A++ DFID RATING



WITH MUSLIM AND CHRISTIAN COMMUNITIES

1ST LEADERSHIP FOR VOLUNTEERS DEVELOPED BY THE **HUMANITARIAN ACADEMY** FOR DEVELOPMENT

Delivering guality and impact

Islamic Relief Worldwide this year became the first Muslim organisation and only the tenth organisation in the world to attain Core Humanitarian Standard (CHS) certification, which recognises the high quality



CHS ALLIANCE VERIFICATION SCHEME

and effectiveness of our global programmes, as well as our accountability to the communities we serve.

Rigorous evaluations of five of our development proposals were completed by the UK government's Department for International Development (DFID), and in 2017 we were also awarded UK Aid match funding. Our focus on high standards resulted in A+ ratings whilst our DFID-funded £3 million scheme in Bangladesh scooped the highest possible rating of A++ and was also shortlisted for the UK Charity Awards.

Islamic Relief Worldwide was on the steering committees of BOND and the UK Evaluation Society this year, sharing our expertise with other charities.

In September 2017, Islamic Relief Worldwide and Islamic Relief Pakistan completed a two-year pilot of the Age and Disability Capacity-Building Programme funded by USAID and UK Aid. The programme ensures minimum standards of inclusion for people of all ages and abilities in humanitarian practice — from organisational policies right through to programming and training.

With the unprecedented growth of our microfinance programme, we became a member of the global standard-setting 'Risk Management Initiative in Microfinance' and continued to work with national and international bodies to improve how the social impact of microfinance is recorded and managed.

As our orphan sponsorship scheme continued to expand, we held a learning meeting in which colleagues shared information, discussed challenges and ways to improve the programme's strategic impact. This year we also surveyed 2,000 sponsors in seven key regions, gathering useful feedback to improve our sponsorship scheme and donor engagement.

Safeguarding women and children

In 2017, Islamic Relief Worldwide and World Vision launched joint initiatives on child protection with a training event in Bosnia-Herzegovina and a threeday workshop in Lebanon, which trained leaders of different faiths to proactively address child abuse, violence and exploitation. Part of the 'Channels of Hope' programme, these events offered faithsensitive materials and built the capacity of local leaders to become powerful agents of change. The year also saw Islamic Relief Worldwide and World Vision complete an adaptation of the Channels of Hope programme to focus on gender, engaging Muslim theologians to provide an authentic faith framework on gender protection and inclusion.

During the year we delivered six-day child protection training courses in Malawi and Malaysia attended by our child protection staff from around the world. The training highlighted the importance of a faith-sensitive approach in situations where misinterpretations of faith can perpetuate harmful behaviours. Staff were also fully trained in Islamic Relief Worldwide's Child Protection Policy, giving them a thorough understanding of how it should be implemented, how it protects our beneficiaries and the communities we work with, and emphasising the importance of managing complaints and accountability.



Islamic Relief staff visit a maize garden in Malawi as part of child protection training. The Mtemaumo Irrigation Scheme provides sustainable livelihoods for families whose children would otherwise be working on farms, carrying water across long distances or earning a living as domestic workers. Instead, the children are able to attend school and are less vulnerable to violence, abuse and exploitation.

Developing our federation

We continued to reform our global governance model with a new federation structure that will strengthen collaboration and efficiency across the Islamic Relief family. It will also give us a more diverse and representative Board of Trustees who are better equipped to hold us to our charitable objectives. The Governance Task Force is focused on developing a new Memorandum and Articles of Association, as well as bylaws and a membership agreement that will be considered by the first International General Assembly due to be held in 2018.

The Islamic Relief family continued to expand in 2017 by opening a new partner office in Norway and formally registering as an international NGO in Nepal.

Increasing sector talent and cooperation

During the year 20 people completed Islamic Relief Worldwide's internship programme which aims to attract, train and retain young, bright, faith-driven humanitarians from a variety of backgrounds. The launch of a competitive new graduate scheme also brought several promising graduates into the organisation and gave them the skills and experience to progress within the sector and take on permanent roles.



The first graduates of the Islamic Relief Graduate Scheme coordinated by HAD, which offers a 12-month training, mentoring and work experience programme for future leaders.

To ensure our humanitarian interventions 'leave no one behind,' we trained staff in a number of Islamic Relief offices on inclusion, protection and conflict sensitivity.

The Islamic Relief Academy took on a new brand identity this year, as it relaunched as the Humanitarian Academy for Development (HAD); a centre of excellence for learning and research that builds capacity, understanding and cooperation to benefit the humanitarian sector. HAD also developed new accredited courses in 2017, including fundraising (community, corporate, institutional and digital) and a ground-breaking leadership programme for volunteers – the first in the sector.

The Humanitarian Academy for Development gained formal recognition from the Institute of Leadership and Management as a training provider and approved centre.





New partnerships and opportunities to increase humanitarian impact opened up as HAD, funded by the International Islamic Charity Organisation, assessed the training and development needs of eight Kuwaiti charities. We also trained hundreds of people from Syrian civil society organisations in Turkey and continued to provide support more widely as a core member of the International Civil Society Centre.

At a high-level European Union conference this year and at the World Economic Forum we used our platforms to advocate for the role of faith-based actors in contributing to development. The power of faith-based humanitarianism to bring about real change was also the subject of a forum in Sri Lanka that we co-organised in October after the World Humanitarian Summit. Over 140 people from 36 counties discussed localising responses to humanitarian need and explored key challenges facing the world today — including gender-based violence, conflict, forced migration and disaster risk reduction.

In remote, rural parts of Gourma-Rharous, Mali, we built the capacity of 34 community-based organisations to help them identify and address their own development needs as well as prepare for disasters. We enabled more women and young people to take on decision-making roles and these communities are now better equipped to meet their needs, run cooperatives and establish links with local government.

In 2017, we trained over 100 Syrian civil society organisations, strengthening their capacity to respond to the growing needs and challenges in Syria.



Islamic Relief Worldwide's Global Advocacy Manager, Atallah Fitzgibbon (top right), contributed to a European Parliament seminar on faith-based humanitarianism in December 2017 hosted by President Antonio Tajani and Vice President Mairead McGuinness.



Islamic Relief CEO, Naser Haghamed, and Maria Immonen, Director at Lutheran World Federation, sign a five-year faith partnership agreement at the Islamic Relief Worldwide offices in Birmingham, UK.

Working in partnership Our life-saving work with refugees fleeing Myanmar received a much-needed boost this Islamic Relief Worldwide and the Lutheran year, as we announced our partnership with PULSE, World Federation forged the world's first official a local organisation approved by the Bangladeshi partnership between a global Muslim and Christian authorities to work in the refugee camps of Cox's humanitarian organisation in 2014, and this year Bazar. We scaled up funding for emergency renewed the landmark commitment to work programmes to supply food packs, shelter and hygiene together on humanitarian programmes, policy, supplies to 300,000 people and the partnership built research and advocacy, focusing on faith and the capacity of PULSE to deliver more aid in the future. protection of vulnerable people. In central Darfur, Islamic Relief is the only bilateral In May 2017, we also signed a Memorandum of

Understanding with Finn Church Aid to deliver joint projects within our global operations and develop faith-based initiatives on areas such as education in emergencies, advocating on faith issues and exploring the potential of a joint roster for emergency response. Our relationship with the Iraqi Red Crescent Society (IRCS) was also cemented this year in a formal agreement to collaborate on programmes and share resources to increase humanitarian support for vulnerable people in Iraq.



partner for the Swiss Development Cooperation in Sudan, and this year a new phase for projects was agreed to include food security, livelihoods and nutrition for vulnerable people. 2017 also marked our second year of collaborating with the UN's World Food Programme to distribute food aid in Syria – a partnership that reached 120,000 people during the year.

Principal risks and uncertainties

Islamic Relief Worldwide is committed to providing humanitarian aid and relief to those who need it the most. We are therefore required to operate in countries affected by war, conflict, humanitarian and environmental disasters and general uncertainty. Operating in such environments gives rise to significant risks and uncertainties, which we have managed through our considerable experience in this field, supported by a robust framework of systems, processes and oversight.

