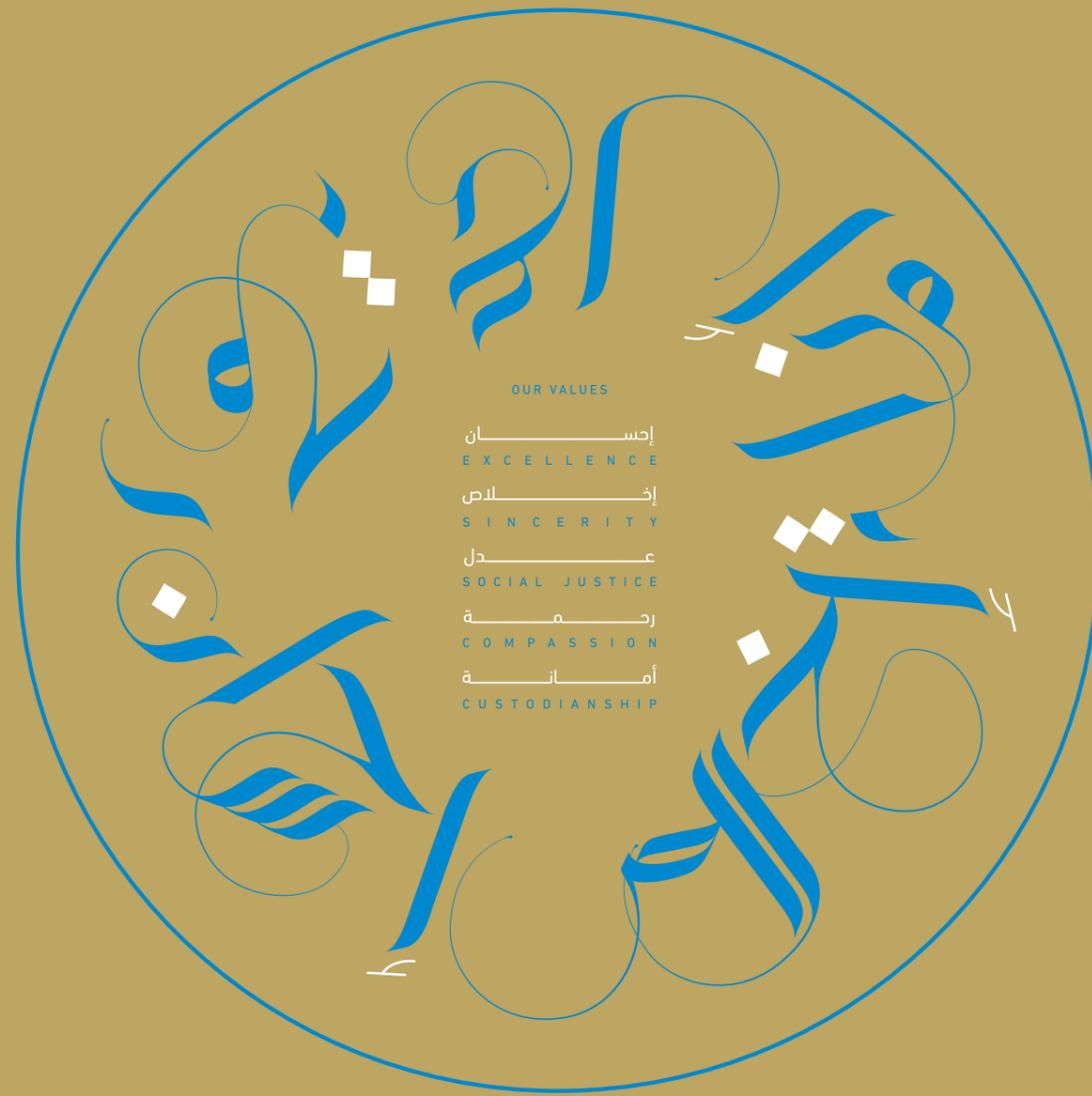




Islamic Relief Worldwide

Annual Report and
Financial Statements

2018



Rehmi sits on the ruins of her home in Palu, Indonesia. She and her family managed to get to safety when a deadly tsunami struck in September 2018. Like so many others, they lost everything they owned. Undaunted, Rehmi used her knowledge of the community to help us get food, water, blankets and tarpaulin to survivors. Nearly 15,000 people in total were reached by Islamic Relief's emergency response to the disaster.

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Message from the Chair of Trustees and Chief Executive Officer

Assalamu alaykum Peace be with you

It is difficult to put into words how the ongoing wars in Syria and Yemen are devastating the people of both nations, but year after year our dedicated teams on the ground work tirelessly to provide a measure of relief. With 11.7 million Syrians in need of humanitarian aid, this year we provided over 1.6 million people in the country with life-saving support. In Yemen, where a staggering 22 million people remain at risk, we witnessed the most desperate conditions, including pockets of famine. Amidst the dangers of war, our teams fearlessly delivered baskets of food and emergency nutrition, trucked water into camps, supported health centres and provided hope for 1.2 million people.

We are truly proud of our dedicated staff who deliver aid in the most challenging and dangerous circumstances, but we call upon the international community to do more to end human suffering. We know the world has the means to end the war in Yemen, but it needs to act fast. We pray this happens soon, and when it does, Islamic Relief will God-willing be there to help rebuild some of what was lost.

We are sincerely grateful to those whose donations provided the resources for our work. Their generosity pushed our total income beyond last year's record figure to reach £127.9m. The student-led Charity Week initiative alone raised £1.3 million, with young volunteers leading the way in our global fundraising efforts. The incredible generosity of our donors in 2018 allowed us to deliver our largest ever Ramadan and Qurbani food distributions, as well as reach communities whose suffering goes largely unnoticed by the rest of the world.

The west African countries in which Islamic Relief works are among the poorest in the world, yet they are some of the most neglected. Our teams in Mali, Niger and Chad work with relatively limited resources, inspired by local communities who make the very best of the precious little they have. We have witnessed first-hand their strength of faith, resilience and generosity that is unmatched, and sincerely hope there will be a greater commitment to supporting and empowering them in the coming years.

Among the many achievements highlighted in this report we are particularly proud of pioneering an Islamic Declaration on Gender Justice. This important initiative promotes justice from a faith perspective, tackling harmful practices such as early and forced

marriage, gender-based violence and female genital mutilation/cutting. This year we also became a member of the UN Faith Advisory Council, and along with Christian and Jewish partners, highlighted the importance of faith-based humanitarian work at the US Congress.

2018 was a year of growth and creativity for Islamic Relief as we secured several innovative bids from European funding bodies including SIDA's new Human Security and Stability Unit. Our global microfinance portfolio exceeded a record-breaking £6 million, providing Shariah-compliant loans to 16,000 people this year. We received registration to fundraise in Turkey this year and two of our pilot programmes are now paving the way for self-reliant field offices.

Sadly, our unique access to some conflict areas carries its own risks and while we have robust procedures to protect our staff, we cannot always keep them safe. We pay tribute to our colleague, Ahmed Abdulle, who lost his life in Mogadishu, Somalia. Ahmed was off duty when an explosive device targeting a military convoy exploded, and he died in the indiscriminate gunfire that followed. Tragedies like this are a constant reminder not to take any of our work - or our ability to serve others - for granted.

As we present to you our Annual Report 2018, we thank you for supporting our humanitarian, development and campaigning work once again this year. In particular, we extend our sincere gratitude to our partners who continue to support not only the large-scale ongoing crises year after year, but smaller emergencies that receive so little attention. May Allah accept all our efforts to serve humanity - in accordance with our values - with sincerity, compassion, excellence, custodianship and social justice.



Lamia El Amri

Chair of the Board of Trustees,
Islamic Relief Worldwide



Naser Haghamed

Chief Executive Officer,
Islamic Relief Worldwide

"I want to help other injured children"

"I dream of living in a safe place away from the bombing of warplanes."

Six-year old Sumaya and her family have been searching for safety since war reached their home in Raqqa, Syria. Fleeing the fighting, they moved from place to place until they reached Zinbq camp, north of Idlib.

"I was playing in the camp yard with my friends when suddenly we heard the sound of a plane and ran away from it," says Sumaya. Moments later she remembers "feeling like I was flying in the sky. I do not remember anything more except that I woke up in hospital."

Sumaya was wounded by shrapnel from a missile fired by the plane, and was in intensive care for several months. She had a number of operations to remove metal fragments from her back but could not walk.

"She had no desire for treatment," says the doctor overseeing her physiotherapy at a medical centre supported by Islamic Relief, "but after several sessions there were signs of response, and we began to feel her desire for treatment."

Now Sumaya is able to walk a few steps. "I am able to play with my friends again," she says. "I hope to grow up and become a doctor at one of the physiotherapy centres so I can help the children injured in this war."





3.9 MILLION
PEOPLE REACHED
GLOBALLY WITH
EMERGENCY RESPONSE

CLIMATE ACTION
CONSULTATIONS HELD IN
12 COUNTRIES



3.5 MILLION
LIVES IMPROVED THROUGH
DEVELOPMENT PROJECTS
IN 31 COUNTRIES

OVER **60,000**
ORPHANED CHILDREN
SPONSORED



FIRST ISLAMIC
DECLARATION ON
GENDER JUSTICE
PIONEERED



OVER **3 MILLION**
PEOPLE GIVEN QURBANI
MEAT IN
35 COUNTRIES



NEARLY
850,000
PEOPLE EMPOWERED
TO EARN A DIGNIFIED
LIVING



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 global goals

Our global goals aim to ensure we respond effectively to humanitarian emergencies, contribute significantly to the UN Sustainable Development Goals and advocate for positive social change.

- 1 Reducing the humanitarian impact of conflicts and natural disasters
- 2 Empowering communities to emerge from poverty and vulnerability
- 3 Mobilising people and funds to support our work
- 4 Strengthening the Islamic Relief federation

Strategic partners

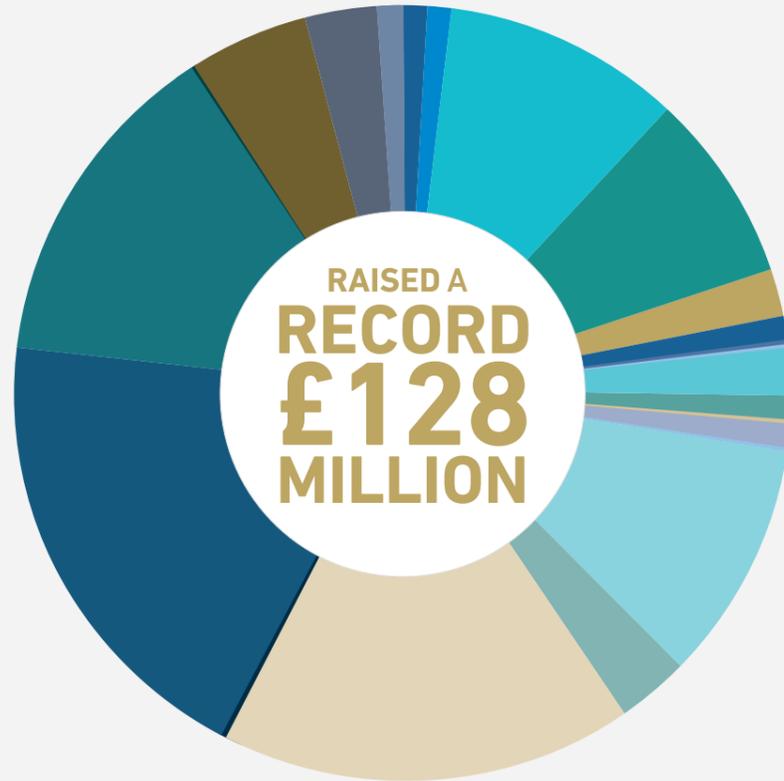
Thank you to all our strategic partners, including:



Our income and expenditure: 2018

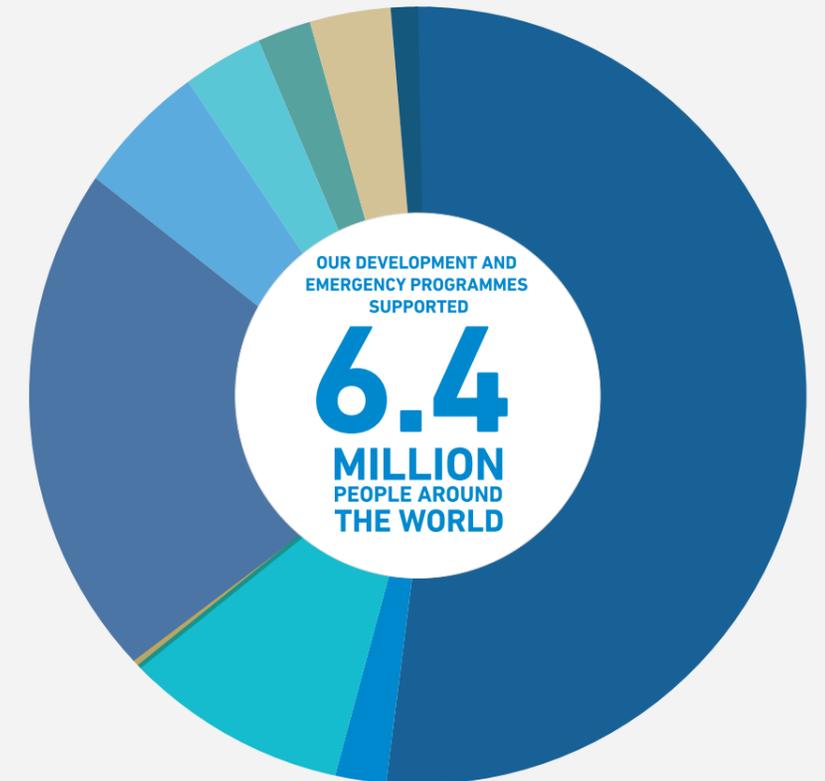
Where the money came from

Source of funding	Total %
Islamic Relief Australia	1.2%
Islamic Relief Belgium	1.1%
Islamic Relief Canada	10.1%
Islamic Relief Germany	7.8%
Islamic Relief Netherlands	2.0%
Islamic Relief Ireland	0.1%
Islamic Relief Italy	0.3%
Islamic Relief Malaysia	1.7%
Islamic Relief Mauritius	1.0%
Islamic Relief Norway	0.1%
Islamic Relief South Africa	1.1%
Islamic Relief Spain	0.2%
Islamic Relief Sweden	10.3%
Islamic Relief Switzerland	2.8%
Islamic Relief USA	16.6%
Islamic Relief Bosnia-Herzegovina	0.1%
Voluntary income from the UK	19.5%
Institutions	13.6%
Waqf investment income	0.4%
International fundraising	5.4%
Trading	2.7%
Disasters Emergency Committee	1.9%



