



2015

# Annual Report & Financial Statements

Islamic Relief Worldwide

# In the name of Allah, Most Merciful, Most Kind

رَحْمَةٌ  
C O M P A S S I O N

إِحْسَانٌ  
E X C E L L E N C E

عَدْلٌ  
S O C I A L J U S T I C E

أَمَانَةٌ  
C U S T O D I A N S H I P

إِخْلَاصٌ  
S I N C E R I T Y

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Cover: Amina and her son stand in a field of weather-resistant crops in Bangladesh, where we have been implementing climate change and disaster risk reduction programmes.

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Mr Tahir Salie

## Message from the Chair of the Board of Trustees

### Assalamu alaykum Peace be upon you all

The humanitarian agenda faced by the global community in 2015 was an unprecedentedly complex and challenging one. It was a year in which the worst refugee crisis since the Second World War expanded significantly into Europe, while conflict continued to fracture families, natural disasters devastated communities and millions of people still struggled in poverty. For the Islamic Relief family, these challenges only strengthened our determination to extend our global presence and assist those in dire need of our help.

As the war in Syria entered its fourth year, we reached a staggering four million vulnerable people. In Yemen, our local presence meant that when violence erupted, we were able to respond rapidly and provide 1.3 million people with food rations and access to clean drinking water. We also delivered swift emergency aid when earthquakes hit Pakistan, Afghanistan and Nepal, and when flood waters swept into homes in the United Kingdom.

We reached 8.3 million people in 2015, with programme expenditure increasing by 25 per cent to £100.3 million. In accordance with our five year strategy, which came to a close this year, we delivered sustainable development projects, education and Islamic microfinance programmes to make a lasting difference in some of the world's poorest communities. For example, more than 525,000 people worldwide are now better able to cope with the impacts of climate change thanks to our disaster-resilient homes, weather-tolerant seeds and livelihoods training. With an active loan portfolio exceeding £3.8 million, our pioneering multi-national Islamic microfinance programme now enables nearly 15,000 entrepreneurs in a dozen countries to lift themselves out of poverty. With 48,000 orphans now benefiting from our sponsorship programme, and educational projects in South Africa, Sri Lanka and the Russian Federation, we gave vulnerable children and their families opportunities to improve their lives now and into the future.

The year was also a time for extensive research, advocacy and campaigning. We pushed for a safer,

fairer world for all by brokering the first Islamic Declaration on Climate Change and used it to guide the influential from Muslim-majority countries to the United Nations. We also published our first gender justice policy and co-organised an event around the 29th Session of the UN's Human Rights Council that focused on ending violence against women and girls. Our close working relationship with the Lutheran World Federation continued this year as we delivered joint programmes in Kenya and Jordan.

This year, the Islamic Relief family also agreed on further improvements to governance arrangements to better reflect our international position in the sector. Our new International General Assembly, composed of diverse representatives from all Islamic Relief partners, will support our Board of Trustees in ensuring that our collective efforts to operate effectively and efficiently are couched in a diverse and globally inclusive governance structure.

As our financial position remains strong, with income increasing by 6.5 per cent to £105.6m, we have strengthened our operation by containing costs and building a future platform for increased programme activities. The additional expertise offered by individual International General Assembly members will also enhance key aspects of Islamic Relief's global capacity, including our potential to increase funding for long-term programmes and our ability to develop even more productive partnerships with aid agencies and institutions across the globe. This, we believe, will enable us to continue to grow and make a lasting change in the fight against poverty and suffering.

None of our work would be possible if it were not for our dedicated supporters, volunteers and staff. We would like to pass on our sincerest thanks to the public for their generosity, and to multilateral and governmental partners for their ongoing support. Finally, we extend our thanks to Dr Mohammed Ashmawey for his leadership over the last four years and welcome Naser Haghamed as our new CEO. We are truly humbled by the trust placed in us to make a difference and, together, under Naser's support and guidance, we will continue delivering impactful programmes that empower those that we exist to serve.

Mr Tahir Salie.

# Charitable expenditure

In 2015, programme expenditure increased by 25% to £100.3m.



## 12% Sustainable livelihoods

- In Chad, small cash loans to 48,000 people meant the average family income rose by 39% and food stock by 38%.
- In the Philippines, we repaired five storm-damaged health centres and six day care centres, and constructed 450 new disaster-resilient homes.
- In Pakistan, new water sources and filtration plants will reduce the impact of future flooding for 16 villages.

## 16% Caring for orphans and children in need

- Across the globe, 48,000 orphaned children are now sponsored through Islamic Relief Worldwide.
- In Jordan, 4,000 refugee children were able to go back to school in a project that also provided families with financial assistance for accommodation.
- In Sri Lanka, some 3,000 children received stationery, shoes, bags and bicycles to shorten their long journeys to school.