The Islamic Relief Worldwide Board of Trustees is advised by an Audit Committee made up of trustees and independent members who bring a broad range of expertise in this area. The Audit Committee's terms of reference includes scrutiny and oversight of the way the Islamic Relief Worldwide executive are managing risk and meets at least four times a year.

An independent Internal Audit function reports to the Audit Committee. This function maintains the risk register and carries out a risk-based audit programme, which follows an audit plan approved by the Audit Committee.

Senior management regularly undertakes strategic and operational reviews to identify organisational risks and come up with plans to mitigate them. It is then responsible for implementing those action plans, with the Audit Committee monitoring progress.

In order to underpin the process of risk management, Islamic Relief Worldwide has invested in specialist software which reaches every field office.

The principal risks and uncertainties facing Islamic Relief Worldwide, and the mitigating actions taken to meet them, are:

Safeguarding

Islamic Relief Worldwide puts great store on its values and core aims which are to help and support children, young people and those at risk of all ages and abilities in a way that empowers them. An important part of this is to identify and address any improper behaviour or abuse of trust by anyone representing or connected with the organisation. The Chair of Trustees has taken on responsibility for overseeing our safeguarding practices. She

has asked our Head of Governance to lead on safeguarding at the executive level; he in turn has appointed a Safeguarding Lead at global operations level and engaged technical specialists. This has enabled us to maintain a focus on our safeguarding practices and ensure their continued development.

The Programme Quality team further developed our country/field office complaints policy and procedures to ensure we are doing everything we can to engage and empower our beneficiaries in an open and honest dialogue. This is just one aspect of our Safeguarding Framework, which now covers Prevention of Sexual Exploitation and Abuse. Dignity at Work policy; a revised Code of Conduct; a dedicated, independent whistleblowing hotline for staff; and important changes to the complaints handling process to increase trust and confidence amongst staff.

We are pleased with our record of responding to and prioritising safeguarding, and the significant progress we have made as an organisation in improving our procedures, but we are not complacent. We continue to monitor our systems to ensure all forms of violence, abuse, exploitation and misconduct are investigated and responded to appropriately. We continue to create an environment where beneficiaries, staff and supporters feel safe to report behaviour that makes them feel uncomfortable, unsafe or which threatens them or their communities.

We report on all safeguarding incidents in a transparent way, including incidents related to beneficiaries and any cases of sexual harassment. As of this year we are publishing figures of safeguarding cases reported to us for the period of the Annual Report. In doing so, we have adopted a broad definition of 'safeguarding': all complaints of harm related to sexual exploitation, abuse or harassment by Islamic Relief Worldwide employees, contractors, volunteers or others.

In 2017, six such cases were reported to us; four of which were from employees reporting harassment by other staff members. One of these cases led to disciplinary action against a member of staff for sharing material deemed to be inappropriate and contrary to our Code of Conduct. In two cases the allegations were not upheld; whilst in the another the complainant withdrew the allegation and asked

Competitive job market for the matter not to be taken further. We also had two cases of harm reported by beneficiaries In a highly competitive job market and given our limited resources it is becoming increasingly difficult to attract and retain experienced staff for senior management and technical positions. We continue to explore and implement interventions that better anticipate and manage attrition, while improving attraction and retention. While we are not market rate driven, we wish to offer 'market relevant' salaries and also provide non-monetary employee rewards such as reduced working hours, increased annual leave entitlement and enhanced terms for maternity and paternity leave. An annual wellbeing budget is in place that includes providing support to staff with mental health concerns. Recognising that development is key to retaining talent, we run externally accredited Management Development and Aspiring Managers programmes to enhance capacity and capability, and offer meaningful careers in our organisation.

relating to third-parties (including family members) unconnected to us. We ensured the proper authorities were involved in each of these two cases. Support and health intervention was provided to the survivors and their families in both cases. Staff safety Our staff work in many unstable parts of the world, in countries that are caught up in conflict and/or are experiencing natural disasters. Such environments present risks to the safety of our staff. The safety and wellbeing of our employees being of paramount importance, we have a number of mitigating measures in place. These include policies and procedures on health and safety and security. Security training is mandatory for all staff being deployed, and we continually monitor the security UK's departure from the European Union situation in each country where we work, ensuring adequate measures are in place to keep our staff safe.

Bank de-risking

Despite successful lobbying of the Financial Action Task Force (FATF) to change its guidance that the entire NGO sector is "particularly vulnerable" as a channel for terrorist financing, the phenomenon of bank de-risking persists. As a consequence, Islamic Relief Worldwide faces obstacles and delays when moving funds to provide timely assistance to those in need. We continue to work alongside civil society groups across the world to set out our concerns with the banking and finance sector, as well as inviting government to ensure funds for humanitarian work can reach beneficiaries.

Cybercrime

The threat of cybercrime continues to represent a major risk that we are determined to address. Online cyber security awareness training has been provided to key users worldwide and this programme of training will continue. We have made significant progress on data protection with a dedicated multidisciplinary working group committed to EU General Data Protection Regulation (GDPR) compliance.

The negotiations to finalise the terms of the UK's impending departure from the European Union have yet to conclude. The final provisions may have a significant impact on our funding and institutional relationships. We continue to closely monitor the exit negotiations and formulate mitigating strategies as the process progresses and challenges arise.

Strategic partners

Thank you to all our strategic partners, including:











بيت الزكاة





Department for International Development



Schweizerische Eidgenossen Confédération suisse Confederazione Svizzera Confederaziun svizra





PHILIPS



32-year-old Parvin from Taragaji village in Tazumuddin, Bhola, improved her livelihood through our integrated sustainable development programme in Bangladesh.

Financial review

Thanks to the generosity of our donors, Islamic Relief Worldwide's income and charitable expenditure continued to grow and exceed the record levels reached in 2016. These achievements are all the more remarkable when set against the backdrop of the weakest economy the UK has seen in five years and an uncertain global economic and geopolitical climate.

Income and fundraising

The charity's total income increased by 14.5 per cent to £126.5m (2016: £110.4m). Institutional grants continued to decrease, but as was the case last year these were more than made up for by income from Islamic Relief partners. Most partners registered an increase in their donations in response to suffering around the world and the continuing plight of people in Syria and Yemen.

Regular giving, campaigns, appeal income and income from Islamic Relief partners which together constitute voluntary donations increased significantly by 23.5 per cent to £107.1m (2016: £86.7m). This increase was driven by the rise in donations from Islamic Relief partners, up 28.8 per cent to £77.8m (2016: £60.4m). Donations from individuals in the UK increased by 5.6 per cent to £25.1m (2016: £23.7m), and from individuals abroad by 27.8 per cent to £2.3m, from £1.8m in 2016. The DEC launched two appeals in the year; in March for the crisis in East Africa and in October for people fleeing Myanmar. These appeals together with income from that for the Yemen crisis initiated at the very end of 2016 generated funds of £2m for Islamic Relief Worldwide, more than doubling the £0.8m received in the previous year.

Total institutional income fell 19 per cent to £15.7m (2016: £19.3m) as grants from both the Middle East and the rest of the world fell. In the case of the former, income decreased by 17.2 per cent to £7.9m (2016: £9.3m), whilst in the case of the latter, income declined 20.2% to £7.8m (2016: £9.3m).

After total resources expended of £124.7m(£112.1m in 2016), reserves stood at:Restricted reserves£22.8m (2016: £18.6m)General reserves£8.8m (2016: £11.0m)Endowment funds£6.6m (2016: £6.3m)

Charitable expenditure

Total charitable expenditure reached the record amount of £111.5m – up 12.5 per cent from the 2016 figure of £99.1m. Islamic Relief Worldwide continued to operate in some of the most fragile and conflict-affected parts of the world, enabling the our funds to reach those who most required help.

Protecting Life and Dignity programmes (including Supporting Education and Campaigning for Change) again accounted for the greatest proportion of charitable expenditure. At 57.7% the proportion was the highest in the organisation's recent history, up from the 2016 figure of 52.6 per cent; this is consistent with the increase in the number of humanitarian interventions in the year. The actual amount of expenditure on such programmes increased by 23.6 per cent to £64.4m (2016: £52.1m).