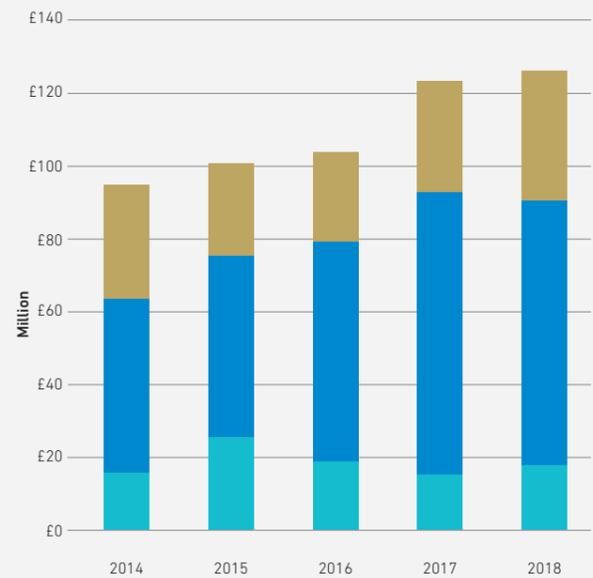
Where the money was spent

	2018
Protecting life and dignity	51.3%
Supporting education	2.4%
Providing access to health and water	8.9%
Investment management (endowment funds)	0.1%
Legal and statutory compliance (governance)	0.5%
Caring for orphans and vulnerable children	20.3%
Fundraising and publicity	5.6%
Supporting sustainable livelihoods	3.8%
Trading activities (charity shops)	2.2%
Support costs	3.8%
Campaigning for change	1.1%

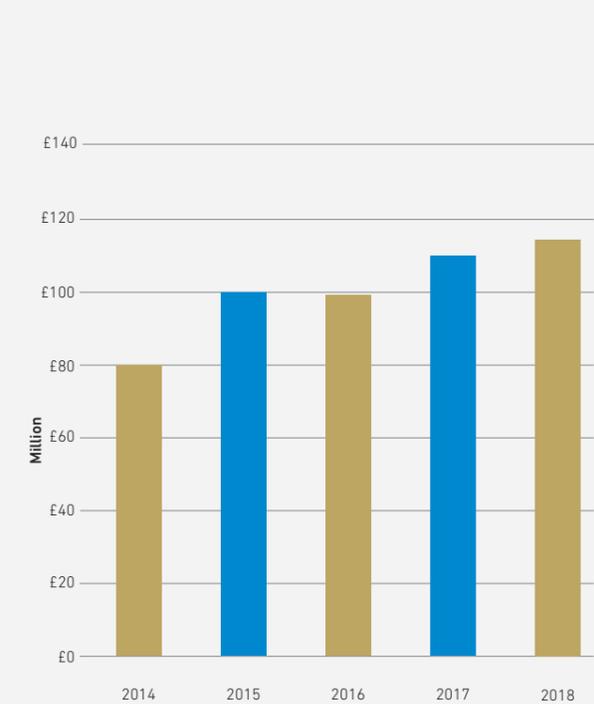


Charitable income

Voluntary income (excluding partners)	Donations from overseas
Grants	

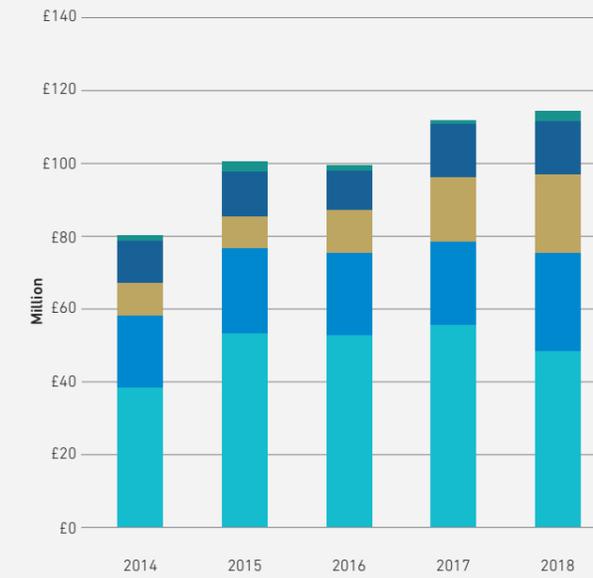


Charitable expenditure



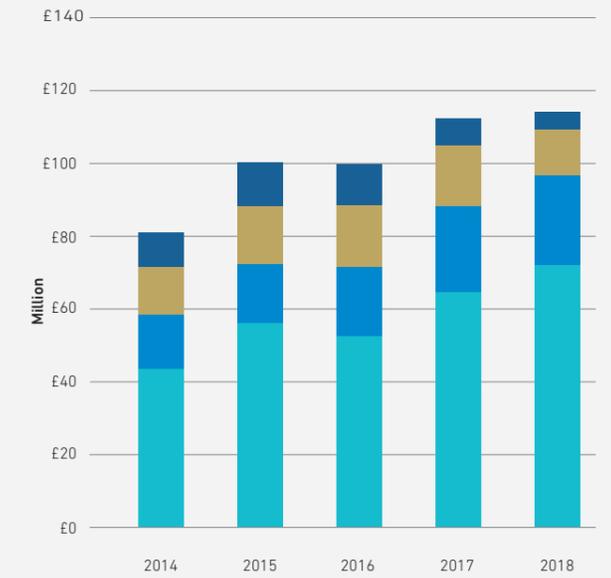
Charitable expenditure by region

Middle East	East Africa	Europe
Asia	West Africa	



Charitable expenditure by Sector

Protecting life and dignity and Campaigning for change	Providing access to healthcare and water
Caring for orphans and vulnerable children	Sustainable livelihoods



Structure, governance and management

Board of Trustees

The Board of Trustees directs and oversees the organisation in accordance with its statutory obligations. 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 is involved in making appointments to and dismissals from this team. The Board of Trustees works with key stakeholders and makes sure that we satisfy our regulatory requirements as a charity.

Representatives of a number of 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 from our global network.

Islamic Relief Worldwide is almost at the end of a four-year governance reform plan. This will see many of our partners being represented on our new International General Assembly as well as be eligible for election to the Board of Trustees. It will also see Islamic Relief Partners commit to membership criteria which further cement the ethos, values and standards of Islamic Relief.

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.

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 67.

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 pay our team appropriate salaries. 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 sustainable, and in line with our determination to be "lean", to maximize the amount we spend on programme deliverables.

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

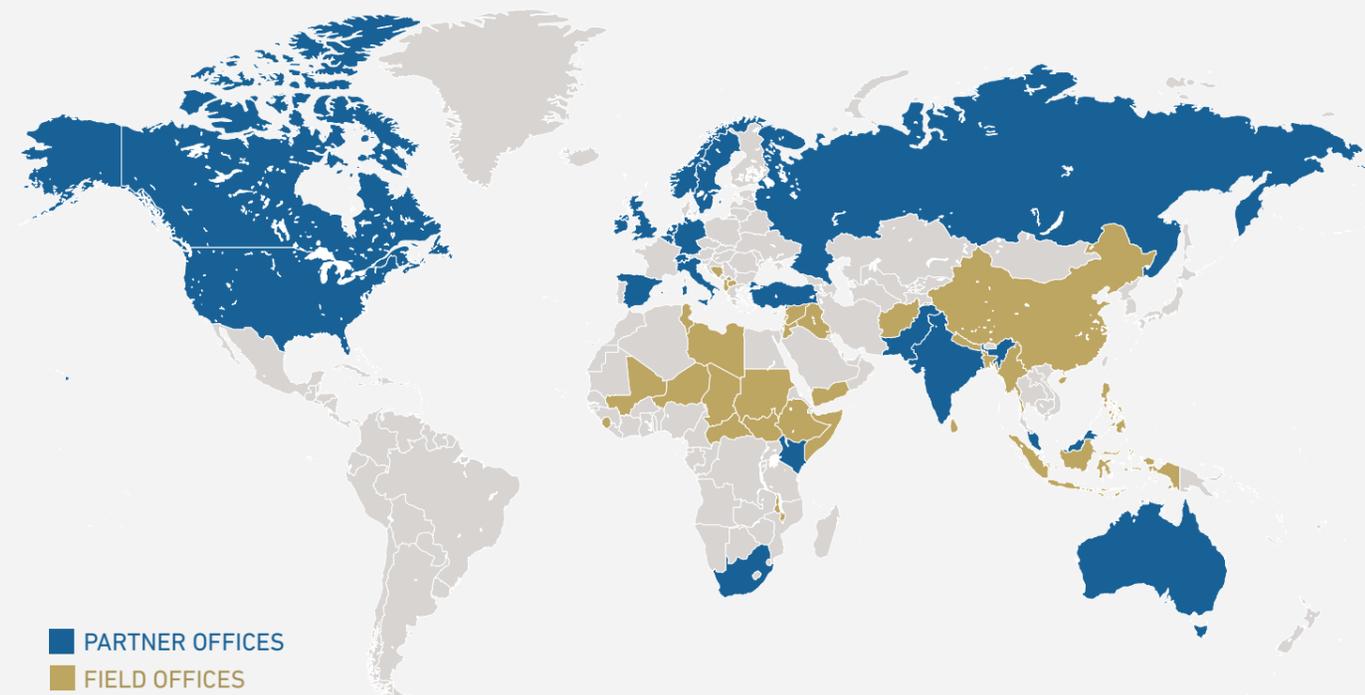
Islamic Relief Worldwide refers to the charity incorporated as a company limited by guarantee in England and Wales. Islamic Relief Worldwide's governing document, known as Memorandum and Articles, was originally dated 14 March 1989 and amended as a Memorandum of Association on 9 August 2010. Islamic 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.

Islamic Relief Waqf

The Charity's subsidiary Islamic Relief Waqf remained dormant throughout 2018.



■ PARTNER OFFICES
■ FIELD OFFICES

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:

- Australia
- Belgium
- Canada
- Germany
- Ireland
- Italy
- Malaysia
- The Netherlands
- Norway
- South Africa
- Spain
- Sweden
- Switzerland
- USA

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
- Islamic Relief Turkey

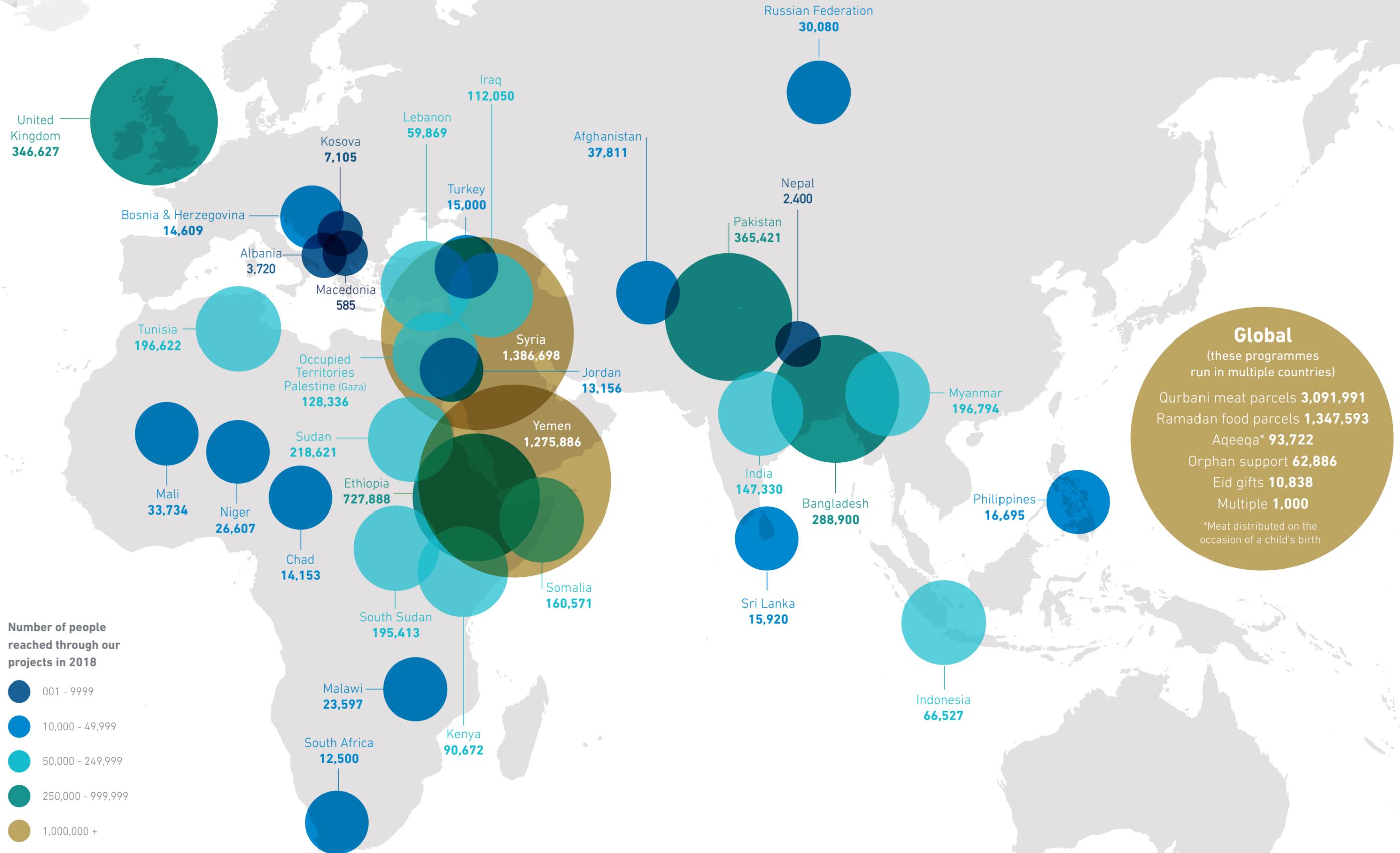
Countries in which we have country offices implementing humanitarian projects, raising funds and engaging in advocacy are:

- Afghanistan
- Albania
- Bangladesh
- Bosnia and Herzegovina
- Chad
- Ethiopia
- Indonesia
- Iraq
- Jordan
- Kosovo
- Lebanon
- Libya
- Malawi
- Mali
- Nepal
- Niger
- Occupied Palestinian Territories
- The Philippines
- Somalia
- South Sudan
- Sudan
- Tunisia
- Yemen

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

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

Where we work and how many people we helped this year



Executive management team and trustees' responsibilities

The trustees, who are also the company 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 of the Companies Act 2006 the trustees' report must contain statements to the effect that, in the case of each of the persons who are trustees at the time the report is approved -

- 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.

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 2018, our network of dedicated volunteers contributed significant hours supporting our shops, administration, fundraising and campaigning activities.

Auditors

A resolution to reappoint Grant Thornton 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 performance 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 2018, 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
- Peer to Peer Online Fundraising
- Live TV appeals
- Events
- Volunteer Activities
- Direct mail
- Online giving

In 2018, all activities were carried out by our own staff and we did not use professional fundraising agencies or other third parties.

Charity Week

Through our Charity Week campaign we worked with volunteers and students from 122 Higher and Further Education Student Societies. The Fundraising and Charity Week teams ensured that comprehensive training was given to every Student Society and volunteer through workshops that were delivered locally by the regional teams and filtered down to every participant. The regional fundraising teams provided support for the range of events and activities taking place across the country and closely monitored these activities to ensure best practice

Code of Fundraising Practice

During the course of the year the Charity performed an internal review of its compliance with the Fundraising Regulator's Code of Fundraising Practice and intends to subject itself to an audit of compliance in 2019.

Protection of vulnerable people

Islamic Relief Worldwide abides by the Fundraising Regulator's Code of Fundraising Practice and ensures its staff and volunteers are fully briefed about the protection of vulnerable people. Before any external facing fundraising activity is undertaken, staff and volunteers are briefed about best practice and made 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; 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 50 fundraising related complaints in 2018, 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 policy and privacy statements in place.

We are now working towards embedding GDPR compliance within the culture and working practices of the organisation and ensuring that all staff and volunteers are fully trained and aware of the risks associated with the use of personal data.

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 2018.

Goal 1



Reducing the impact of conflicts and natural disasters

Islamic Relief's humanitarian work is about much more than responding to emergencies when they occur. We work throughout the year to build the resilience of communities in disaster-prone areas so that they are less vulnerable when disaster strikes.

In 2018 we continued to support the people of Yemen and Syria caught up in devastating wars, and responded to numerous disasters around the world, many of which did not make it to the headlines. By the end of the year our emergency aid and other projects had reached over 1.2 million people in Yemen and more than 1.6 million in Syria alone. We also delivered a record-breaking number of food parcels in Ramadan and Qurbani.



1.3 million people received Ramadan food in 35 countries



Over 320,000 given winter survival packs



Over 11,000 people protected from the impact of disasters



3.9 million people reached with emergency aid



“I would sell anything to make her better”

“I used to work in Saudi Arabia and our circumstances were good, but since the siege I can no longer go there from Yemen. We live hand to mouth now. There is not enough work for me to be able to provide for my family. Sometimes we eat, and sometimes we go hungry.”

“There is no water or electricity here. We build houses from straw, but they fall down and we rebuild them. Our circumstances are getting worse, and my daughter is ill. She has diarrhoea, vomiting and a cough. She has become thin and is crying all the time.”

Mohammed took 14-month-old Eryam to a hospital but they were unable to diagnose and treat her. He also took her to a local healer, who burnt her neck and cut her epiglottis, but she did not improve.

“Then we went to the Islamic Relief health centre. They gave us free medicine and nutrition supplements. She is much better now, and sleeps peacefully. I take her for a check-up every week.”

“When she was sick, all I could think about was where to take her for treatment. I was afraid. I would borrow money or sell anything I have to get money to treat her. Now I see she is better, I am comfortable.”

Our emergency response: 2018

Hunger remained rife in Yemen as the ongoing war left 22 million people in need of humanitarian aid. In 2018 we provided food baskets to more than 260,000 families and emergency nutrition to 300 children and women at risk. We provided clean water for more than 50,000 people by trucking water into camps, installing solar-powered water systems, repairing water supplies and installing water tanks in health centres. Thousands of families received an income through our cash-for-work scheme and 250 survivors of gender-based violence set up small businesses with our grants.

By the end of the year, we reached over 1.2 million people in Yemen.

January



Work began on a water project in Nepal that served over 3,000 people affected by the 2015 earthquake.

Schools, health centres and public spaces benefited from new and repaired water supplies, and private bathing cubicles were installed for women.

February

Syria entered its eighth year of war, with 11.7 million people in the country in need of humanitarian aid. Islamic Relief's response continued to be one of the largest.

In 2018 we supported 1.6 million people in Syria as well as refugees in neighbouring countries.

We provided over 600,000 people with emergency food and over 1.5 million with access to healthcare. We helped more than 185,000 people survive the harsh winter and educated over 1,500 children who would have missed out on school. We also provided access to clean water, sanitation and hygiene for 160,000 people and supported medical facilities and staff.

March

April

In response to heavy rains that caused massive floods and landslides in east Africa, Islamic Relief provided emergency relief including food and clean water to over 135,000 people in Ethiopia, Kenya and Somalia in the months that followed.

In the Philippines, we helped 400 people back on their feet after homes and businesses were burned down in fighting the previous year. We provided cash-for-work opportunities and farming equipment to displaced people, reviving livelihoods in Marawi city.

One year after Cyclone Mora displaced thousands of people, we began building safe shelters for 33,600 people living in camps in Myanmar's Rakhine State. Prioritising women, children and older people, our high-quality shelters offered privacy, security and dignity to vulnerable families, as well as paid employment for 1,000 displaced people who worked on the project.

We also treated 22,600 at our mobile clinics including camp residents and those living in 30 isolated villages. Alongside this, a hygiene awareness programme focussed on preventing disease while our patient referral system helped build people's trust in government health services who worked on the project.



Daw No Bar Doh (centre) and her daughters had been living in cramped conditions but now live in a secure shelter which they share with Daw's sister and nephew.

May

Islamic Relief, Oxfam GB and Save the Children International combined their efforts to respond to persistent drought in the Somali Region of Ethiopia. Working in three districts, we provided over 430,000 vulnerable people with access to food, water, health and nutrition services and livelihood support.

"We were given soap and water treatment chemicals," says Fatuma Abdi, 34. "My children were vulnerable to sickness but now we drink clean water. Since Islamic Relief started providing us with cash grants, I can afford some basic necessities. I am grateful to all who supported us and saved our lives."

June

In Ramadan 2018 provided over 1.3 million people with food in 35 countries.



In response to floods in Bangladesh, we supported 1,300 families with hygiene kits and cash grants, with additional financial support for people with disabilities. Hawarun Nessa, from Kanaighat Upazila, used the grant to repair her home. "My home was badly damaged and I lost my vegetable garden. The children suffered from waterborne diseases. We received this aid at the right time. For me and my family, it is lifesaving support."

July

The worst floods to hit southern India in a century deluged Kerala this month, with a million people evacuated from their homes. Working through our local partner OFFER, we distributed thousands of mosquito nets, hygiene and dignity kits, and provided safe drinking water for over 39,500 people. Among them was 32 year old Sabina who returned to find her family home filled with mud and all their belongings destroyed. "My family was in distress. We had to walk more than half an hour to get clean water but now we can use our own well again as it is no longer contaminated."

August



Our Qurbani food distributions in 2018 reached over 3 million people in 34 countries.

A deadly tsunami and earthquake in Central Sulawesi, Indonesia, claimed thousands of lives and left many with no home and limited sources of income. Islamic Relief was on the ground from day one, providing life-saving aid to 14,800 people including food and shelter.

In the Philippines, we helped 2,275 survivors of typhoon Mangkhut repair their shelters and restore farming livelihoods. "People have lost their homes, their crops and in extreme cases their loved ones," says Islamic Relief aid worker, Maryann Zamora. "Families here had only just started recovering from Typhoon Haima, which wreaked havoc two years ago – and now they are back to square one."

September

October

Ongoing civil conflict and drought left millions hungry in South Sudan, where we responded by distributing food, drilling water boreholes and getting health centres up and running again.

Our nutrition programmes resulted in a remarkable improvement in health and weight gain among acutely malnourished children in Kapoeta East. By early 2019, our response had supported 32,000 vulnerable people.



This month saw one of the deadliest days in ongoing mass protests against the blockade in Gaza in the Occupied Palestinian Territories. Health services struggled to cope with the surge in casualties, with medicine, funding and electricity all in short supply. Islamic Relief continued to provide vital humanitarian aid throughout the year, including medical assistance for 38,000 injured or sick people.

November



The Anak Krakatau volcano eruption in Indonesia caused a devastating tsunami that claimed hundreds of lives and forced thousands from their homes.

Islamic Relief distributed hot food, clean water, medicines and blankets to survivors. By the end of the year, we had helped over 66,400 people affected by disasters in the country.

December

Goal 2



Empowering communities to emerge from poverty and vulnerability

The root causes of poverty and suffering are unique in every community we work with, and that is why Islamic Relief develops a tailored and integrated approach when empowering people to become self-sufficient.

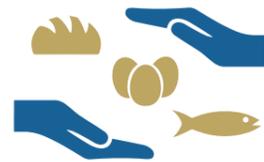
In 2018 we delivered 267 development projects as part of our contribution to the UN Sustainable Development Goals. We improved access to basic services like education, healthcare, water and sanitation. We provided livelihood support and trained farming communities to adapt to climate change. We focused on the most vulnerable people, and gave them opportunities to change their lives for the better.



Almost 850,000 supported to earn a living



Over 180,000 people given access to water, sanitation and hygiene



278,000 people given better access to food



Over 290,000 children and adults accessed education

“Islamic Relief gave us hope again”

“There was no farming in our village before Islamic Relief supported us. Living conditions were not good.”

Abdulkadir Yusuf Mohamed, 60, lives in Balcad, Somalia, an area historically renowned for agriculture, livestock and marine resources but also prone to flash floods that destroy livelihoods. The father of four had resettled in the area after living in a camp for displaced people, but has been unable to work for more than a year because he could not afford to repair his irrigation machines.

Abdulkadir was supported by an Islamic Relief programme aimed at empowering people to earn a living and overcome food shortages. We trained 200 men and women as cooks, carpenters and electricians and repaired damaged roads that connected communities to services like schools and health centres. We also restored irrigation canals to make farmland productive again.

“Islamic Relief gave our community their hope back and encouraged them to farm again. Now, we are so happy and we will harvest more crops this year,” says Abdulkadir.



Providing life-changing opportunities



In remote parts of Jordan many schools are over-subscribed, with refugee children most likely to miss out on education. Islamic Relief's mobile education unit – a specially adapted and equipped truck – reaches out to vulnerable children and provides them with a safe space to learn. In 2018 we reached 700 children in Al Mafraq, including Syrian refugees. We delivered Arabic, English and maths lessons, provided school kits, offered counselling and support services, and taught local communities how to protect children and support those with disabilities.

In Malawi only around a quarter of children complete primary school, and for girls the number is even lower. In 2018 we refurbished Malemia Primary School in Domasi, which now provides a quality education to 800 children. It has a well-equipped library, a solar-powered clean water system and a well-stocked kitchen with energy-saving stoves. To help overcome barriers to girls attending school we built girls' changing rooms and taught teachers, mothers and girls to make reusable sanitary pads. We also trained teachers on how to address issues such as gender-based violence and early and forced marriage.

The transformation by Islamic Relief has increased exam pass rates by an amazing 80 per cent, and led to more girls staying on at school.