## 50% Protecting life and dignity

- In Nepal, cooking sets, blankets and mosquito nets were given to over 4,000 survivors of two devastating earthquakes.
- In the United Kingdom, volunteers teamed up with local organisations to distribute food and household goods to people forced from their homes in the Cumbrian floods.
- In Niger, we provided urgent treatment for malnutrition to over 6,300 people as chronic food insecurity worsened.



## 1% Campaigning for change

- In France, we campaigned for bold and urgent action against climate change.
- In India, we prompted a national consultation and review into violence against women and girls.
- In the Philippines, alongside World Vision International, we delivered global interfaith training on child protection.



## 16% Providing access to healthcare and water

- In Syria, healthcare interventions served almost 586,000 people, as we equipped six dialysis centres and stocked around 50 hospitals with essential drugs.
- In Afghanistan, we provided specialist health and drug-cessation counselling services to women diagnosed with HIV/AIDS.
- In Ethiopia, we teamed up with other NGOs to improve essential public services in 15 *woredas* (districts) to allow 43,000 people access to water and sanitation schemes.



## 5% Supporting education

- In Afghanistan, our home-based learning scheme taught literacy, numeracy and business skills to 1,800 women.
- In Ethiopia, thanks to the furniture and solar panel lighting we provided, 45,000 children were able to attend school.
- In the Russian Federation, some 500 people living with disabilities unlocked the benefits of learning and sports through our innovative Learning Centre.







**Islamic Relief Worldwide**

Our overarching aim is the relief of poverty in any part of the world. 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.





Islamic Relief provided winterised tents, blankets and kitchen sets to 140 families after an earthquake struck Pakistan in 2015.

## Objectives and activities

We strive to achieve our vision through our relief, development and advocacy work with vulnerable communities across the globe – regardless of race, gender or belief and without expecting anything in return.

Our mission is to mobilise resources, build partnerships and develop local capacity as we aim to:

- Enable communities to mitigate the effect of disasters, prepare for their occurrence and respond by providing relief, protection and recovery.
- Promote integrated development and environmental custodianship with a focus on sustainable livelihoods.
- Support the marginalised and vulnerable to voice their needs and address the root causes of poverty.

We aim, as set out in our strategy for 2011-2015, to:

- Understand the threats to our world, and prepare people for them.
- Address the underlying causes of poverty through our programmes and policies.
- Develop a deeper faith-based framework for humanitarianism and development that offers leadership and guidance on issues affecting the developing world.



# Structure, governance and management

## Board of Trustees

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

In order to strengthen the Islamic Relief family, the Board of Trustees has recently seen some changes, with representatives of some Islamic Relief partners becoming full members of our Board. This has also improved gender balance, and ensures a high level of skills across the Board.

## Recruiting and appointing trustees

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

## Welcoming and training trustees

To make sure we benefit from a professional and appropriate board, we provide trustees with a comprehensive induction and ongoing training in new or emerging areas of responsibility. 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 and encourage trustees to identify any training they may need. 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 receive 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 agreed by the Board of Trustees are implemented and 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 74.

## Remuneration policy

Our approach to remuneration is based on attracting and retaining talented individuals primarily based on their passion, commitment and values, and hence the financial dimension is not the foremost basis of engagement. This is balanced with the desire to give people dignified salaries so that their reasonable needs are met. As such, our remuneration principle is to be market relevant, not market driven. This typically translates into positioning ourselves in the median quartile of benchmarking exercises. Our remuneration model must be cost effective and affordable, and in line with our philosophy of being lean in order to keep the amount we need to spend on administration as low as possible.

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 for top performers. By using the steps within a given grade range, we can apply this flexibility, while maintaining the integrity of the wider grading system.

## Governing document

Islamic Relief Worldwide (IRW) refers to the charity incorporated as a company limited by guarantee in England and Wales. IRW'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. IRW is also registered with the Charity Commission of England and Wales. Our sole objects are 'the relief of poverty in any part of the world'.

## TIC International Ltd

TIC International is a trading subsidiary and supports IRW's fundraising activities by recycling clothes, running charity shops across the UK and procuring some food supplies.



## The Islamic Relief global family

We are based in Birmingham, UK, and are the global implementing and coordinating partner of the Islamic Relief family. Together with Islamic Relief national partner offices, we raise funds and awareness of the family's work.