Expenditure on Caring for Orphans and Vulnerable Children increased by 22.0 per cent to £23.3m (2016: £19.1m). The amount spent on Providing Access to Healthcare and Water remained relatively unchanged at £16.8 (2016: £16.9m)

With more funds being drawn to humanitarian interventions, the amount spent on Sustainable Livelihoods fell by 36.0 per cent to £7.1m down from £11.1m in 2016.

Fifty per cent of the organisation's charitable expenditure was spent in the Middle East (£55.8m) as the tragic conflicts in Syria and Yemen continued unabated. The amount spent in Asia, £22.6m, stayed consistent with the previous year's figure but the proportion fell to 20 per cent (2016: 23 per cent). Due to the drought in East Africa, the expenditure in the region increased by 48.3 per cent to £17.5m (2016: £11.8m). The West Africa region also saw an increase in expenditure, up 37.7 per cent to £14.6m (2016: £10.6m). The only region where charitable expenditure was reduced was Europe, where it fell from £1.3m in the previous year to £1m in 2017.

TIC international

During 2017, TIC international Ltd (TIC), our trading business, encountered extremely difficult trading conditions, resulting in an overall loss for the year of £6,679 (2016: £433k net profit), consequently no Gift Aid payment to Islamic Relief Worldwide was possible for this period (2016: £437K). In order to restore the company to profitability, two new Directors have been added to the Board in order to broaden its skill set and an interim executive committee has been constituted.

Turnover decreased by 22 per cent to £3.2m (2016: £4.1m), and the single largest factor contributing to this decline was the ceasing of the food canning business. Our food canning customers have instead moved away to focus on fresh and frozen meat distribution.

The turnover from clothes recycling remained relatively constant at £2m (2016: £2.1m), but with the loss of the meat canning business it gained in importance, now accounting for 64.5 per cent of sales (2016: 51.5 per cent). However, the company suffered from the lower quality of donated clothes – a challenge that was faced by the whole sector. This impacted the achievable prices and in turn drastically reduced the profitability of the operation.

Despite the opening of a new outlet in Newport towards the end of the year, TIC's shop sales remained at the same level as in 2016 at £1.1m. The issue of the quality of donated goods affected the profitability of shops as well.

The interim executive committee is committed to restoring TIC to profitability and securing its future in 2018, and thereafter growing the business through the development of new opportunities.

Reserves

Reserves consist of endowments, restricted reserves and general reserves.

Our current endowments are invested in properties. Surplus returns are used for sustainable humanitarian development projects or otherwise transferred to unrestricted reserves (see note 24).

Restricted reserves represent donations and grants for specific projects that are unspent at the balance sheet date and which will be spent on the specified programmes in the coming financial years. General reserves (also known as unrestricted reserves) are not restricted to specific projects, but ensure that the delivery of our vital programmes are not disrupted by unforeseen circumstances, such as reduced income or increased expenditure.

Islamic Relief Worldwide has a policy that sets the level of general reserves such that it meets the organisation's operating expenses in the event of a sudden drop in income or unexpected increase in expenditure. This policy is regularly reviewed — assessing risks and reflecting on changes in factors such as investment, income and also our financial obligations and commitments. Such a review was undertaken and the trustees confirmed the need to hold reserves on account of financial uncertainty but reduced the target level of reserves from seven months' worth of the core operational budget to five months' worth. These funds are to be held in current and medium-term cash forms.

At the year end the general reserves stood at £8.8m, representing just over seven months' worth core operational budget and comfortably above the target level of five months' expenditure.

The total group reserves, as at 31 December 2017, increased by 6.1 per cent to stand at £38.1m (2016: £35.9m). Of this, restricted funds account for £22.8m (2016: £18.6m), general funds for £8.8m (2016: £11.0m) and endowment funds for £6.6m (2016: £6.3m). The increase in restricted reserves arises from funds being raised in 2017 for programmes where the expenditure will be incurred in the subsequent year. There were no windfall gains from favourable foreign exchange movements as there were in the previous year and accordingly the level of general funds fell back. Meanwhile the increase in endowment funds represents the return on investment.

The movement in reserves, compared to the last three years, is summarised below:

Reserve	31 Dec 2015	31 Dec 2016	31 Dec 2017	Change
	£'000	£'000	£'000	%
Unrestricted	5,651	10,998	8,792	-20%
Restricted	25,845	18,568	22,759	23%
Endowments	6,099	6,306	6,585	4%
Total	37,595	35,872	38,136	6%

Going concern

In view of the financial performance and the reserves position as at the balance sheet date, the Board of Trustees has a reasonable expectation that Islamic Relief Worldwide will have the resources to continue in operational existence for the foreseeable future. The trustees believe there are no material uncertainties that call into doubt our ability to continue as a going concern. The annual financial statements have therefore been prepared on the basis that the charity is a going concern.

Five year trend

	2013	2014	2015	2016	2017
Grants	£30,577,259	£15,857,189	£25,273,203	£19,253,461	£15,744,996
Donations from overseas partners	£34,154,566	£47,414,468	£51,473,192	£60,419,240	£77,795,809
Voluntary income excluding partners	£23,489,429	£31,347,711	£24,418,935	£26,238,862	£29,352,842

This Trustees' Annual and Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 17 September 2018 including approving in their capacity as Directors, the Trustees' Strategic Report and Director's Report contained therein, and is signed as authorised on its behalf by:

AASS

Mr. Adnan Saif Company Secretary/Trustee 24 September 2018

Independent Auditor's Report To the members of Islamic Relief Worldwide

We have audited the financial statements of Islamic Relief Worldwide for the year ended 31 December 2017 which comprise the Group Statement of Financial Activities and Income and Expenditure Account, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial to Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2017 and of the group's incoming resources and application of resources 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

No. Hea. Phone:

Naziar Hashemi Senior Statutory Auditor for and on behalf of Crowe U.K. LLP Statutory Auditor London

25 September 2018

Crowe U.K. LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ISLAMIC RELIEF WORLDWIDE GROUP STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT for the year ended 31 December 2017

	Unrestricted funds	Restricted funds	Endowment funds	Total	Total	Note
				2017	2016 (Note 28)	
	£	£	£	£	£	
Income and endowments from:						
Donations and legacies	7,244,116	99,649,039	255,496	107,148,651	86,658,102	2
Other trading activites	3,220,587	-	-	3,220,587	4,068,139	3
Investments	-	-	432,290	432,290	416,212	4
Charitable activities	-	15,744,996	-	15,744,996	19,253,461	5
Total	10,464,703	115,394,035	687,786	126,546,524	110,395,914	
Expenditure on:						
Raising funds						
Costs of generating voluntary income	-	9,858,690	-	9,858,690	9,303,871	10a
Fundraising trading: cost of goods sold and other costs	3,236,593	-	-	3,236,593	3,593,771	10b
Investment management cost	73,907	-	63,317	137,224	136,417	10c
Charitable activities	10,151,228	101,345,068	-	111,496,296	99,085,407	10, 10 a-d
Total	13,461,728	111,203,758	63,317	124,728,803	112,119,466	
Net gains/(losses) on investments	446,078	-	-	446,078	-	
Net income (expenditure)	(2,550,947)	4,190,277	624,469	2,263,799	(1,723,552)	
Transfers between funds	345,832	-	(345,832)	-	-	26
Net movement on funds	(2,205,115)	4,190,277	278,637	2,263,799	(1,723,552)	
Reconciliation of funds						
Total funds brought forward	10,997,493	18,568,181	6,306,210	35,871,884	37,595,436	
Total funds carried forward	8,792,378	22,758,458	6,584,847	38,135,683	35,871,884	