This year our Orphan Sponsorship scheme enrolled 6,000 new children including Syrian refugees in Turkey. The £21 million scheme now supports over 60,000 children in 28 countries. Often, Islamic Relief's support does not end when the child becomes a young adult; in 2018 several orphans joined our Pakistan team as interns, getting a helping hand into the world of work.

In Bangladesh, where orphaned children are more likely to miss out on education, Islamic Relief helped their guardians set up small enterprises in return for them sending children to school. The project helped increase access to basic services, creating a positive cycle of education, wellbeing and opportunity – reflecting the integrated approach that is the hallmark of our strongest projects.

As a result, 700 families saw their average income increase by over 400 per cent, while all the children regularly attend school.

In 2018 we also supported 2,300 people from 'stranded' communities in Dhaka who have had no citizenship rights since Bangladesh's independence from Pakistan in 1971. We provided 2,300 marginalised people with better living conditions, access to vital services and livelihood opportunities whilst raising community awareness of protecting women and children.

In Gaza, in the Occupied Palestinian Territories, we raised the standard of teaching and care for pre-school children by furnishing kindergartens and helping them adopt a new curriculum. We provided training and mentoring for teachers and up-to-date learning resources using smart devices to support the cognitive, social, emotional and educational development of 8,400 children.

Increasing access to food

Drought-prone Mopti in northern Mali has struggled to cope with refugees returning to the area. Nearly half of all children here have stunted growth due to food shortages. In 2018 Islamic Relief trained 1,000 women to grow vegetables to feed their families and sell at market. We trained 250 farmers in the latest agricultural techniques and gave families drought-hardy seeds so they are less vulnerable when rains fail.

Already, 60 hectares of farmland are irrigated by solar-powered precision systems that make the most of every precious drop of water drawn from the River Niger.

A similar scheme was completed in Niger's Tillaberi region this year, where we created communal kitchen gardens and trained women to tend to them, building community resilience in the face of climate change. Solar-powered water supplies irrigated the gardens and provided water for local people. In addition, we trained and equipped women to make a living by processing groundnuts.

With our support, over 4,000 people in Niger were able to grow food or purchase it at an affordable price.



25-year-old Ifitin has been taking care of her three younger siblings since their parents died. In 2018 Islamic Relief helped her set up a shop as part of a project to promote the rights of widowed women and orphaned children. "Now my business is growing well and my family is secure," says Ifitin. "I send my brothers and sisters to one of the best schools in the city. A new chapter of my life has started."

Improving health and wellbeing

This year Islamic Relief ran a physical and mental health screening programme in Afghanistan for orphaned children, their families and guardians, reaching 71,000 people. Among these was 21-year-old Majahida Mehdyarzada, who had struggled with depression and anxiety following her divorce and attempted suicide several times. Majahida received counselling and is now actively helping other women and girls with mental health issues, while Islamic Relief continues to dismantle barriers preventing women and children from reaching their potential.

In Malawi we ran an innovative scheme offering young people at risk positive alternatives to harmful activities. We trained 100

youth on issues such as HIV/AIDS, gender-based violence, early and forced marriage, and the dangers of substance abuse. Through sports, drama and poetry, we reached out to 10,500 young people, some of whom felt safe enough to disclose incidents of child and sexual abuse which have been taken up by the Malawian police.

In Kosova, where the healthcare system does not extend to home care, we provided free domestic support for 12,700 people, including older people, women and people with disabilities, significantly improving their quality of life.

Goal 3



Mobilising people and funds

At the heart of Islamic Relief's mission is to see positive change in the world, and that change is driven by the people and funds that support our work. This year, we continued to increase our impact by working together, from record-breaking fundraising by our Charity Week volunteers to delivering our largest Ramadan and Qurbani food distributions.

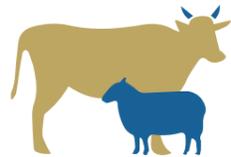
2018 saw exciting developments in our ambitious global advocacy campaigns. We pioneered a ground-breaking Islamic Declaration on Gender Justice, delivered climate change initiatives around the world and continued our efforts to enable refugees and migrants to live in dignity.



An Islamic Declaration on Gender Justice pioneered



Climate consultations held in 12 countries



Largest global Qurbani distribution reached over 3 million people



373 volunteers involved in record-breaking UK Charity Week

“Now we can work and take care of our children”

Many women in Siti's village left their children at home while they undertook hazardous work breaking rocks for sand - or sought work abroad.

But things are different now in the village in Lombok, Indonesia. An Islamic Relief project has helped women like Siti earn a dignified and sustainable income by cultivating and selling mushrooms in the community. 300 women have been able to establish businesses thanks to the livelihoods training and Islamic microfinance loans they received.

As Siti shows her daughter how to make 'bag logs' - bags

filled with sawdust in which mushrooms are grown - she is grateful that she can work close to home and be with her family.

“We are happy that we were introduced to mushroom production. With the new skills we have we can take care of our children while earning for the family,” says Siti.

Islamic Relief works with women and girls to tackle the economic, social and cultural barriers that stop them from reaching their potential, as part of our work to stand up for gender justice.



Promoting gender justice



Islamic Relief takes a faith-sensitive approach to challenging gender injustice and gender-based violence, from community level to the international stage. Our challenging #HonourHer campaign held during the UN's 16 Days of Activism against Gender-Based Violence saw Islamic Relief teams organise activities around the world including a peace walk in Bosnia-Herzegovina and a march for women's rights in Malawi. Following this we organised a high profile panel discussion with other campaigners at a National Press Club event in Washington DC.

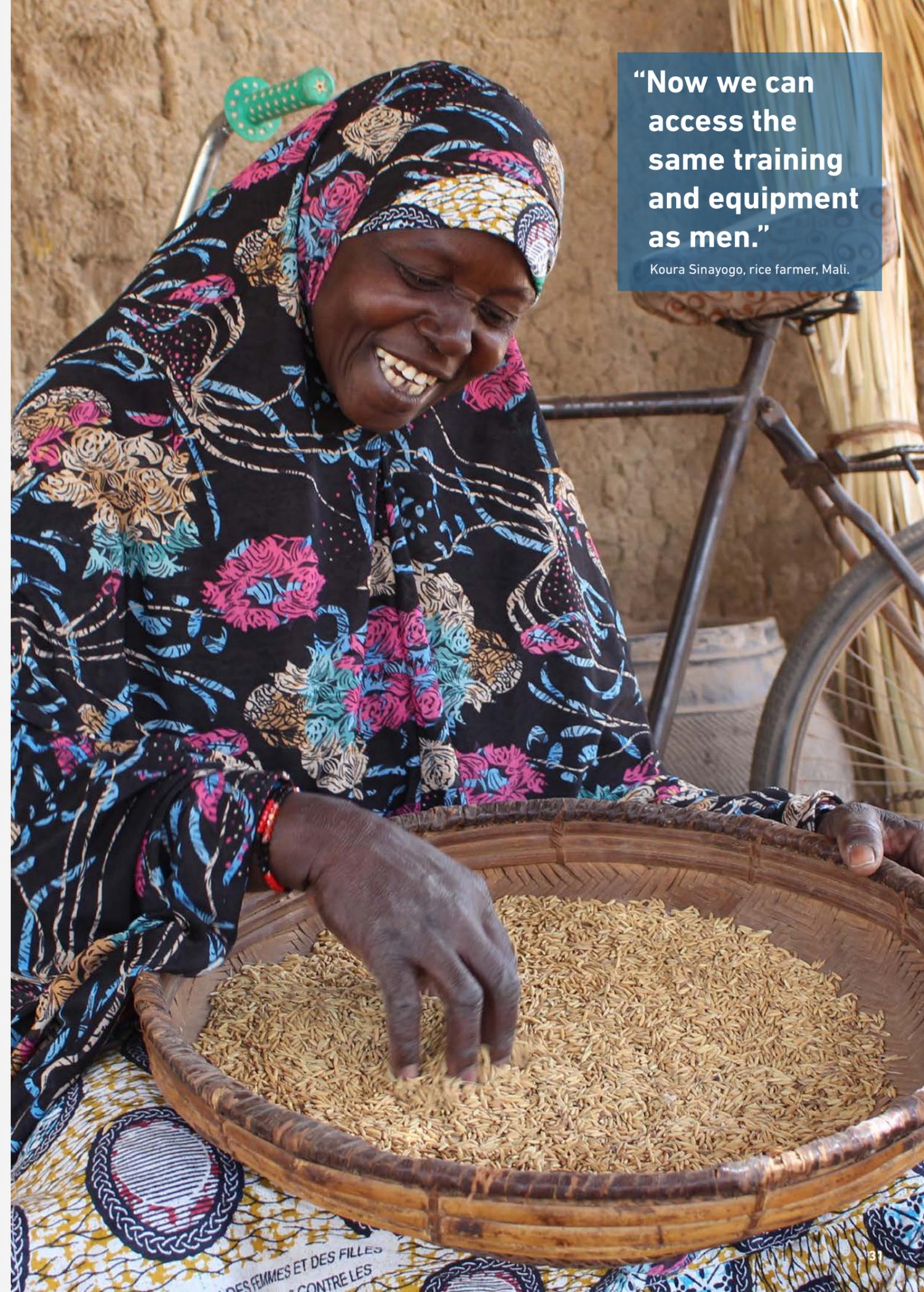
In 2018 we published policies on female genital mutilation/cutting (FGM/C) and early and forced marriage, calling for an end to these harmful practices. We helped shape the global policy framework on women's empowerment and gender equality by hosting events at the influential UN Commission on the Status of Women (CSW), in which we shared our experience of working with faith leaders. We also highlighted **the Islamic Declaration on Gender Justice, which we are pioneering with civil society and faith leaders. The Islamic Gender Justice Declaration will challenge discrimination and harmful practices.**

In Mali, Islamic Relief has been working to challenge negative social attitudes to women and empower them to become self-reliant. We trained women on leadership, rights and gender justice issues, and as these women have trained others, social attitudes have started to change. The impact of this has transformed the way father-of-two Seydou Diarra, 52, thinks about child marriage.

"My younger brother asked me to find a girl to marry his son," explains Seydou, who approached the family of 14-year old Siba, only to be rejected. Siba's grandmother had attended an Islamic Relief awareness session on the harms of early marriage and decided that the commonplace practice had to end. Fiercely opposing the marriage, she convinced Siba's parents not to give their consent – and inspired Seydou too. "I was very moved by her remarks and I understood why this practice should be banned. I decided to work to put an end to early marriage."

We also supported women to earn a living through farming as one of our strategies for tackling the effects of climate change in Mali. However, this this could only be achieved by forming unions to promote women's rights and their involvement in village decision-making. With coaching from Islamic Relief, these community organisations persuaded local authorities to include women in distributions of state-subsidised fertiliser for the first time. It was a big boost for women's livelihoods, according to rice farmer and mother-of-six, Koura Sinayogo (right).

"Women find themselves in the management committee with men, which was not the case in the past. We put forward our ideas, which are taken into account, we participate in all the training and we access equipment the same as men."



"Now we can access the same training and equipment as men."

Koura Sinayogo, rice farmer, Mali.

Empowering refugees and displaced people

Islamic Relief is committed to helping refugees and displaced people live with dignity by providing direct support and advocating for their rights to be protected. In 2018 we published a briefing on the issue and delivered a host of projects supporting forced migrants. Among these was an innovative programme in Lebanon, where tensions are rising as the country struggles to cope with the influx of refugees.

Islamic Relief is building bridges between communities and empowering refugees to look ahead to brighter futures, particularly despairing youth who may be vulnerable to mental health issues, exploitation and even radicalisation.

“Youth Resolve is a most valuable life experience,” says Mohammed, 16, who fled Syria with his family five years ago. One of a hundred incredible young Syrian, Palestinian and Lebanese volunteers who took part in the project, Mohammed found volunteering broadened his horizons: “It was in an area I had never been in. I got to know new people who became my friends; I learned new skills.”



The volunteers refurbished the new Islamic Relief community centre in Saida, from which we run activities to ease the trauma of conflict, promote peace and improve community cohesion. Bringing together young people of different backgrounds to find common ground through drama, music and storytelling, the European Union-funded project provided learning support and internships for young men and women who are now equipped to influence policy to change the world around them for the better.

Tackling climate change

This year we continued to offer our distinctive Islamic perspective and expertise in working with communities hit hard by climate change. We launched a revised climate change policy and called for bold and urgent action to limit global warming as well as to respond to the consequences of climate breakdown.

Across 12 countries, we held scores of climate ambition consultations, the results of which were given to the UN Framework Convention on Climate Change (UNFCCC) and directly shaped global climate change policy. We published updated climate change research, and addressed the UN Climate Change Conference on behalf of the Climate Action Network.

In 2018 we concluded a major programme on sustainable consumption and production, spanning three continents. Led by our Humanitarian Academy for Development (HAD), it included carbon reduction schemes, climate change advocacy and research. It also saw eco-centres developed, like the one set up in Bangladesh this year in partnership with Dhaka's Sher-e-Bangla Agricultural University. Tackling the problems caused by rapid urbanisation, the centre championed rooftop gardening; it researched plant species, trained 100 people as rooftop gardeners and ran campaigns urging the public to get involved. It also developed a smartphone app to give technical advice. The initiative gained additional momentum when the local authority cut taxes for all buildings with a garden on their roof.



“Eco-friendly practices create new possibilities,” says Professor Dr Mohammad Mahbub Islam, who runs the new eco centre at Sher-e-Bangla Agricultural University. “We are showing local people how to develop a successful rooftop garden, so they can get vegetables and fruit throughout the year,” he explains, adding that research has shown the garden reduces temperature and carbon dioxide levels and also increases oxygen in the atmosphere.

Increasing funds and impact

In 2018 Islamic Relief Waqf (IR Waqf), an Islamic form of permanent endowment, generated £407,814 in revenue and its total portfolio increased to £7,000,515. The return on investment from 2017 funded six humanitarian projects this year, including an ultrasound device for Travnik Hospital in Bosnia-Herzegovina and smart-boards to improve the quality of education in the country. In Indonesia, Waqf funded emergency aid for survivors of an earthquake in Lombok and in Jordan we established barber shops in villages for vulnerable communities. Waqf also funded Qurbani distributions in Bangladesh for people displaced from Myanmar and provided safe water for South Sudanese refugees and host communities in West Kordofan.

Islamic Relief Waqf has been a division within Islamic Relief Worldwide since 2000. In July 2018 it became a separate subsidiary of Islamic Relief Worldwide and registered as a charity, number 1162805.

Once operational, Islamic Relief Waqf plans to manage the investments and endowments of the organisation. With a new

structure in place and a rebranding exercise underway, it has a strategy to grow and diversify with the aim that it will set a benchmark for the Waqf sector.

The profits from our trading subsidiary, TIC International, also supported humanitarian programming this year as it turned over £3.2 million. With 14 shops and 253 clothing banks in the UK, TIC International processed over 2,800 tonnes of donated items.

2018 saw our Ramadan food distribution break records once again, as despite having a much smaller budget than the previous year, we were able to negotiate cost savings and deliver more food packs to families around the world. In total, 254,451 parcels were distributed to nearly 1,347,593 people in 35 countries - including, for the first time, in Nepal. We continued to expand our Qurbani meat distribution, reaching a record-breaking 3,091,991 people in 34 countries. Meanwhile our growing seasonal programmes team was able to increase Aqeeqa funding by around one third and double the number of Eid gifts given out in 2018 - making it our largest such distribution to date.

Islamic Relief activities in the UK

In 2018 Islamic Relief UK invested £14.5 million in humanitarian projects and over £9.9 million in development projects. Over £4.6 million was spent on responding to humanitarian crises in Afghanistan, Albania, East Africa, Indonesia, Myanmar, Malawi, Mali, Palestinian Territories, Syria and Yemen. We participated in the Disasters Emergency Committee (DEC) appeal to help survivors of the earthquake and tsunami in Indonesia, providing life-saving food, water and healthcare.

Islamic Relief UK was delighted to win its third UK Aid Match appeal. This is a scheme in which the UK Government pledges to match £2m of funds from an appeal. The fundraising appeal will run in Ramadan 2019 and the matched funding will go to a £3.5 million drought relief project in Ethiopia.

A proud achievement for Islamic Relief UK this year was our advocacy work that contributed to bringing about the ceasefire in the port city of Hodeida in Yemen. We hosted the Secretary of State for International Development at an Eid reception in the Houses of Parliament and campaigned on gender-based violence along with the Muslim Council of Britain (MCB), the activist and model Mariah Idrissi and Bradford MP Naz Shah.

In 2018 Islamic Relief helped vulnerable people in the UK through a range of projects including supporting a food bank, a vegetable garden project, a scheme providing free bikes to refugees and asylum seekers and working with an award-winning organisation that advises parents from poor and marginalised families. Over 30 volunteers distributed blankets, sleeping bags, warm clothing and food to homeless people in four cities during the cold winter months.

Our student-led fundraising initiative Charity Week UK raised over £1 million for the first time in its 15-year history, with the global total for 2018 reaching just over £1.3 million. More than 370 volunteers helped over 145 educational institutions, community groups, mosques and businesses to fundraise for programmes in nine countries. In addition, our volunteer-led #Cakes4Syria campaign raised over £250,000 with the support of 394 volunteers, 26 social media influencers and eight MPs, bringing the total raised over the past five years to over £1.2 million.

World-renowned nasheed artist Zain Bhikha joined us on a ten-city tour in 2018, performing for 5,000 people to raise funds for our work in Myanmar. A series of events with Islamic scholar Maulana Tariq Jamil was attended by over 8,000 people and raised money for our work in the Occupied Palestinian Territories.

During Ramadan 2018, Islamic Relief UK launched an innovative TV advert called, ‘Saving lives isn’t easy’ and engagement with donors was strengthened by a new magazine that helped re-engage lapsed donors. We also reached out to British Muslims through mainstream media and Black, Asian and Minority Ethnic (BAME) media, and maintained our partnership with ilmFeed as well as relationships with social media influencers.



The Princess Royal Training Award is presented to Abdulla Almamun, National Volunteer Coordinator for Islamic Relief UK, for our innovative Volunteer Leadership Programme.

As part of a long-term commitment to volunteer development, Islamic Relief UK designed a two-year programme to train volunteers to be able to respond to emergencies across the UK and manage their own health and wellbeing when confronted by difficult scenarios. This RespondIR programme has been delivered by Islamic Relief's training partner, Humanitarian Academy for Development (HAD) and the British Red Cross. We were delighted to become, together with HAD, the first humanitarian organisation to be awarded the Princess Royal Training Award for our ground-breaking volunteer leadership programme.

Goal 4



Strengthening the federation

The Islamic Relief family continued to grow stronger this year with field offices aiming to become self-reliant and emerging partner offices becoming better established. This year we won innovative bids that increased our capacity for conflict prevention and peacebuilding work, as well as promoting tolerance and religious freedom.

Our microfinance portfolio reached over £6 million in 2018 as more people than ever were provided with Shariah-compliant loans to help establish small businesses and secure their livelihoods. The year also saw the number of orphaned children sponsored by Islamic Relief donors rise to over 60,000.



Microfinance portfolio grew to £6 million+



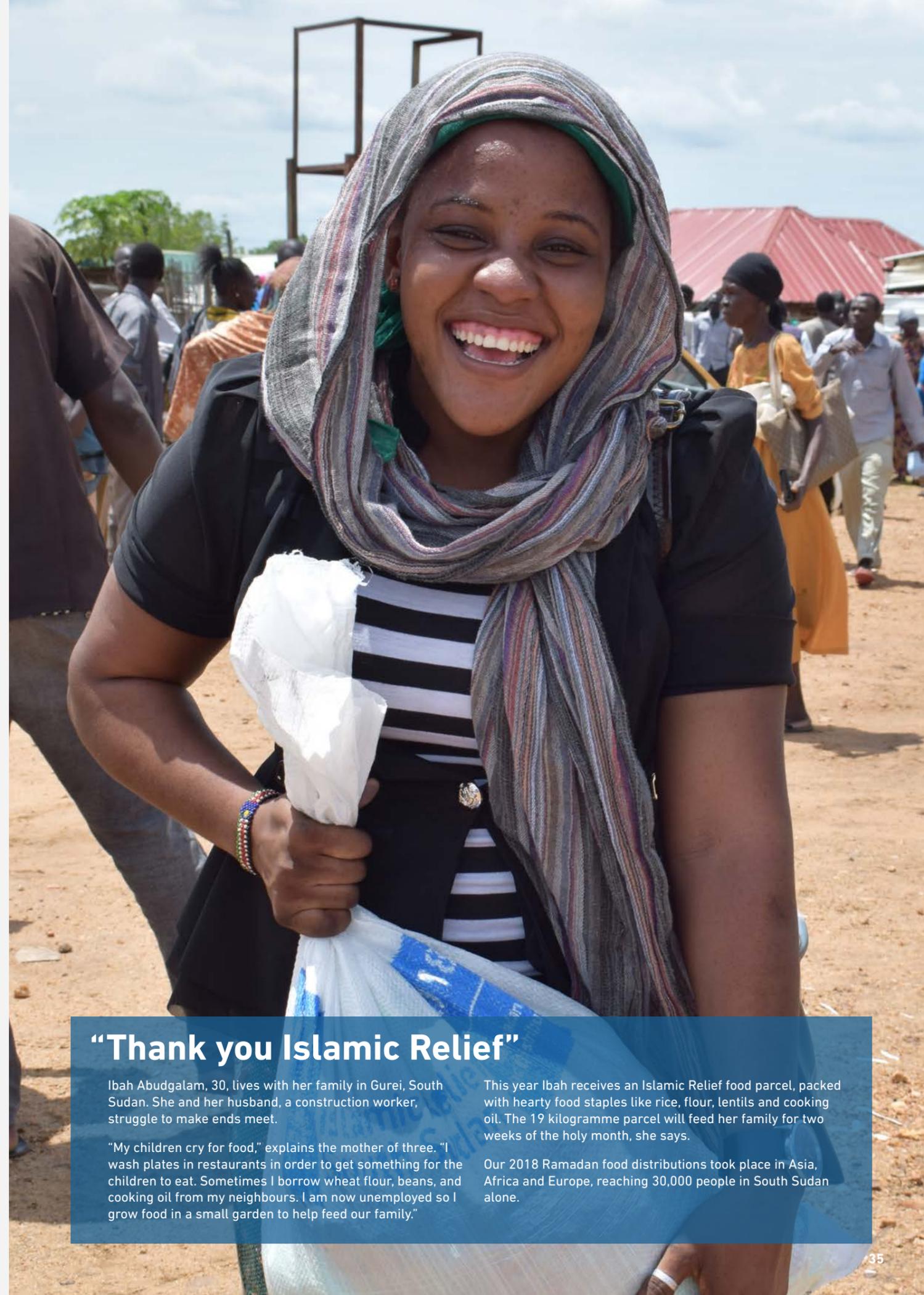
Conflict-prevention and peacebuilding projects launched in 4 countries



An additional 6,000 orphaned children sponsored this year



2 pilot programmes paved the way for self-sustaining field offices



“Thank you Islamic Relief”

Ibah Abudgalam, 30, lives with her family in Gurei, South Sudan. She and her husband, a construction worker, struggle to make ends meet.

“My children cry for food,” explains the mother of three. “I wash plates in restaurants in order to get something for the children to eat. Sometimes I borrow wheat flour, beans, and cooking oil from my neighbours. I am now unemployed so I grow food in a small garden to help feed our family.”

This year Ibah receives an Islamic Relief food parcel, packed with hearty food staples like rice, flour, lentils and cooking oil. The 19 kilogramme parcel will feed her family for two weeks of the holy month, she says.

Our 2018 Ramadan food distributions took place in Asia, Africa and Europe, reaching 30,000 people in South Sudan alone.

Growing stronger as a federation

2018 saw the continued growth of our newest emerging offices in Ireland, Norway and Spain, and key strategic partnerships agreed with institutions in the Middle East. We began a fresh approach to make our field offices sustainable: pilot programmes in Bosnia-Herzegovina and Kosova demonstrated how local fundraising can support field office core activities and open up new opportunities for Islamic Relief. In addition, we launched a new unit connecting our innovative programmes work with fundraising opportunities in our partner offices. The year also saw the Islamic Relief federation continuing its journey towards a bold new governance structure, supported by a path-finding new governance course delivered to Islamic Relief trustees and CEOs.

Developing talent

Alongside our volunteers, our dedicated staff are our biggest asset, and we work hard to attract and retain the very best. This year, our graduate development programme welcomed four new entrants, and five interns supported our humanitarian work. We stepped up support for employees by introducing a new healthcare scheme. We also strengthened safeguarding procedures designed to protect our staff as well as the vulnerable people with whom we come into contact.

Islamic Relief's training and learning partner, HAD, accredited 60 trainers this year and evaluation of a leadership development course for trustees and senior staff showed it increased productivity and reduced staff turnover.

Improving our systems and processes

This year we devoted resources to strengthening our data protection culture within Islamic Relief to meet the General Data Protection Regulation (GDPR). This included redesigning all of our UK-based marketing processes and products, and inviting existing supporters to renew their consent. Through clear messaging and information we avoided any negative impact on fundraising and in fact our donations from email marketing increased. We began the process of demystifying data protection and put in place accessible mandatory employee training guides which we continue to develop in 2019. Linked to this, we worked with field offices to develop systems for safely storing and disposing of data. In addition, we began a large-scale project to collate organisational documents from over 30 years into an archive – a valuable source for institutional knowledge and research.

2018 saw the introduction of an innovative management solution for our microfinance programme, which has strengthened internal compliance and risk management arrangements. In addition, we began planning further investment in technology platforms to support key functions such as fundraising, finance, human resources and humanitarian programming. Our information systems were strengthened, our information security and cyber security policy updated, and staff across the globe were trained.

Expanding Islamic microfinance

2018 saw our microfinance portfolio exceed a record-breaking £6 million, providing Shariah-compliant loans to nearly 16,000 people during the year. They enable people to earn a decent living, meet their needs and improve their living standards. In particular, we increased financial inclusion in Kosova, Bosnia-Herzegovina and Chechnya in the Russian Federation, where the sector-leading microfinance institutions we founded are now almost self-sustaining.

Our loans are life-changing for those who are typically excluded from conventional finance.

Passionate about the potential of Islamic finance to lift people out of poverty, we continued to push the humanitarian sector to make better use of it. For example, in delivering a session at the International Takaful Summit in London, such as health, livestock or asset insurance.

A successful Islamic Relief pilot project this year showed the power of the participatory insurance model to boost community resilience. Specialist knowledge in the sector also grew through an accredited Islamic microfinance course developed by HAD and the Frankfurt School of Finance and Management with funding from the UK government.

Improving programme quality

Last year after a rigorous inspection process, Islamic Relief managed to attain the Core Humanitarian Standard (CHS) certification, and this year we built on our success by strengthening our learning, quality and accountability. We piloted a new internal quality assurance system called Ihsan – meaning excellence, one of Islamic Relief's core values – that will ensure all members of the federation are meeting the expected standards in governance, finance, human resources, security, programmes, disaster preparedness, partnerships and communications.