ISLAMIC RELIEF WORLDWIDE GROUP AND CHARITY BALANCE SHEETS as at 31 December 2017

	2017 total funds		2016 t	otal funds	
	Group	Charity	Group	Charity	Note
	£	£	£	£	
Fixed assets					
Intangible assets	38,099	38,099	55,955	55,955	13
Tangible assets	5,965,847	5,605,456	6,055,137	5,640,170	14, 15
Investments	768,491	1,715,429	352,417	1,269,351	16
Total fixed assets	6,772,437	7,358,984	6,463,509	6,965,476	
Current assets					
Stocks and work in progress	140,215	-	154,857	-	17
Debtors due within one year	10,480,952	9,997,059	11,205,533	11,058,889	18
Cash at bank and in hand	28,436,729	27,905,218	28,215,065	27,426,267	
Total current assets	39,057,896	37,902,277	39,575,455	38,485,156	
Liabilities					
Creditors: amounts falling due within one year	7,694,650	7,351,949	10,050,450	9,707,851	19
Net current assets or liabilities	31,363,246	30,550,328	29,525,005	28,777,305	
Total assets less current liabilities	38,135,683	37,909,312	35,988,514	35,742,781	
Creditors: amounts falling due after more than one year	-	-	116,630	116,630	19
Total assets less total liabilities	38,135,683	37,909,312	35,871,884	35,626,151	
Total funds					
Unrestricted funds					
General	8,792,378	8,566,007	10,997,493	10,751,760	
Total unrestricted funds	8,792,378	8,566,007	10,997,493	10,751,760	24
Restricted income funds	22,758,458	22,758,458	18,568,181	18,568,181	25
Endowment funds	6,584,847	6,584,847	6,306,210	6,306,210	26
Total funds	38,135,683	37,909,312	35,871,884	35,626,151	

Islamic Relief Worldwide uses the exemption conferred by section 408 of the Companies Act 2006 in not preparing a separate Income and Expenditure Account for Islamic Relief Worldwide alone as a separate entity. Islamic Relief Worldwide as a charity's net surplus was £2.2m (2016 net deficit £1.7m) for the year ended 31 December 2017.

The financial statements on pages 57 to 80 were approved by the board and signed on its behalf by

Mr. Adnan Saif Company Secretary/ Trustee 24 September 2018

The notes to the accounts on pages 60 to 80 form part of these financial statements.

ISLAMIC RELIEF WORLDWIDE GROUP CASH FLOW STATEMENT for the year ended 31 December 2017

Reconciliation of net income/(expenditure) to net cash	
flow from operating activities	

Net income/(expenditure) for the reporting period as per the statement of financial activities (excluding cash flow from endowments)

Adjustments for:

Depreciation
Amortisation
(Gains)/losses on investments
Decrease/(Increase) in stocks
Decrease/(Increase) in debtors
(Decrease)/Increase in creditors
Gains on foreign exchange
Net cash provided by (used in) operating activities

Cash flows from investing activities

Purchase of property, plant and equipmentProceeds from the sale of property, plant and equipmentNet cash provided by (used in) investing activitiesCash flows from financing activitiesEndowment (waqf)Repayment of borrowingsNet cash provided by (used in) financing activities

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the reporting period Change in cash and cash equivalents due to exchange rate movements Cash and cash equivalents at the end of the reporting period **Consisting of:** Cash at bank and in hand

Reconciliation in net funds

Cash at bank and in hand

2017	2016
£	£
1,985,162	(1,930,516)
414,784	423,620
17,857	17,857
(416,074)	9,659
14,642	44,764
724,581	(1,624,974)
(2,472,431)	4,625,268
197,308	1,953,931
465,829	3,519,609
(333,987)	(160,008)
8,493	55,773
(325,494)	(104,235)
278,637	206,964
-	(200,004)
278,637	6,960
418,972	3,422,334
28,215,065	26,746,662
(197,308)	(1,953,931)
28,436,729	28,215,065
28,436,729	28,215,065
28,436,729	28,215,065

1 Jan 2017	Cashflow	Non-cash movement	31 Dec 2017
£	£	£	£
28,215,065	221,664	-	28,436,729

Company Status

Islamic Relief Worldwide (IRW) is a charitable company limited by guarantee, without share capital and governed by its Memorandum and Articles originally dated 14 March 1989 and amended as a Memorandum of Association on 9 August 2010. The company was registered as a charity with the Charity Commission on 6 April 1989. The Principal Address and Registered Office is 19 Rea Street South, Birmingham, B5 6LB. Islamic Relief Worldwide is considered to be a public benefit entity.

1. Principal accounting policies

a. Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP FRS 102 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended 2014).

b. Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Financial Review.

c. Consolidation and group financial statements

The group financial statements consolidate those of Islamic Relief Worldwide and its trading subsidiary TIC International Limited, registered in England and Wales (company registration number: 2796175, 100 per cent shareholding) and its property investment company SIF Invest, registered in France (company registration number: 423900117, 99 per cent shareholding). The results of TIC International Limited and SIF Invest have been incorporated on a line-by-line basis, in accordance with current legislation.

Islamic Relief Worldwide also controls Islamic Relief Waqf, a limited company by guarantee (company registration number: 8612172) and Islamic Relief UK (company registration number: 5483053). Both are registered in England and Wales and during the year these were dormant companies.

Islamic Relief Worldwide has taken advantage of section 408 of the Companies Act 2006 and has not included its own income and expenditure account in the financial statements.

Note 7 gives the full details of the income and expenditure of the trading subsidiaries.

d. Fund accounting

Unrestricted funds: All donations are considered unrestricted

unless specifically stated by the donor. Unrestricted funds comprise the accumulated surplus or deficit on the statement of financial activities which are available for use at the discretion of the trustees of Islamic Relief Worldwide in furtherance of the objectives of the charity.

Restricted funds: These are assigned by the donor, or the terms of the appeal, specified by a particular country or project. The donation and income deriving from them will be used in accordance with the specific purposes.

Endowment (Waqf) funds: These are funds that have been given to Islamic Relief Worldwide subject to the restriction that they are to be held as capital or spent on a long-term charitable asset. Waqf is employed to generate a return while the original investment remains intact. Waqf returns are used to cater for long-term projects. Waqf is the Islamic equivalent of endowments.

e. Incoming resources and investment income Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and that the amount can be measured reliably.

Donations: This comprises all incoming resources from donations and income from fundraising partners on the basis of that which is remitted to Islamic Relief Worldwide in the United Kingdom.

Charitable income: Where related to performance and specific deliverables these are accounted for as the charity earns the right to consideration by its performance.

Other trading activities: This comprises income generated by TIC International Limited from its trading activities and its charity shops and the sale of merchandise.

Investment income: This comprises income generated by Waqf investment and rents receivable. Income generated from Waqf forms part of the endowment funds.

f. Resources expended

All expenditure is accounted for on an accruals basis and is recognised where there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to that category.

Costs of generating funds are costs incurred in attracting voluntary income and those as stated below under the headings Costs of generating voluntary income and Fundraising trading.

Costs of generating voluntary income: The costs incurred in seeking voluntary contributions.

Fundraising trading: This comprises the group's trading

ISLAMIC RELIEF WORLDWIDE NOTES TO THE FINANCIAL STATEMENTS

activities, namely the costs associated with the trading activities of TIC International Limited.

Charitable activities: These are costs associated with the provision of emergency relief and development humanitarian programmes as elaborated on in the trustees' report section, Activities, Achievements and Performance. These include both the direct costs and support costs relating to these activities.

Governance costs: The costs associated with the governance arrangements of Islamic Relief Worldwide; included within this category are costs associated with the strategic as opposed to day-to-day management of Islamic Relief Worldwide's activities.

Support costs: Support costs for a single activity are allocated directly to that activity. Where support costs relate to several activities, support costs have been allocated to each of the activities (stated in Note 10) on the basis of the number of direct staff supported during the period in the relevant activity. Governance support costs are allocated on the basis of support activities provided on clearly interpreted governance matters.

Investment management cost: This incorporates costs related to the administration of Waqf and costs relating to the promotion of the concept of Waqf from unrestricted funds; therefore, this element is not charged to capital.

g. Operating leases

Rentals paid under operating leases are charged to income as incurred.

h. Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the balance sheet date, and the gains or losses are included in the income and expenditure account. Foreign exchange gains and losses incurred in respect of humanitarian projects overseas are included in the charitable activities expenditure.

The company's functional and presentational currency is GBP.

i. Fixed assets and depreciation

Except for items costing below £500 which are expensed on acquisition, all expenditure of a capital nature is capitalised.

Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight-line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

Freehold buildings over 50 years straight-line basis

Fixtures and fittings over four years straight-line basis

Office equipment over four years straight-line basis

Motor vehicles over five years straight-line basis

Plant and machinery over eight years straight-line basis

j. Intangibles

Intangible assets represent the organisation's registered trademarks.