In 2018 we increased our efforts to deliver inclusive and sensitive programmes by building the capacity of eight field offices. Funded by SIDA, the programme ensured that considering the needs of vulnerable people is embedded into all aspects of our programmes, including design, implementation and evaluation.



Islamic Relief's CEO, Naser Haghamed (left), and senior leaders from Catholic Relief Services and Jewish refugee agency HIAS joined forces to address staff at the US Congress in Washington DC. The event, chaired by Jean Duff of the Joint Learning Initiative on Faith and Local Communities (also pictured), highlighted collaboration between faith-based organisations and their vital yet undervalued contribution to tackling poverty and suffering.

Working in partnership

The challenges arising from a squeeze on funding available from major institutions continued in 2018 as protracted crises meant funds for humanitarian intervention were in short supply, while requirements from partners became more stringent. However Islamic Relief celebrated several innovative proposals for funding being accepted: we were one of just three organisations to successfully bid for funding from the new Human Security and Stability Unit of Swedish International Development Cooperation Agency (SIDA); we bid successfully for support from the European Instrument for Democracy and Human Rights (EIDHR) and from the Belgian Directorate General for Development Cooperation and Humanitarian Aid. The funding covered our work promoting tolerance and freedom of religion and beliefs, and developing local faith organisations to provide humanitarian response. It also supported a conflict prevention and peacebuilding programme being delivered together with a new partner, Coventry University's Centre for Peace Trust and Social Relations.

In 2018 we entered a consortium with Tearfund UK, Tearfund Belgium and RedR to build civil society capacity in South Sudan, and forged a productive partnership with the Network of Traditional and Religious Peacebuilders. We engaged faith communities through an innovative project with the UNHCR and other international aid agencies, renewed our World Vision partnership on psychosocial and conflict programming, and built our platform through the Asia Pacific Faith Coalition. Islamic Relief signed a memorandum of understanding with the Indonesian government covering areas of intervention such as disaster risk management, climate change mitigation and adaptation, and sustainable livelihoods. We also secured access to funding on peacebuilding, gender and health through our leadership within the International Partnership on Religion and Sustainable Development (PaRD) steering group.

Leaving no one behind

Islamic Relief is determined that our programmes leave no one behind – especially those most vulnerable and isolated. This year we ensured our disability inclusion framework was prioritised in our strategies and policies. Speaking at a global disability summit, we shared our experience of meeting the immediate and longer term needs of people with disabilities in our response to the Syria crisis. In addition, we teamed up with Deafkidz International and Every1Mobile to showcase how digital technology can support disability inclusion.

In 2018 we joined a new international consortium along with other faith-based organisations and developed materials to combat violence against children through holistic approaches to early childhood. As a core member of the Alliance for Child Protection in Humanitarian Action steering committee we pushed for complementary programming, and launched Channels of Hope in Mali, Pakistan and Lebanon. This interactive programme relies on faith principles and technical tools to address deep-rooted causes of child protection concerns.

In 2018 we mobilised imams to preach against harmful practices, supported scholars to advocate for changing social norms, and won the backing of influential figures such as the Supreme Shariah Judge of the Islamic Court in Lebanon.

We also developed and delivered a new training module for the Muslim version of 'Channels of Hope – Gender' that was developed with World Vision last year. Staff from both organisations took part as well as faith leaders with different interpretations of tackling gender justice issues from a faith perspective.

Principal risks and uncertainties

Islamic Relief Worldwide is committed to providing humanitarian aid and relief to those who need it the most. This commitment necessitates the Charity operating 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 meets at least four times a year and its terms of reference includes scrutiny and oversight of the way the Islamic Relief Worldwide executive are managing risk.

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 team regularly undertakes strategic and operational reviews to identify organisational risks and come up with plans to mitigate them. The team 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 covers every field office as well as its operations in the UK. The principal risks and uncertainties facing Islamic Relief Worldwide, and the mitigating actions taken to meet them, are:

Safeguarding

2018 was a watershed moment for Safeguarding within INGOs. Islamic Relief Worldwide acknowledged the concerns of the public about the conduct of certain aid organisations by reviewing and enhancing our own approach to the safeguarding of staff and beneficiaries. We have re-doubled our efforts to embed a culture which encourages and defends the identifying and addressing of any improper behaviour or abuse of trust by anyone representing or connected with the organisation. The Chair of Trustees has taken a personal responsibility for our safeguarding practices. The Chair works closely with the Head of Governance to lead on safeguarding at the senior management level. The Head of Governance in turn is well advanced in establishing a Safeguarding Team across our global operations which includes technical specialists. We are really proud of the progress we are making but continue to work on a strategy that is benchmarked against the best practice across the sector.

We report on all safeguarding incidents in a transparent way, including incidents related to beneficiaries and any cases of sexual harassment. This will be the second year we are publishing figures regarding 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 2018, 19 such cases were reported to us globally; 11 of which were from employees reporting safeguarding matters by other staff members. In five cases, disciplinary action was taken against a staff member, including dismissal in one instance. In six cases the complaints were not upheld or determined that the matter should not to be taken further after the initial report. 8 cases of harm were reported by beneficiaries relating to third-parties (including family members) unconnected to IRW. We ensured the proper authorities and/or support systems were involved or made available in each of these cases. We also provided support and health intervention to survivors and their families, where we were permitted to do so.

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 situation in each country where we work, ensuring adequate measures are in place to keep our staff safe.

Bank de-risking

The banking system is a key component of the Charity being able to deliver on its humanitarian and development commitments. If Islamic Relief Worldwide is not able to transfer money securely, reliably and through trusted financial institutions it simply cannot fulfil its purpose. The obstacles and delays we face when moving funds to provide timely assistance to those in need are having a direct impact on people's lives. We will continue to work alongside civil society groups across the world to set out our concerns regarding the banking and finance sector, as well as inviting Government to ensure funds for humanitarian work reach beneficiaries unhindered. IRW is represented on a UK Government convened multi-sector committee looking into the impact of bank de-risking on the delivery of aid. The Charity was also amongst a small number of charities invited by HM Treasury to be consulted by the Financial Action Task Force (FATF) as part of their Mutual Evaluation of the United Kingdom's financial regulatory regime. IRW feels uniquely placed to inform these discussions because of its experiences as a Muslim global INGO and is encouraged by the recognition at governmental level of the need to act. The Charity is grateful for the extremely strong relationships we have with our current financial service providers.

Cybercrime

Cyber threats continue to pose a significant risk to our reputation and the right to personal privacy of our staff, supporters and the communities we serve. Online cyber security training and a revised information security policy were part of our ongoing efforts to promote cyber security awareness amongst our staff around the world. As an organisation entrusted to process donations, we achieved validation of our compliance with the Payment Card Industry Data Security Standard (PCI-DSS). We continue to coordinate with peer organisations and as part of our commitment to protecting our information resources. We have as a strategic aim; to build further security capacity and assurance capabilities in 2019 and beyond.

UK's departure from the European Union

The negotiations to finalise the terms of the UK's impending departure from the European Union have yet to conclude. This is hugely problematic for an organisation with a global workforce; working in multiple currencies and as a recipient of EU aid funding. Like all UK organisations we continue to monitor and follow the implications of all potential outcomes of the UK Government's Brexit discussions and actions. The continuing possibility of a no-deal Brexit has required additional resources to be devoted to planning for such an event. The moving deadline of Brexit makes this an ongoing risk.

Competitive job market

In a highly competitive job market and given all the calls on the Charity's resources it is becoming increasingly difficult to attract and retain experienced staff for senior management and technical positions. We continue to explore and implement strategies that better anticipate and manage attrition, while improving attraction and retention. While we are not market rate driven, we 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. In order to improve retention rates within the organisation we enhanced our pension scheme by introducing a service related element. Various wellbeing initiatives have been rolled out such as providing support to staff with mental health concerns and a healthcare scheme which includes access to a 24/7 Employee Assistance Programme. Recognising that personal development is key to retaining talent, the Charity runs externally accredited Management Development, Aspiring Managers and Leadership Development programmes to enhance capacity and capability, and offer meaningful careers within the organisation.

Financial review

The continued generosity of Islamic Relief Worldwide's donors drove the Charity's income beyond the levels achieved last year and enabled its charitable expenditure to also reach record levels. Although the world economy stabilized in 2018, GDP in the UK slowed and the geo-political climate throughout the world became evermore challenging. Set against this background the financial results, of continued income and charitable expenditure growth, are all the more noteworthy.

Income and fundraising

In total the Charity's income increased by 1.1 per cent to £127.9m (2017: £126.5m). Voluntary Donations, after a couple of years' growth underpinned by increasing funds from Islamic Relief Partners, remained steady in 2018. Institutional grants reversed the trend of recent years and recorded an increase. In-kind donations, included within Institutional income, increased significantly.

Voluntary Donations which are made up of regular giving, campaigns, appeal income and income from Islamic Relief Partners were stable at £106.7m (2017: £107.1m). The major constituent of Voluntary Donations is income from Islamic Relief Partners which fell 6.8 per cent to £72.5m (2017: £77.8m). However, this drop can be attributed to timing issues at a couple of major donors with a resultant surge in such income just after the year end. Funding from most other Islamic Relief Partners continued to increase. Donations from individuals in the UK slipped marginally to £24.9m (2017: £25.1m). The DEC launched one appeal in the year; the Indonesia Tsunami Appeal in October and funding through the organisation increased by £372k to £2.4m. Making up for the dip in Islamic Relief Partner income was that from individuals abroad which increased by £4.6m to £6.9m (2017: £2.3m).

There was a marked rise of 11.5 per cent in total Institutional income to £17.4m (2017: £15.7m) as grants from both the Middle East and the rest of the world both increased. With the case of the former income was up by 19.2 per cent to £9.3m (2017: £7.8m), whilst with the case of the latter income grew 2.5 per cent to £8.1m (2017: £7.9m). Within Institutional income are in-kind donations which doubled to £5.1m (2017: £2.5m).

After total resources expended of £128.6m (£124.7m in 2017), reserves stood at:

Restricted reserves	£22.5m (2017: £22.8m)
General reserves	£8.0m (2017: £8.8m)
Endowment funds	£7.0m (2017: £6.6m)
Total Reserves	£37.5m (2017: £38.1m)

Charitable expenditure

The increase in total charitable expenditure more than matched the rise in income; increasing 2.6 per cent to reach a record amount of £114.4m (2017: £111.5m). The growing expenditure reflects the Charity's determination to bring relief and hope to those who most require help in some of the most conflict-affected and fragile parts of the world.

The greatest proportion of charitable expenditure was again accounted for by Protecting Life and Dignity programmes. The expenditure increased by 14.1 per cent and amounted to £65.5m (2017: £57.4m); the figure representing 57.3 per cent of all charitable spend (2017: 51.5 per cent).

Expenditure on Caring for Orphans and Children in Need continued to rise and increased by 12.5 per cent to £26.2m (2017: £23.3m). With the Charity's focus on various initiatives, such as Gender Equality and Climate Change, spending on Campaigning for Change increased by 35.7 per cent to £1.9m (2017: £1.4m).

The significant increases in the above, and income just edging forward, meant that expenditure in the following sectors decreased: Providing Access to Healthcare and Water was down 28.0 per cent to £12.1m (2017: £16.8m); Support for Education reduced by 37.5 per cent to £3.5m (2017: £5.6m) and Sustainable Livelihoods fell by 25.7 per cent to £5.2m (2017: £7.0m).

As the conflicts in Syria and Yemen continued unabated; the Middle East remained a focus for the Charity's work and accounted for 43 per cent of charitable expenditure. However, both the proportion and amount of £48.7m were down in the year (2017: 50 per cent/ £55.8m) but this is attributable to the timing of funds from a couple of major Islamic Relief Partners – the issues having been resolved early in 2019.

Due to the ongoing tragic situation in Myanmar and the tsunami in Indonesia – expenditure in the Asia region increased in amount and proportion from £22.6m and 20 per cent in 2017 to £27.8m and 24 per cent in 2018.

Charitable expenditure in both East Africa and Europe increased; with the case of the former from £17.5m and 16 per cent to £20.4m and 18 per cent; whilst with the case of the latter from £1m and 1 per cent to £3m and 3 per cent. In the West Africa region the expenditure remained constant in amount and proportion at £14.8m and 13 per cent.

TIC International

Trading at TIC international Ltd (TIC), the wholly owned trading subsidiary of IRW, improved during 2018 and the business returned to profitability. Turnover increased 6.3 per cent to £3.4m (2017: £3.2m) and although the gross profit improved marginally to 45.4 per cent (2017: 44.7 per cent) the administrative costs remained constant enabling a net profit of £76,487 to be achieved (2017: loss of £6,679).

The Company has two divisions; a clothes recycling business and a network of charity shops and turnover at both edged forward. The turnover from clothes recycling increased to £2.3m (2017: £2.1m); whilst income at the shops, with no increase in their number, improved to £1.1m (2017: £1.1m).

The quality and quantity of donated goods continues to be a concern at both the recycling and retail operations. It is hoped that promotional campaigns in conjunction with the fundraising activities of the Charity will improve the situation.

It has been decided to donate the years' entire profits to the Charity. The interim executive committee, formed in 2017, remains in place in order to secure the Company's future and expand its operations. A strategy has been set for future years whereby the balance between retention and donation of profits will be determined by the Company's investment plans.

The Company is thankful to its donors, customers and particularly its staff who have all shown great loyalty and helped us to successfully trade back to profitability.

Independent auditor's report

To the members and trustees of Islamic Relief Worldwide

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 a fall in income or rise in expenditure.

IRW has a policy that sets the level of general reserves such that it meets our operating expenses in the event of a sudden drop in income or the incurring of unexpected 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 current target level of reserves of five months' of the core operational budget was deemed to be sufficient. These funds are to be held in current and medium-term cash forms.

At the year end the general reserves stood at £8.0m representing six and a half months' core operational budget and comfortably above the target level.

The total group reserves, as at 31 December 2018, decreased by 1.6% to stand at £37.5m (2017: £38.1m). Of this, restricted funds account for £22.5m (2017: £22.8m), general funds for £8.0m (2017: £8.8m) and endowment funds for £7.0m (2017: £6.6m). With restricted income almost matching expenditure; restricted reserves declined by only £0.3m. The level of general funds declined in line with the net increase in unrestricted expenditure. Whilst the increase in endowment funds was represented by the return on investment.

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

Reserve	31 Dec 2016	31 Dec 2017	31 Dec 2018	2017/2018 Change
	£'000	£'000	£'000	%
Unrestricted	10,998	8,792	8,005	-9.0%
Restricted	18,568	22,758	22,502	-1.1%
Endowments	6,306	6,585	7,001	6.3%
Total	35,872	38,135	37,508	-1.6%

Going concern

In view of the financial performance and the reserves position as at the balance sheet date, the Board of Trustees have 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.

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 1 July 2019 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:



Mr Adnan Saif
Trustee
1 July 2019

Opinion

We have audited the financial statements of Islamic Relief Worldwide (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company 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 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 parent charitable company's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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 regulations made under those Acts. 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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 Trustees' Annual Report, set out on pages 4 to 65 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report, prepared for the purposes of company law, included in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Annual Report.

Matters on which we are required to report by exception We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, 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 and the parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

William Devitt
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

Date: 1 July 2019

Grant Thornton UK 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 2018



	Unrestricted funds	Restricted funds	Endowment funds	Total 2018	Total 2017	Note
	£	£	£	£	£	
Income and endowments from:						
Donations and legacies	11,885,006	94,364,617	407,814	106,657,437	107,148,651	2
Other trading activities	3,430,985	-	-	3,430,985	3,220,587	3
Investments			456,731	456,731	432,290	4
Charitable activities	84,262	17,304,996	-	17,389,258	15,744,996	5
Total	15,400,253	111,669,613	864,545	127,934,411	126,546,524	
Expenditure on:						
Raising funds						
Costs of generating voluntary income	-	10,512,089	-	10,512,089	9,858,690	10a
Fundraising trading: cost of goods sold and other costs	3,363,454	-	-	3,363,454	3,236,593	10a
Investment management cost	178,088	-	83,493	261,581	137,224	10a
Charitable activities	13,011,650	101,413,516	-	114,425,166	111,496,296	10a
Total	16,553,192	111,925,605	83,493	128,562,290	124,728,803	
Net gains/(losses) on investments	-	-	-	-	446,078	
Net income (expenditure)	(1,152,939)	(255,992)	781,052	(627,879)	2,263,799	
Transfers between funds						
Net movement on funds	(787,554)	(255,992)	415,667	(627,879)	2,263,799	26
Reconciliation of funds						
Total funds brought forward	8,792,378	22,758,458	6,584,847	38,135,683	35,871,884	
Total funds carried forward	8,004,824	22,502,466	7,000,514	37,507,804	38,135,683	



	2018 total funds		2017 total funds		Note
	Group	Charity	Group	Charity	
	£	£	£	£	
Fixed assets					
Intangible assets	22,584	22,584	38,099	38,099	13
Tangible assets	5,858,173	5,550,312	5,965,847	5,605,456	14, 15
Investments	802,924	1,770,429	768,491	1,715,429	16
Total fixed assets	6,683,681	7,343,325	6,772,437	7,358,984	
Current assets					
Stocks and work in progress	128,041	-	140,215	-	17
Debtors due within one year	11,041,893	10,543,462	10,480,952	9,997,059	18
Cash at bank and in hand	30,448,023	29,788,573	28,436,729	27,905,218	
Total current assets	41,617,957	40,332,035	39,057,896	37,902,277	
Liabilities					
Creditors: amounts falling due within one year	10,793,834	10,380,605	7,694,650	7,351,949	19
Net current assets	30,824,123	29,951,430	31,363,246	30,550,328	
Total assets less current liabilities	37,507,804	37,294,755	38,135,683	37,909,312	
Total funds					
Unrestricted funds					
General	8,004,824	7,791,773	8,792,378	8,566,007	
Restricted income funds	22,502,466	22,502,467	22,758,458	22,758,458	25
Endowment funds	7,000,514	7,000,515	6,584,847	6,584,847	26
Total funds	37,507,804	37,294,755	38,135,683	37,909,312	

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 deficit was £0.8m (2017 net surplus £2.2m) for the year ended 31 December 2018.

The financial statements on pages 45 to 65 were approved by the board and signed on its behalf by

Mr. Adnan Saif
Trustee
1 July 2019

The notes to the accounts on pages 48 to 65 form part of these financial statements.



	2018	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)	(1,043,546)	1,985,162		
Adjustments for:				
Depreciation	342,513	414,784		
Amortisation	15,515	17,857		
(Gains)/losses on investments	(34,433)	(416,074)		
Decrease/(Increase) in stocks	12,174	14,642		
Decrease/(Increase) in debtors	(560,941)	724,581		
(Decrease)/Increase in creditors	3,099,183	(2,472,431)		
Gains on foreign exchange	509,562	197,308		
Net cash provided by (used in) operating activities	2,340,027	465,829		
Cash flows from investing activities				
Purchase of property, plant and equipment	(239,561)	(333,987)		
Proceeds from the sale of property, plant and equipment	4,723	8,493		
Net cash provided by (used in) investing activities	(234,838)	(325,494)		
Cash flows from financing activities				
Endowment (waqf)	415,667	278,637		
Net cash provided by (used in) financing activities	415,667	278,637		
Net increase/(decrease) in cash and cash equivalents	2,520,856	418,972		
Cash and cash equivalents at the beginning of the reporting period	28,436,729	28,215,065		
Change in cash and cash equivalents due to exchange rate movements	(509,562)	(197,308)		
Cash and cash equivalents at the end of the reporting period	30,448,023	28,436,729		
Consisting of:				
Cash at bank and in hand	30,448,023	28,436,729		
Reconciliation in net funds				
	1 Jan 2018	Cashflow	Non-cash movement	31 Dec 2018
	£	£	£	£
Cash at bank and in hand	28,436,729	2,011,294	-	30,448,023

Islamic Relief Worldwide

Notes to the financial statements

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 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 2,480 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.

2. Donations and legacies

	Unrestricted funds 2018	Restricted funds 2018	Endowment funds 2018	Total 2018	Total 2017	Note
	£	£	£	£	£	
Donations, appeals and fundraising events						
United Kingdom	9,062,081	15,743,802	138,589	24,944,472	25,063,087	
Disasters Emergency Committee*	-	2,370,744	-	2,370,744	1,998,536	
International Fundraising**	2,671,079	4,002,498	195,499	6,869,076	2,291,219	
Islamic Relief Partners	151,846	72,247,573	73,726	72,473,145	77,795,809	6
	11,885,006	94,364,617	407,814	106,657,437	107,148,651	

* 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 2018	Total 2017
Trading subsidiaries	£	£
TIC		
Income from charitable shops	1,142,270	1,071,733
Clothes recycling income	2,251,545	2,112,050
	3,393,815	3,183,783
SIF	37,170	36,804
Total	3,430,985	3,220,587

4. Investments

	Total 2018	Total 2017
	£	£
Return on Waqf	456,731	432,290
Total	456,731	432,290

5. Charitable income by institution

	Protecting life and dignity	Empowering communities	Total 2018	Total 2017
	£	£	£	£
Institutions				
Action Aid	-	-	-	66,915
Catholic Agency for Overseas Development	-	45,000	45,000	-
Catholic Relief Services (CRS)	20,824	-	20,824	44,643
Charity Commission	15,508	69,000	84,508	-
European Commission	-	358,606	358,606	1,273,233
European Commission for Humanitarian Operations	161,933	117,891	279,824	-
Episcopal Relief and Development	-	-	-	6,175
HelpAge International	5,744	-	5,744	25,889
Kann Rasmussen (KR) Foundation	-	-	-	311,004
Save the Children	486,677	-	486,677	-
Secours Islamique France	367,420	1,473,340	1,840,760	2,218,274
Stichting Zoa	-	277,583	277,583	316,039
Swiss Federal Dept of Foreign Affairs	-	257,105	257,105	113,807
Tearfund	-	335,806	335,806	-
Trocaire	-	109,491	109,491	44,056
UNAIDS	-	5,631	5,631	-
United Nations Children Fund (UNICEF)	-	161,592	161,592	-
United Nations Development Programme	134,053	600,227	734,280	630,598
United Nations World Food Programme	-	-	-	520,871
United Nations OCHA	187,278	631,695	818,973	550
World Vision Germany	-	3,156	3,156	66,230
	1,379,437	4,446,123	5,825,560	5,638,284
In-kind donations				
Globus Relief	-	2,232,823	2,232,823	2,282,320
Subtotal	1,379,437	6,678,946	8,058,383	7,920,604

5. Charitable income by institution

	Protecting life and dignity	Empowering communities	Total 2018	Total 2017
	£	£	£	£
Middle East and Emerging Markets				
Afif Al Asmakh Charity Foundation	-	-	-	22,660
International Islamic Charitable Organisation Kuwait	123,121	40,463	163,584	869,217
Islamic Development Bank *	919,408	450,275	1,369,683	4,211,542
Jassim & Hamed Bin Jassim Charitable Foundation	4,782	-	4,782	345,638
Jordanian Hashemite Charity Organisation	-	172,101	172,101	191,081
Kuwait Zakat House	335,915	404,029	739,944	666,454
Mubarak Abdullah M AlsawaiKet	-	-	-	54,034
Organization of Islamic Cooperation Humanitarian Funds	1,213,720	149,918	1,363,638	40,741
Palringo Ltd	-	-	-	107,117
Qatar Charity	1,079,450	3,920	1,083,370	195,932
Reach Out to Asia – Qatar	-	-	-	165,482
Salam Organisation for Humanitarian & Charitable Activities	758,960	-	758,960	450,261
Sheikh Abdullah Al Nouri Charity - Kuwait	566,496	227,504	794,000	313,318
Islamic Foundation Ireland	2,032	-	2,032	3,626
Al Bunyan Organization for Social Development	-	-	-	-
Sheikh Thani Bin Abdullah Foundation for Humanitarian Service	35,253	-	35,253	-
Subtotal	5,039,137	1,448,210	6,487,347	7,637,103
In-kind donations				
Islamic Development Bank	-	2,843,528	2,843,528	-
Spotzone	-	-	-	146,232
Sanahya Keraman Charity Association	-	-	-	4,014
Al UirWah Al Wuthqa Charitable Association Jordan	-	-	-	18,782
International Udhiya & Aqiqah	-	-	-	18,261
	-	2,843,528	2,843,528	187,289
Subtotal	5,039,137	4,291,738	9,330,875	7,824,392
Total all institutions	6,418,574	10,970,684	17,389,258	15,744,996

* £177,886 income received directly by independent implementing partner offices on behalf of Islamic Relief Worldwide.

6. Donations disclosure by partner

			Total 2018	Total 2017
Partner	Protecting life and dignity	Empowering communities	£	£
Islamic Relief USA	7,776,923	13,448,597	21,225,520	28,694,995
Islamic Relief Sweden	10,377,614	2,872,081	13,249,695	11,763,794
Islamic Relief Canada	3,694,413	9,205,182	12,899,595	17,693,731
Islamic Relief Germany	4,482,077	5,551,405	10,033,482	8,339,524
Islamic Relief Switzerland	1,049,482	2,539,919	3,589,401	3,043,340
Islamic Relief Netherlands	1,280,681	1,267,926	2,548,607	2,083,246
Islamic Relief Malaysia	745,925	1,472,126	2,218,051	878,775
Islamic Relief Australia	768,610	804,659	1,573,269	1,645,571
Islamic Relief Belgium	442,476	991,101	1,433,577	1,415,591
Islamic Relief South Africa	324,020	1,101,152	1,425,172	703,869
Islamic Relief Mauritius*	224,208	1,111,182	1,335,390	882,539
Islamic Relief Italy	62,013	270,715	332,728	328,956
Islamic Relief Spain	32,796	192,530	225,326	131,834
Islamic Relief Norway	131,802	38,143	169,945	31,211
Islamic Relief Bosnia and Herzegovina	111,639	1,838	113,477	87,672
Islamic Relief Ireland	50,931	48,979	99,910	56,338
Islamic Relief Kosova	-	-	-	14,823
Total	31,555,610	40,917,535	72,473,145	77,795,809

All partners are separate legal entities reporting locally in their respective countries. These amounts represent those transmitted to Islamic Relief Worldwide to be applied 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.