They are stated at cost less any impairment loss. The useful life of the trademark is estimated to be 10 years. They are amortised and tested for impairment annually where indicators of impairment are identified.

k. Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Net realisable value is based upon estimated selling prices less further costs expected to be incurred for completion and disposal.

l. Investments

Investments consist of unlisted investments, subsidiary undertakings and property.

Investments are measured at cost less impairment.

m. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value.

n. Debtors

Debtors are measured at the settlement amount after any trade discount offered.

o. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p. Taxation

As a registered charity, the company is exempt from taxation of its income and gains to the extent they fall within the charity exemptions in the Corporation Taxes Act 2010 or Section 256 Taxation of Chargeable Gains Act 1992.

The company is unable to recover Value Added Taxation charged on its purchases which is included in the related expense or asset in the accounts.

q. Volunteers

Islamic Relief Worldwide appreciates the hard work and dedication of its volunteers across the world. Around 1,850 different volunteers engaged in a number of activities including campaigning and domestic programmes.

r. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates.

Significant judgements

Donated goods for resale are not included at valuation prior to being sold as it has been deemed impractical to measure the fair value of the goods and the cost of valuation would outweigh the benefit derived.

Significant estimates

There are no significant estimates having a material effect on the financial statements.

ISLAMIC RELIEF WORLDWIDE NOTES TO THE FINANCIAL STATEMENTS

2. Donations and legacies

	Unrestricted funds	Restricted funds	Endowment funds	Total	Total	Note
	2017	2017	2017	2017	2016	
	£	£	£	£	£	
Donations, appeals and fundraising events						
United Kingdom	7,038,533	17,875,919	148,635	25,063,087	23,724,039	
Disasters Emergency Committee*	-	1,998,536	-	1,998,536	768,043	
International Fundraising**	199,275	2,014,084	77,860	2,291,219	1,746,780	
Islamic Relief Partners	6,308	77,760,500	29,001	77,795,809	60,419,240	6
	7,244,116	99,649,039	255,496	107,148,651	86,658,102	

* The Disasters Emergency Committee (DEC) is an umbrella organisation of 13 humanitarian aid agencies, including Islamic Relief, that work together in times of crisis. For further information, visit: www.dec.org.uk

** International fundraising includes Middle East and Emerging Markets in which Islamic Relief does not have a permanent presence.

3. Other trading activities

	Total	Total
	2017	2016
Trading subsidiaries	£	£
TIC		
Income from charitable shops	1,071,733	1,075,201
Qurbani income	-	501,646
Clothes recycling income	2,112,050	2,407,076
	3,183,783	3,983,923
SIF	36,804	84,216
Total	3,220,587	4,068,139

4. Investments

	Total	Total
	2017	2016
	£	£
Return on Waqf	432,290	416,212
Total	432,290	416,212

5. Charitable income by institution

	Protecting life and dignity	Empowering communities	Total	Total
			2017	2016
	£	£	£	£
Institutions				
Action Aid	66,915	-	66,915	-
Bill & Melinda Gates Foundation	-	-	-	258,384
Catholic Agency for Overseas Develop- ment	-	-	-	75,000
Catholic Relief Services (CRS)	44,643	-	44,643	-
Department for International Develop- ment (PPA)	-	-	-	1,331,138
European Commission	427,358	845,875	1,273,233	43,922
European Commission for Humanitarian Operations	-	-	-	1,458,146
Episcopal Relief Development	6,175	-	6,175	-
HelpAge International	25,889	-	25,889	59,932
International Rescue Committee UK	-	-	-	262,726
Kann Rasmussen (KR) Foundation	311,004	-	311,004	-
Lutheran World Federation (LWF)	-	-	-	25,491
Oxfam	-	-	-	88,886
Secours Islamique France	373,109	1,845,165	2,218,274	1,986,041
Stichting Zoa	226,126	89,913	316,039	-
Swiss Federal Dept of Foreign Affairs	-	113,807	113,807	228,381
Trocaire	44,056	-	44,056	-
United Nations Development Programme	116,912	513,686	630,598	236,087
United Nations World Food Programme	-	520,871	520,871	358,760
United Nations OCHA	550	-	550	678,428
World Vision Germany	22,077	44,153	66,230	-
Subtotal	1,664,814	3,973,470	5,638,284	7,091,322
In-kind donations				
Globus Relief	-	2,282,320	2,282,320	2,819,689

ISLAMIC RELIEF WORLDWIDE NOTES TO THE FINANCIAL STATEMENTS

5. Charitable income by institution

	Protecting life and dignity	Empowering communities	Total	Total
			2017	2016
	£	£	£	£
Middle East and Emerging Markets				
Afif Al Asmakh Charity Foundation	22,660	-	22,660	78,973
Al Eslah Society Bahrain	-	-	-	67,809
Bayet al Zakat	-	-	-	1,111,255
International Islamic Charitable Organisation Kuwait	482,825	386,392	869,217	18,835
Islamic Development Bank *	138,568	4,072,974	4,211,542	5,709,554
Jassim & Hamed Bin Jassim Charitable Foundation	285,076	60,562	345,638	-
Jordanian Hashemite Charity Organisation	-	191,081	191,081	-
Kuwait Zakat House	135,096	531,358	666,454	-
Mubarak Abdullah M Alsuwaiket	54,034	-	54,034	-
Organization of Islamic Cooperation Humanitarian Funds	40,741	-	40,741	-
Palringo Ltd	25,000	82,117	107,117	52,483
Qatar Charity	181,918	14,014	195,932	-
Reach Out to Asia – Qatar	-	165,482	165,482	824,134
Salam Organisation for Humanitarian & Charitable Activi- ties	450,261	-	450,261	-
Sheikh Abdullah Al Nouri Charity - Kuwait	246,103	67,215	313,318	480,051
Islamic Foundation Ireland	3,626	-	3,626	465
Al Bunyan Organization for Social Development	-	-	-	149,083
Sheikh Thani Bin Abdullah Foundation for Humanitarian Service	-	-	-	471,150
Al-Najat Charity Society	-	-	-	78,843
Subtotal	2,065,908	5,571,195	7,637,103	9,042,635
In-kind donations				
Muslims of Trinidad	-	-	-	130,347
Sheikh Thani Bin Abdullah Foundation for Humanitarian Service	-	-	-	169,468
Spotzone	-	146,232	146,232	-
Sanahya Keraman Charity Asscociation	-	4,014	4,014	-
Al UlrWah Al Wuthqa Charitable Association Jordan	-	18,782	18,782	-
International Udhiya & Aqiqah	-	18,261	18,261	-
Subtotal	-	187,289	187,289	299,815
Total	3,730,722	12,014,274	15,744,996	19,253,461

6. Donations disclosure by partner

			Total	Total
			2017	2016
Partner	Protecting life and dignity	Empowering communities	£	£
Islamic Relief USA	14,393,804	14,301,191	28,694,995	25,244,171
Islamic Relief Canada	6,844,418	10,849,313	17,693,731	9,039,308
Islamic Relief Germany	3,639,776	4,699,748	8,339,524	8,318,208
Islamic Relief Sweden	8,914,058	2,849,736	11,763,794	5,663,902
Islamic Relief Switzerland	1,429,092	1,614,248	3,043,340	2,615,639
Islamic Relief Netherlands	970,932	1,112,314	2,083,246	2,304,486
Islamic Relief Belgium	616,153	799,438	1,415,591	2,125,732
Islamic Relief Australia	884,230	761,341	1,645,571	1,771,928
Islamic Relief Mauritius*	335,142	547,397	882,539	846,791
Islamic Relief Malaysia	425,873	452,902	878,775	816,824
Islamic Relief South Africa	226,940	476,929	703,869	632,255
Islamic Relief Italy	48,867	280,089	328,956	408,074
Islamic Relief Ireland	382	55,956	56,338	313,390
Islamic Relief Spain	27,579	104,255	131,834	126,160
Islamic Relief Singapore	-	-	-	87,030
Islamic Relief Norway	27,076	4,135	31,211	68,927
Islamic Relief Bosnia and Herzegovina	87,672	-	87,672	32,057
Islamic Relief Lebanon	-	-	-	4,358
Islamic Relief Kosova	14,823	-	14,823	-
Total	38,886,817	38,908,992	77,795,809	60,419,240

All partners are separate legal entities reporting locally in their respective countries. These amounts represent those transmitted to Islamic Relief Worldwide projects. Islamic Relief Mauritius is incorporated as a branch of Islamic Relief Worldwide, with local directors appointed to oversee operations.

* Islamic Relief Mauritius is treated as a branch of Islamic Relief Worldwide and its account is included within the accounts of Islamic Relief Worldwide.

ISLAMIC RELIEF WORLDWIDE NOTES TO THE FINANCIAL STATEMENTS

7. Results from trading subsidiaries

			Total			Total
	TIC International Limited	SIF Invest	2017	TIC International Limited	SIF Invest	2016
	£	£	£	£	£	£
Subsidiary trading income	2,112,050	36,804	2,148,854	2,407,076	84,216	2,491,292
Income from charitable shops managed by TIC International Limited	1,071,733	-	1,071,733	1,075,201	-	1,075,201
Qurbani sales to group	-	-	-	115,338	-	115,338
Income from Qurbani	-	-	-	501,646	-	501,646
	3,183,783	36,804	3,220,587	4,099,261	84,216	4,183,477
Operating and administrative costs	3,190,462	46,125	3,236,587	3,665,906	43,203	3,709,109
Net profit for the year	(6,679)	(9,321)	(16,000)	433,355	41,013	474,368
Amounts gift aided to Islamic Relief Worldwide	-	-	-	436,677	-	436,677
Retained in subsidiary	(6,679)	(9,321)	(16,000)	(3,322)	41,013	37,691
The assets and liabilites of the subsidiaries were:						
Fixed assets	360,391	-	360,391	414,967	-	414,967
Current assets	993,410	193,159	1,186,569	1,350,181	178,024	1,528,205
Current liabilites	(343,829)	(29,820)	(373,649)	(748,496)	(32,009)	(780,505)
Total net assets	1,009,972	163,339	1,173,311	1,016,652	146,015	1,162,667
Aggregate share capital and reserves	1,009,972	163,339	1,173,311	1,016,652	146,015	1,162,667

8. Governance costs

	Activities undertaken directly	Activities undertaken directly
	2017	2016
	£	£
External audit and statutory accounts	42,000	38,000
Legal and consultancy	264,890	226,063
Trustee expenses	32,949	33,985
Internal audit	222,110	173,596
	561,949	471,644

9. Trustees' remuneration

	2017	2016
	£	£
Trustees are not remunerated Neither the trustees, nor any persons connected with them, have received any remuneration, either in the current year or the prior year.	£nil	£nil
The number of trustees claiming expenses	6	5
Trustee expenses	£	£
Meetings	16,227	17,118
Travel	15,031	15,470
Telecommunications	1,691	1,397
Total	32,949	33,985

ISLAMIC RELIEF WORLDWIDE NOTES TO THE FINANCIAL STATEMENTS

10 . Total resources expended

	Total support costs	Activities under- taken directly	Total	Total
	2017	2017	2017	2016
Costs of generating funds	£	£	£	£
Costs of generating voluntary income	2,009,669	7,849,021	9,858,690	9,303,871
Fundraising trading – subsidiary costs	494,422	2,742,171	3,236,593	3,593,771
Investment management costs	63,317	73,907	137,224	136,417
	2,567,408	10,665,099	13,232,507	13,034,059
Cost of charitable activities				
Campaigning for change	632,296	731,046	1,363,342	1,103,366
Protecting life and dignity	118,760	57,291,520	57,410,280	46,489,095
Empowering communities				
- Access to healthcare and water	783,332	16,000,988	16,784,320	16,875,796
- Caring for orphans and children	103,499	23,196,458	23,299,957	19,049,357
- Supporting education	391,666	5,199,655	5,591,321	4,510,032
- Sustainable livelihoods	394,531	6,652,545	7,047,076	11,057,761
	2,424,084	109,072,212	111,496,296	99,085,407

- Supporting education	391,666
- Sustainable livelihoods	394,531
	2,424,084

Total resources expended	4,991,492

124,728,803

112,119,466

10 a. Costs of generating voluntary income

	Activities under- taken directly	Support costs	Total	Total
	2017	2017	2017	2016
	£	£	£	£
Fundraising and publicity costs	5,668,005	1,420,805	7,088,810	7,315,414
Campaigns and events costs				
Protecting life and dignity	2,019,943	545,376	2,565,319	1,838,486
Empowering communities	144,356	38,975	183,331	131,388
Campaigning for change	16,717	4,513	21,230	15,235
Islamic Relief Mauritius	-	-	-	3,348
	7,849,021	2,009,669	9,858,690	9,303,871

10 b. Fundraising trading: cost of goods sold and other costs

	Activities under- taken directly	Support costs	Total	Total
	2017	2017	2017	2016
	£	£	£	£
Trading subsidiary costs	2,742,171	494,422	3,236,593	3,593,771

10 c. Investment management cost: Waqf

	Activities under- taken directly	Support costs	Total	Total
	2017	2017	2017	2016
	£	£	£	£
Investment management cost	73,907	63,317	137,224	136,417

ISLAMIC RELIEF WORLDWIDE NOTES TO THE FINANCIAL STATEMENTS

10 d. Support costs

	Subsidiary	Manage- ment and administra- tion	Finance	Human resources & organisational development	Information communications technology	Facilities	Total	Total
	2017	2017	2017	2017	2017	2017	2017	2016
Costs of generating funds	£	£	£	£	£	£	£	£
Costs of generating voluntary income	-	771,602	208,964	216,428	321,575	491,100	2,009,669	1,908,986
Fundraising trading – subsidiary costs	494,422	-	-	-	-	-	494,422	557,699
Investment management costs	-	24,309	6,584	6,819	10,132	15,473	63,317	62,510
	494,422	795,911	215,548	223,247	331,707	506,573	2,567,408	2,529,195
Cost of charitable activities								
Campaigning for change	-	242,764	65,746	68,094	101,178	154,514	632,296	535,820
Protecting life and dignity	-	45,597	12,349	12,790	19,003	29,021	118,760	170,000
Empowering communities								
- Access to healthcare and water	-	300,756	81,450	84,360	125,344	191,422	783,332	492,720
- Caring for orphans and children	-	39,738	10,762	11,146	16,561	25,292	103,499	149,826
- Supporting education	-	150,378	40,725	42,180	62,672	95,711	391,666	246,360
- Sustainable livelihoods	-	151,478	41,023	42,488	63,131	96,411	394,531	249,180
	-	930,711	252,055	261,058	387,889	592,371	2,424,084	1,843,906
Total costs	494,422	1,726,622	467,603	484,305	719,596	1,098,944	4,991,492	4,373,101

Support costs have been allocated to each of the above activities on the basis of the number of direct staff supported during the period in the relevant activity. Governance support costs are allocated on the basis of support activities provided on clearly interpreted governance matters.

11. Net incoming resources

This is stated after charging/(crediting):

Auditors' remuneration

Depreciation

Operating leases rental other than plant and machinery Exchange (gain)/loss

Total	Total
2017	2016
£	£
42,000	38,000
414,784	423,620
3,243,700	3,276,650
(734,292)	(2,263,100)

Auditors' remuneration relates solely to audit services.

	2017	2016
	£	£
Fees payable to company's auditors for the audit of the company's annual accounts	35,000	34,000
Fees payable to company's auditors for the audit of the company's subsidiaries pursuant to legislation	7,000	4,000
Total audit fees	42,000	38,000

12. Staff costs and emoluments

	Group	Group
	2017	2016
	£	£
Gross salaries	11,889,901	11,221,488
Employers' National Insurance	876,211	746,418
Employers' pension	80,657	64,149
	12,846,769	12,032,055

	Group	Group
	2017	2016
Average number of employees	Number	Number
Engaged in raising funds	200	215
Engaged in charitable activities	122	109
Engaged in support activities	94	95
	416	//19

Employee numbers do not include trustees as they are not paid employees, and also do not include staff employed by Islamic Relief independent implementing partners.