7. Results from trading subsidiaries

	TIC International Limited	SIF Invest	Total 2018	TIC International Limited	SIF Invest	Total 2017
	£	£	£	£	£	£
Subsidiary trading income	2,251,545	37,170	2,288,715	2,112,050	36,804	2,148,854
Income from charitable shops managed by TIC International Limited	1,142,270	-	1,142,270	1,071,733	-	1,071,733
	3,393,815	37,170	3,430,985	3,183,783	36,804	3,220,587
Operating and administrative costs	3,317,329	48,290	3,365,619	3,190,462	46,125	3,236,587
Net Profit/(Loss) for the year	76,486	(11,120)	65,366	(6,679)	(9,321)	(16,000)
Amounts gift aided to Islamic Relief Worldwide	76,486	-	76,486	-	-	-
Retained in subsidiary	-	(11,120)	(11,120)	(6,679)	(9,321)	(16,000)

The assets and liabilities of the subsidiaries were:

Fixed assets	307,862	-	307,862	360,391	-	360,391
Current assets	1,111,190	205,681	1,316,871	993,410	193,159	1,186,569
Current liabilities	(409,078)	(35,091)	(444,169)	(343,829)	(29,820)	(373,649)
Total net assets	1,009,974	170,590	1,180,564	1,009,972	163,339	1,173,311
Aggregate share capital and reserves	1,009,974	170,590	1,180,564	1,009,972	163,339	1,173,311

8. Governance costs

	Activities undertaken directly 2018	Activities undertaken directly 2017
	£	£
External audit and statutory accounts	73,200	42,000
Legal and consultancy	252,075	264,890
Trustee expenses	41,108	32,949
Internal audit	256,552	222,110
	622,935	561,949

9. Trustees' remuneration

	2018	2017
	£	£
Trustees are not remunerated	£nil	£nil
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	7	6
Trustee expenses	£	£
Meetings	19,005	16,227
Travel	21,486	15,031
Telecommunications	617	1,691
Total	41,108	32,949

10 a . Total resources expended

	Total support costs 2018	Activities undertaken directly 2018	Total 2018	Total 2017
Costs of generating funds	£	£	£	£
Fundraising and publicity costs	2,021,141	7,179,003	9,200,144	7,088,810
Campaigns and events costs				
Protecting life and dignity	165,772	1,046,829	1,212,601	2,565,319
Empowering communities	11,847	74,812	86,659	183,331
Campaigning for change	1,372	8,663	10,035	21,230
Islamic Relief Mauritius	-	2,650	2,650	-
Total costs of generating voluntary income	2,200,132	8,311,957	10,512,089	9,858,690
Fundraising trading – subsidiary costs	480,703	2,882,751	3,363,454	3,236,593
Investment management costs	83,493	178,088	261,581	137,224
	2,764,328	11,372,796	14,137,124	13,232,507

Cost of charitable activities

Campaigning for change	491,691	1,453,666	1,945,357	1,363,342
Protecting life and dignity	145,133	65,344,601	65,489,734	57,410,280
Empowering communities				
- Access to healthcare and water	675,846	11,468,806	12,144,652	16,784,320
- Caring for orphans and children	135,907	26,036,577	26,172,484	23,299,957
- Supporting education	337,924	3,148,570	3,486,494	5,591,321
- Sustainable livelihoods	339,844	4,846,601	5,186,445	7,047,076
	2,126,345	112,298,821	114,425,166	111,496,296
Total resources expended	4,890,673	123,671,617	128,562,290	124,728,803

10 b. Support costs

	Subsidiary 2018	Management and administration 2018	Finance 2018	Human resources & organisational development 2018	Information communications technology 2018	Facilities 2018	Total 2018	Total 2017
Costs of generating funds	£	£	£	£	£	£	£	£
Costs of generating voluntary income		881,032	175,954	272,387	395,686	475,073	2,200,132	2,009,669
Fundraising trading – subsidiary costs	480,703						480,703	557,699
Investment management costs		33,437	6,677	10,336	15,015	18,028	83,493	62,510
	480,703	914,469	182,631	282,723	410,701	493,101	2,764,328	2,529,195
Cost of charitable activities								
	-	863,199	170,052	263,251	382,416	447,427	2,126,345	2,424,084
Total costs	480,703	1,777,668	352,683	545,974	793,117	940,528	4,890,673	4,991,492

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

	Total 2018	Total 2017
	£	£
This is stated after charging/(crediting):		
Auditors' remuneration	73,200	42,000
Depreciation	342,513	414,784
Operating leases rental other than plant and machinery	268,550	272,950
Exchange (gain)/loss	1,604,535	(734,292)

	2018	2017
	£	£
Auditors' remuneration relates solely to audit services.		
Fees payable to company's auditors for the audit of the company's annual accounts	66,000	35,000
Fees payable to company's auditors for the audit of the company's subsidiaries pursuant to legislation	7,200	7,000
Non audit fee	3,000	1,250
Total audit fees	76,200	43,250

12. Staff costs and emoluments

	Group 2018	Group 2017
	£	£
Gross salaries	12,641,344	11,889,901
Employers' National Insurance	961,605	876,211
Employers' pension	210,728	80,657
	13,813,677	12,846,769

	Group 2018	Group 2017
Average number of employees	Number	Number
Engaged in raising funds	227	200
Engaged in charitable activities	135	122
Engaged in support activities	95	94
	457	416

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.

	2018	2017
The number of employees with emoluments between £60,000 to £70,000 per annum	0	4
The number of employees with emoluments between £70,000 to £80,000 per annum	4	1
The number of employees with emoluments between £80,000 to £90,000 per annum	3	1
The number of employees with emoluments between £90,000 to £100,000 per annum	1	0

Total redundancies for the year ended 31 December 2018: £59,204 (2017: £17,958)

Key management remuneration

Executive management team remuneration during the year totalled £710,371 (2017: £672,700).

During the year a benchmarking exercise was undertaken relating to all staff including the executive management team (as detailed on page 66).

As a result salaries were re-aligned to make them more market relevant.

13. Intangible assets group and charity

	Group trademarks 2018
	£
Cost	
At 1 January 2018	188,026
At 31 December 2018	188,026
Accumulated amortisation	
At 1 January 2018	(149,927)
Charge for the year	(15,515)
At 31 December 2018	(165,442)
Net book value	
At 31 December 2018	22,584
At 31 December 2017	38,099

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 2018	7,264,236	602,979	3,621,568	261,562	11,750,345
Additions	116,983	8,514	108,564	5,500	239,561
Disposals	-	(1,062)	(790)	(17,572)	(19,424)
At 31 December 2018	7,381,219	610,431	3,729,342	249,490	11,970,482
Accumulated depreciation					
At 1 January 2018	1,739,167	472,904	3,346,806	225,620	5,784,497
Charge for the year	156,187	40,537	132,307	16,353	345,384
Disposals	-	-	-	(17,572)	(17,572)
At 31 December 2018	1,895,354	513,441	3,479,113	224,401	6,112,309
Net book value					
At 31 December 2018	5,485,865	96,990	250,229	25,089	5,858,173
At 31 December 2017	5,525,068	130,075	274,762	35,942	5,965,847

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 2018	7,044,240	3,463,178	152,539	10,659,957
Additions	116,982	108,564	-	225,546
Disposals	-	(790)	-	(790)
At 31 December 2018	7,161,222	3,570,952	152,539	10,884,713
Accumulated depreciation				
At 1 January 2018	1,648,872	3,268,828	136,802	5,054,502
Charge for the year	141,620	132,306	5,973	279,899
At 31 December 2018	1,790,492	3,401,134	142,775	5,334,401
Net book value				
At 31 December 2018	5,370,730	169,818	9,764	5,550,312
At 31 December 2017	5,395,369	194,350	15,737	5,605,456

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 2018	768,491	1,715,429
Additions	55,000	55,000
Increase/(decrease in value)	(20,567)	-
As at 31 December 2018	802,924	1,770,429

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 three 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 2018 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 (£62,000). The trustees are satisfied that the current value of the Bradford property represents market value.

The third property is located in Arbroath, UK and was kindly gifted to Islamic Relief. The property's value is included in the valuation at the time of the donation (£55,000).

17. Stocks and work in progress

	Group 2018	Group 2017
	£	£
Donated clothing	128,041	140,215

Stocks held by the subsidiary comprise clothes held for re-sale.

18. Debtors

	Group 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Trade debtors	493,711	(396)	399,013	1,331
Amounts owed from group undertakings	-	119,370	-	(7,574)
Prepayments and accrued income	790,252	790,252	1,035,187	1,035,187
Other debtors	9,757,930	9,634,236	9,046,752	8,968,115
	11,041,893	10,543,462	10,480,952	9,997,059

Amounts due from associated and subsidiary undertakings included £112,526 Gift Aid payment from TIC International Limited (2017: Enil).

Other debtors represent amounts owed by partners for costs incurred on their behalf for operational matters. Other debtors include £0.4 million Gift Aid.

19. Creditors

	Group 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Creditors: amounts falling due within one year				
Trade creditors	1,434,609	1,293,318	1,630,802	1,436,870
Accruals and deferred income**	1,431,827	1,174,689	2,132,379	1,999,794
Tax and Social Security	253,255	238,456	217,337	201,154
Other creditors*	7,630,917	7,630,916	3,690,768	3,690,767
Unpaid pension contributions	43,226	43,226	23,364	23,364
	10,793,834	10,380,605	7,694,650	7,351,949

*Other creditors represents amounts due to Islamic Relief independent implementing partners for projects committed to and implemented during 2018.

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 1 January 2018	Deferred	Released	Balance as at 31 December 2018
	£	£	£	£
Deferred income				
IR partners	682,008	812,774	(682,008)	812,774
International fundraising	1,269,823	269,309	(1,269,823)	269,309
Total	1,951,831	1,082,083	(1,951,831)	1,082,083

20. Financial instruments

	2018	2017
	£	£
Financial assets measured at amortised cost		
Debtors	10,293,575	9,445,765
Cash	30,448,023	28,436,729
	40,741,598	37,882,494
Financial liabilities measured at amortised cost		
Creditors	9,145,327	5,364,154
Accruals	349,743	180,547
	9,495,070	5,544,701

21. Commitments

Operating leases other than plant and machinery	Group 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Less than one year	268,550	268,550	272,950	272,950
Between 2–5 years	1,020,200	1,020,200	1,091,800	1,091,800
More than 5 years	1,631,100	1,631,100	1,878,950	1,878,950
Total	2,919,850	2,919,850	3,243,700	3,243,700

As at 31 December 2018, the group had no capital commitments (2017: £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 2018	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Group				
Tangible and intangible fixed assets	-	-	6,683,681	6,683,681
Assets	10,011,228	31,289,896	316,833	41,617,957
Liabilities	(2,006,404)	(8,787,430)	-	(10,793,834)
	8,004,824	22,502,466	7,000,514	37,507,804

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

24. Unrestricted funds

	General reserve 2018	General reserve 2017
	£	£
Balance as at 1 January 2018	8,792,378	10,997,493
Net incoming resources	(1,152,939)	(2,550,947)
Movement from endowment funds*	365,385	345,832
Balance as at 31 December 2018	8,004,824	8,792,378

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

25. Restricted income funds

	Opening balance	Income	Expenditure	Total 2018	Total 2017
Appeal Funds	£	£	£	£	£
2018					
Protecting life and dignity	12,712,275	56,664,910	60,901,849	8,475,336	12,712,275
Caring for orphans and children in need	1,530,793	27,504,806	27,251,604	1,783,995	1,530,793
Supporting education	2,244,094	3,127,539	2,949,322	2,422,311	2,244,094
Providing access to healthcare and water	5,857,981	15,000,674	11,888,862	8,969,793	5,857,981
Sustainable livelihoods	413,315	9,371,684	8,933,968	851,031	413,315
Total	22,758,458	111,669,613	111,925,605	22,502,466	22,758,458

	Opening balance	Income	Expenditure	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

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.

26. Endowment funds

	Balance as at 1 January 2018	Total incoming resources	Return on investments	Total available resources	Total resources expended	Transfer	Balance as at 31 December 2018	Total 2017
Endowment funds	£	£	£	£	£	£	£	£
2018								
Protecting life and dignity	353,979	3,560	23,311	380,850	2,691	18,648	359,511	353,979
Empowering communities	6,230,868	404,254	433,420	7,068,542	80,802	346,737	6,641,003	6,230,868
Total	6,584,847	407,814	456,731	7,449,392	83,493	365,385	7,000,514	6,584,847

	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

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 2018, income from these Waqf investments amounting to £456,731 will finance future long-term sustainable humanitarian development projects. Of this £365,835 has been transferred to unrestricted funds to finance future humanitarian development projects.

27. Related party

At the year end, amounts due from associated and subsidiary undertakings included £76,487 Gift Aid payment from TIC International Limited (2017: £nil).

28. Statement of financial activities and income and expenditure account comparatives for prior year

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

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

(resigned: 12 June 2019)

Mr Adnan Abdul Rahman Saif

Dr Almoutaz Tayara

Mr Heshmat Khalifa Ahmed Khalifa

(appointed 9 September 2018)

Mr Moegamat Tahir Salie

Dr Mohamed Amr Attawia

Company Secretary

Mr Khaleel Desai

(appointed 27 April 2019)

Executive Management Team

Mr Naser Haghamed

Chief Executive Officer

Dr Hossam Said

Managing Director of Humanitarian Academy for Development

Mr Martin Cottingham

Director of External Relations and Advocacy

Mr Nasir Rafiq

Interim Director of Finance and Corporate Services

Mr Tayeb Abdoun

Director of the Network and Resources Development Division

Mr Tufail Husain

Islamic Relief UK Interim Director (appointed 10 December 2018)

Mr Waseem Ahmad

Director of International Programmes Division

Auditors

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“Whoever saves a life,
saves the whole of mankind.”

Qur'an, 5:32



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