	2017	2016
The number of employees with emoluments between £60,000 to £70,000 per annum	4	1
The number of employees with emoluments between $\pounds70,000$ to $\pounds80,000$ per annum	1	1
The number of employees with emoluments between £80,000 to £90,000 per annum	1	0

Total redundancies for the year ended 31 December 2017: £17,958 (2016: £38,340)

Key management remuneration

Executive management team remuneration during the year totalled £672,700 (2016: £631,488).

During the year a benchmarking exercise was undertaken relating to all staff including the executive managment team. As a result salaries were re-aligned to make them more market relevant.

ISLAMIC RELIEF WORLDWIDE NOTES TO THE FINANCIAL STATEMENTS

13. Intangible assets group and charity

	Group trademarks 2017
	£
Cost	
At 1 January 2017	188,026
At 31 December 2017	188,026
Accumulated amortisation	
At 1 January 2017	(132,071)
Charge for the year	(17,856)
At 31 December 2017	(149,927)
Net book value	
At 31 December 2017	38,099
At 31 December 2016	55,955

Trademarks are depreciated over their economic life of 10 years.

14. Group tangible assets

	Freehold land and buildings	Plant and machinery	Fixtures, fittings and office equipment	Motor vehicles	Total
Group	£	£	£	£	£
Cost/Valuation					
At 1 January 2017	7,095,245	579,099	3,500,281	271,734	11,446,359
Additions	168,990	23,880	121,287	19,830	333,987
Disposals	-	-	-	(30,002)	(30,002)
At 31 December 2017	7,264,235	602,979	3,621,568	261,562	11,750,344
Accumulated depreciation					
At 1 January 2017	1,585,131	423,162	3,174,597	208,332	5,391,222
Charge for the year	154,036	49,742	172,209	38,797	414,784
Disposals	-	-	-	(21,509)	(21,509)
At 31 December 2017	1,739,167	472,904	3,346,806	225,620	5,784,497
Net book value					
At 31 December 2017	5,525,068	130,075	274,762	35,942	5,965,847
At 31 December 2016	5,510,114	155,937	325,684	63,402	6,055,137

Freehold property is valued at historical cost and depreciated. Freehold properties includes properties held by Islamic Relief Worldwide for its own use and that of its trading subsidiary.

15. Charity tangible assets

	Freehold land and buildings	Fixtures, fittings and office equipment	Motor vehicles	Total
Charity	£	£	£	£

Cost

At 1 January 2017	6,875,252	3,341,891	145,649	10,362,792
Additions	168,989	121,287	16,230	306,506
Disposals	-	-	(9,340)	(9,340)
At 31 December 2017	7,044,241	3,463,178	152,539	10,659,958
Accumulated depreciation				
At 1 January 2017	1,509,403	3,096,619	116,600	4,722,622
Charge for the year	139,469	172,209	24,327	336,005
Disposals	-	-	(4,125)	(4,125)
At 31 December 2017	1,648,872	3,268,828	136,802	5,054,502
Net book value				
At 31 December 2017	5,395,369	194,350	15,737	5,605,456
At 31 December 2016	5,365,849	245,272	29,049	5,640,170

All assets are used for charitable purposes and there are no inalienable or heritage assets.

16. Investments

	Total group	Total charity
	£	£
As at 1 January 2017	352,417	1,269,351
Revaluation	446,078	446,078
Increase/(decrease in value)	(30,004)	-
As at 31 December 2017	768,491	1,715,429

The above note includes the following significant investments;

The investment in the charity relates to Islamic Relief Worldwide's investment in its subsidiary TIC International Limited, (£860,309) which provides clothes recycling services. TIC International Limited is incorporated in the United Kingdom.

The investment in properties refers to two properties:

The investment in SIF Invest relates to Islamic Relief Worldwide's investment in SIF Invest, incorporated in France. Islamic Relief Worldwide owns 99 per cent of the share capital of SIF Invest. SIF Invest is treated as a subsidiary in the group accounts. The decrease in value relates to the movement of profit and loss and exchange difference. The property is situated in France. The historical cost of the property in 2000 was £252,000, and has been revalued based on the court agreement in France, on 31 December 2017 at €880,000, (£781,199).

The second investment property is located in Bradford, UK and was kindly gifted to Islamic Relief. The property's value is included in the valuation at the time of the donation (\pounds 62,000). The trustees are satisfied that the current value of the Bradford property represents market value.

ISLAMIC RELIEF WORLDWIDE NOTES TO THE FINANCIAL STATEMENTS

17. Stocks and work in progress

	Group	Gro	up
	2017	201	16
		£	
Donated clothing	140,215	154,	857
tocks held by the subsidiary comprise clothes held for re-	-sale.		
8. Debtors			

	Group	Charity	Group	Charity
	2017	2017	2016	2016
	£	£	£	£
Trade debtors	399,013	1,331	474,800	1,343
Amounts owed from group undertakings	-	(7,574)	-	406,956
Prepayments and accrued income	1,035,187	1,035,187	1,064,004	1,064,004
Other debtors	9,046,752	8,968,115	9,666,729	9,586,586
	10,480,952	9,997,059	11,205,533	11,058,889

Amounts due from associated and subsidiary undertakings included £nil Gift Aid payment from TIC International Limited (2016: £436,677).

Other debtors represent amounts owed by partners for costs incurred on their behalf for operational matters. Other debtors include £0.6 million Gift Aid.

19. Creditors

	Group	Charity	Group	Charity
	2017	2017	2016	2016
	£	£	£	£
Creditors: amounts falling due within one year				
Bank loan < 1 year	-	-	200,004	200,004
Trade creditors	1,630,802	1,436,870	2,760,268	2,580,818
Accruals and deferred income**	2,132,379	1,999,794	3,519,340	3,374,617
Tax and Social Security	217,337	201,154	211,699	193,272
Other creditors*	3,690,768	3,690,767	3,345,487	3,345,488
Unpaid pension contributions	23,364	23,364	13,652	13,652
	7,694,650	7,351,949	10,050,450	9,707,851

Creditors: amounts falling due after more than one year				
Bank loan > 1 year	-	-	116,630	116,630

*Other creditors represents amounts due to Islamic Relief independent implementing partners for projects committed to and implemented during 2017.

The bank loan is for a term of 10 years, although the loan agreement allows Islamic Relief Worldwide to repay lump sum repayments. In accordance with the terms of the agreement, a fee of 1.75 per cent above the base rate is payable if the loan amount exceeds the aggregate credit balances as agreed. The bank loan is secured on the Waterloo premises.

Supplier payment policy and practice: payments are made in accordance with terms and conditions agreed between Islamic Relief Worldwide and its suppliers, provided the supplier is also complying with the relevant trading terms.

**Deferred income comprises income received in advanced which the donor has specified must be used in future accounting periods.

	Balance as at Deferred 1 January 2017		Released	Balance as at 31 December 2017
	£	£	£	£
Deferred income				
IR partners	2,322,054	682,008	(2,322,054)	682,008
International fundraising	980,885	1,269,823	(980,885)	1,269,823
Total	3,302,939	1,951,831	(3,302,939)	1,951,831

20. Financial instruments

		2017	2016
		£	£

Financial assets measured at amortised cost

Debtors	9,445,765	10,141,530
Cash	28,436,729	28,215,065
	37,882,494	38,356,595
Financial liabilities measured at amortised cost		
Creditors	5,364,154	6,444,635
Accruals	180,547	216,401
	5,544,701	6,661,036

ISLAMIC RELIEF WORLDWIDE NOTES TO THE FINANCIAL STATEMENTS

21. Commitments

	Group	Charity	Group	Charity
Operating leases other than plant and machinery	2017	2017	2016	2016
	£	£	£	£
Less than one year	272,950	272,950	257,950	257,950
Between 2–5 years	1,091,800	1,091,800	1,031,800	1,031,800
More than 5 years	1,878,950	1,878,950	1,986,900	1,986,900
Total	3,243,700	3,243,700	3,276,650	3,276,650

As at 31 December 2017, the group had no capital commitments (2016: £nil).

22. Pension costs

The charity operates a group personal pension scheme. As of 2014 it became a statutory requirement for all employees to be made a part of the pension scheme and the charity makes a contribution to this. Employees can opt out of the scheme if they choose.

23. Analysis of assets and liabilities representing funds

At 31 December 2017	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Group				
Tangible and intangible fixed assets	478,878	-	6,293,559	6,772,437
Assets	9,786,496	28,980,111	291,288	39,057,895
Liabilities	(1,472,996)	(6,221,653)	-	(7,694,649)
	8,792,378	22,758,458	6,584,847	38,135,683

At 31 December 2016	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Group				

Tangible and Intangible fixed assets	157,299	-	6,306,210	6,463,509
Assets	12,356,546	27,218,909	-	39,575,455
Liabilities	(1,516,352)	(8,650,728)	-	(10,167,080)
	10,997,493	18,568,181	6,306,210	35,871,884

24. Unrestricted funds

	General reserve	General reserve
	2017	2016
	£	£
Balance as at 1 January 2017	10,997,493	5,651,022
Net incoming resources	(2,550,947)	2,829,089
Movement to restricted funds*	345,832	2,517,382
Balance as at 31 December 2017	8,792,378	10,997,493

*This is a movement from endowment funds to unrestricted funds for humanitarian projects.

25. Restricted income funds

	Opening balance	Income	Expenditure	Gross transfers between funds	Total 2017	Total 2016
Appeal Funds	£	£	£	£	£	£
2017						
Protecting life and dignity	10,319,888	59,601,016	57,208,629		12,712,275	10,319,888
Caring for orphans and children in need	411,891	25,890,893	24,771,991	-	1,530,793	411,891
Supporting education	2,462,664	4,788,386	5,006,956	-	2,244,094	2,462,664
Providing access to healthcare and water	6,600,248	14,851,532	15,593,799	-	5,857,981	6,600,248
Sustainable livelihoods	(1,226,510)	10,262,208	8,622,383	-	413,315	(1,226,510)
Total	18,568,181	115,394,035	111,203,758	-	22,758,458	18,568,181

	Opening balance	Income	Expenditure	Gross transfers between funds	Total 2016	Total 2015
Appeal Funds	£	£	£	£	£	£
2016						
Protecting life and dignity	9,973,916	47,435,770	47,089,798	-	10,319,888	9,973,916
Caring for orphans and children in need	733,091	19,836,542	20,157,742	-	411,891	733,091
Supporting education	2,585,998	4,342,419	4,465,753	-	2,462,664	2,585,998
Providing access to healthcare and water	8,928,671	13,723,874	16,052,297	-	6,600,248	8,928,671
Sustainable livelihoods	3,623,492	9,190,957	11,856,547	(2,184,412)	(1,226,510)	3,623,492
Total	25,845,168	94,529,562	99,622,137	(2,184,412)	18,568,181	25,845,168

Restricted funds are funds subject to specific trusts, which have been declared by the donors at the time of donation or created through legal process. All restricted funds of Islamic Relief Worldwide have been used to implement specific humanitarian projects in particular areas of the relief stated above.

Zakat funds (annual religious payments by able Muslims to help the poor) have been used to cover shortfalls in emergency, health, sustainable livelihood and water and sanitation projects implemented in various countries. Further shortfalls were covered using unrestricted funds.

ISLAMIC RELIEF WORLDWIDE NOTES TO THE FINANCIAL STATEMENTS

26. Endowment funds

	Balance as at 1 January 2017	Total incoming resources	Return on investments	Total available resources	Total resources expended	Transfer	Balance as at 31 December 2017	Total 2016
Endowment funds	£	£	£	£	£	£	£	£
2017								
Protecting life and dignity	345,138	7,478	22,954	375,570	3,228	18,363	353,979	345,138
Empowering communities	5,961,072	248,018	409,336	6,618,426	60,089	327,469	6,230,868	5,961,072
Total	6,306,210	255,496	432,290	6,993,996	63,317	345,832	6,584,847	6,306,210

	Balance as at 1 January 2016	Total incoming resources	Return on invest- ments	Total available resources	Total resourc- es expended	Transfer	Balance as at 31 December 2016	Total 2015
Endowment funds	£	£	£	£	£	£	£	£
2016								
Protecting life and dignity	336,682	7,196	22,257	366,135	3,191	17,806	345,138	336,682
Empowering communities	5,762,564	179,036	393,955	6,335,555	59,319	315,164	5,961,072	5,762,564
Total	6,099,246	186,232	416,212	6,701,690	62,510	332,970	6,306,210	6,099,246

Waqf funds are permanent endowment funds that are held within the charity to generate further funds. These are currently invested in the properties of Islamic Relief Worldwide. Waqf investments give a 7 per cent (notional and internally allocated) annual return on capital from which projects are implemented for the purpose of Waqf shares. A proportion of the return is also added back to the capital to ensure growth for reinvestment in future years. In 2017, income from these Waqf investments amounting to £432,290 will finance future long-term sustainable humanitarian development projects. Of this £345,832 has been transferred to unrestricted funds to finance future humanitarian development projects.

27. Related party

During the year there were no Qurbani sales between TIC International Limited and Islamic Relief Worldwide. (2016: £115,338). At the year end, amounts due from associated and subsidiary undertakings included £nil Gift Aid payment from TIC International Limited (2016: £436,677).

28. Statement of Financial Activities and Income and Expenditure Account comparatives for prior year

	Unrestricted funds Restricted funds		Endowment funds	Total	
				2016	
-	£	£	£	£	
Income and endowments from:					
Donations and legacies	11,697,415	74,774,455	186,232	86,658,102	
Other trading activites	3,566,493	501,646	-	4,068,139	
Investments	-	-	416,212	416,212	
Charitable activities	-	19,253,461	-	19,253,461	
Total	15,263,908	94,529,562	602,444	110,395,914	
Expenditure on:					
Raising funds					
Costs of generating voluntary income	-	9,303,871	-	9,303,871	
Fundraising trading: cost of goods sold and other costs	3,092,125	501,646	-	3,593,771	
Investment management cost	73,907	-	62,510	136,417	
Charitable activities	9,268,787	89,816,620	-	99,085,407	
Total	12,434,819	99,622,137	62,510	112,119,466	
Net income (expenditure)	2,829,089	(5,092,575)	539,934	(1,723,552)	
Transfers between funds	2,517,382	(2,184,412)	(332,970)	-	
Net movement on funds	5,346,471	(7,276,987)	206,964	(1,723,552)	
Reconciliation of funds					
Total funds brought forward	5,651,022	25,845,168	6,099,246	37,595,436	
Total funds carried forward	10,997,493	18,568,181	6,306,210	35,871,884	



Razia (left) was prevented from going to school as a child and married at the age of 15. Now, aged 40 and a mother of three, she has completed Islamic Relief's nine-month literacy course and secured a place at a mainstream school in Afghanistan.

Corporate directory

England & Wales Charity Registration Number 328158

Scotland Charity Registration Number SC042020

Company Registration Number 2365572

Address of Principal Office 19 Rea Street South. Birmingham B5 6LB

Board of Trustees

- Mrs Lamia El Amri, Chairperson of Board of Trustees
- Dr Abdul Rahman Bin Bidin, Treasurer of Board of Trustees
- Mr Adnan Abdul Rahman Saif
- Dr Almoutaz Tayara
- Mr Moegamat Tahir Salie
- Dr Mohamed Amr Attawia

Company Secretary

Mr Adnan Abdul Rahman Saif

Executive Management Team

- Mr Naser Haghamed, Chief Executive Officer
- Dr Hossam Said, Managing Director of Humanitarian Academy for Development
- Mr Imran Madden, Islamic Relief UK Director
- Mr Martin Cottingham, Director of External Relations and Advocacy
- Mr Nasir Rafiq, Interim Director of Finance and Corporate Services (appointed 23 April 2017)
- Mr Tayeb Abdoun, Director of the Network and Resources Development Division
- Mr Waseem Ahmad, Director of International Programmes Division
- Mr Shakil Butt, Human Resources and Organisational Development Director (resigned 21 April 2017)
- Mr Amjid Illahi, Interim Director of Services (resigned 21 April 2017)
- Mr Abdul-Jalil Ali, Interim Finance and Services Director (resigned 31 March 2017)

Auditors Crowe U.K. LLP

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Bankers

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Natwest Plc

125 Colmore Row Birmingham B3 2AS

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"And whoever saves the life of one person, it is as if he had saved all mankind"

Qur'an. 5:32



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Registered Charity No. 328158 Registered Company No. 02365572