Registered as independent legal entities, Islamic Relief's national partner offices focus largely on raising funds for overseas projects and implementing domestic programmes. In these accounts we have included funds transferred to us from the below partner offices:

- |                   |               |
|-------------------|---------------|
| • Australia       | • Spain       |
| • Belgium         | • Sweden      |
| • Canada          | • Switzerland |
| • Germany         | • USA         |
| • Italy           |               |
| • Malaysia        |               |
| • The Netherlands |               |
| • South Africa    |               |

We also have registered branches in:

- |           |             |
|-----------|-------------|
| • Ireland | • Mauritius |
|-----------|-------------|

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

- |                           |                           |
|---------------------------|---------------------------|
| • Islamic Relief Chechnya | • Islamic Relief Kenya    |
| • Islamic Relief India    | • Islamic Relief Pakistan |

Countries in which we deliver projects through implementing country offices are:

- |                          |                                       |
|--------------------------|---------------------------------------|
| • Afghanistan            | • Mali                                |
| • Albania                | • Niger                               |
| • Bangladesh             | • Occupied Palestinian Territories    |
| • Bosnia and Herzegovina | • The Philippines                     |
| • Chad                   | • Russian Federation (North Caucasus) |
| • Ethiopia               | • Somalia                             |
| • Haiti (left in 2015) ● | • South Sudan                         |
| • Indonesia              | • Sudan                               |
| • Iraq                   | • Tunisia                             |
| • Jordan                 | • Turkey                              |
| • Kosovo                 | • Yemen                               |
| • Lebanon                |                                       |
| • Libya                  |                                       |
| • Malawi                 |                                       |

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

- |                            |                |
|----------------------------|----------------|
| • Central African Republic | • Sierra Leone |
| • China                    | • Sri Lanka    |
| • Myanmar                  | • Syria        |
| • Nepal                    |                |

# Executive Management Team and Trustees' responsibilities

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

Company law requires our trustees to prepare financial statements for each financial year. They must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources – including income and expenditure – of the charitable group for that period.

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charity Commission Statement of Recommended Practice (SORP)
- Make judgments and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable group will continue in operation.

Trustees have to 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, must take reasonable steps to prevent and detect fraud and other irregularities.

**Statement on disclosure of information to the auditors**  
Under Section 418, in the case of each director in office at the date the trustees' report is approved, the reports include a statement that declares:

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

### Public benefit

We develop strategic plans to make certain that we provide maximum public benefit and achieve our strategic objectives, which fall under purposes defined by the Charities Act 2011. In setting IRW's objectives and planning activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

### Employees

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

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



Hava\*, 15, lives with her mother and sister in Chechnya, Russian Federation. They struggled to make ends meet before joining our new livelihoods scheme. It provided intensive vocational training and financial support to empower over 170 orphaned young people and widowed women to escape the poverty trap.

"I have received a sewing machine, a cover-stitch machine and a serger from Islamic Relief," said Hava. Now, she is able to help her mother with her tailoring business – improving the family income and enabling Hava and her sister to continue their studies.

"It is not just equipment, it is my ticket to a brighter tomorrow."

\*Name changed for protection purposes.

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

### Help from volunteers' in kind gifts

We rely on our network of dedicated volunteers to support the delivery of our much needed services. We manage all our volunteers, who are the heart and soul of Islamic Relief Worldwide. During 2015, volunteers contributed substantial hours of work by giving their time to support our shops, administration, fundraising and campaigning activities.

### Auditors

A resolution to reappoint Crowe Clark Whitehill as auditors will be put to the members at the Annual General Meeting.



Kritisha walks down a street in Bakhtpur, Nepal, holding her son's hand as aftershocks following a 7.3 magnitude earthquake continue to rock the city.



# Trustees' Strategic Report

Our trustees are pleased to present their annual report and the audited consolidated financial statements of Islamic Relief Worldwide and its trading subsidiary for the year ended 31 December 2015.



# Achievements and performance

## Our strategy

Islamic Relief Worldwide's Global Strategy 2011-15 sets out how we are putting our faith into action to achieve the greatest possible positive impact on the vulnerable people we serve. We are guided by the timeless values and teachings of Islam, with challenging aims designed to create real change. In addition, we are also fulfilling a set of core promises throughout our work:

- Strengthening local capacity – We empower communities to manage their own affairs and work to develop the capacity of civil society.
- Protecting children – We promote child protection and ensure that our programmes are child-focused.
- Providing Islamic perspectives – We are a policy leader on Islamic humanitarianism, and develop distinctive, practical approaches to the key issues affecting our world.
- Protecting the environment – We promote initiatives to safeguard the environment from further harm and encourage climate change adaptation for communities already impacted.

This Annual Report reflects on the progress we have made toward achieving our aims in the final year of our strategy, and as we look ahead to a bold new five-year strategy in 2016.

Parveen Begum participated in our disaster resilience project in Bangladesh, which helped 27,100 households adapt to climate change. She now cultivates fish and vegetables like aubergine and spinach in her garden – enough to feed her family and sell for a decent income.





A family in one of Syria's many camps for internally displaced people make *dua* (prayer) before breaking their fast with an Islamic Relief food pack. Over 16,000 families affected by conflict in the country received food through Islamic Relief this year.

## Protecting life and dignity

### Lifesaving humanitarian aid

For the millions caught up in conflicts and natural disasters in 2015, Islamic Relief Worldwide was a lifeline. Drawing on over 30 years of experience in delivering emergency humanitarian aid and assistance, we saved lives and helped protect communities from future disasters.

1.3m

individuals in Yemen given emergency food rations

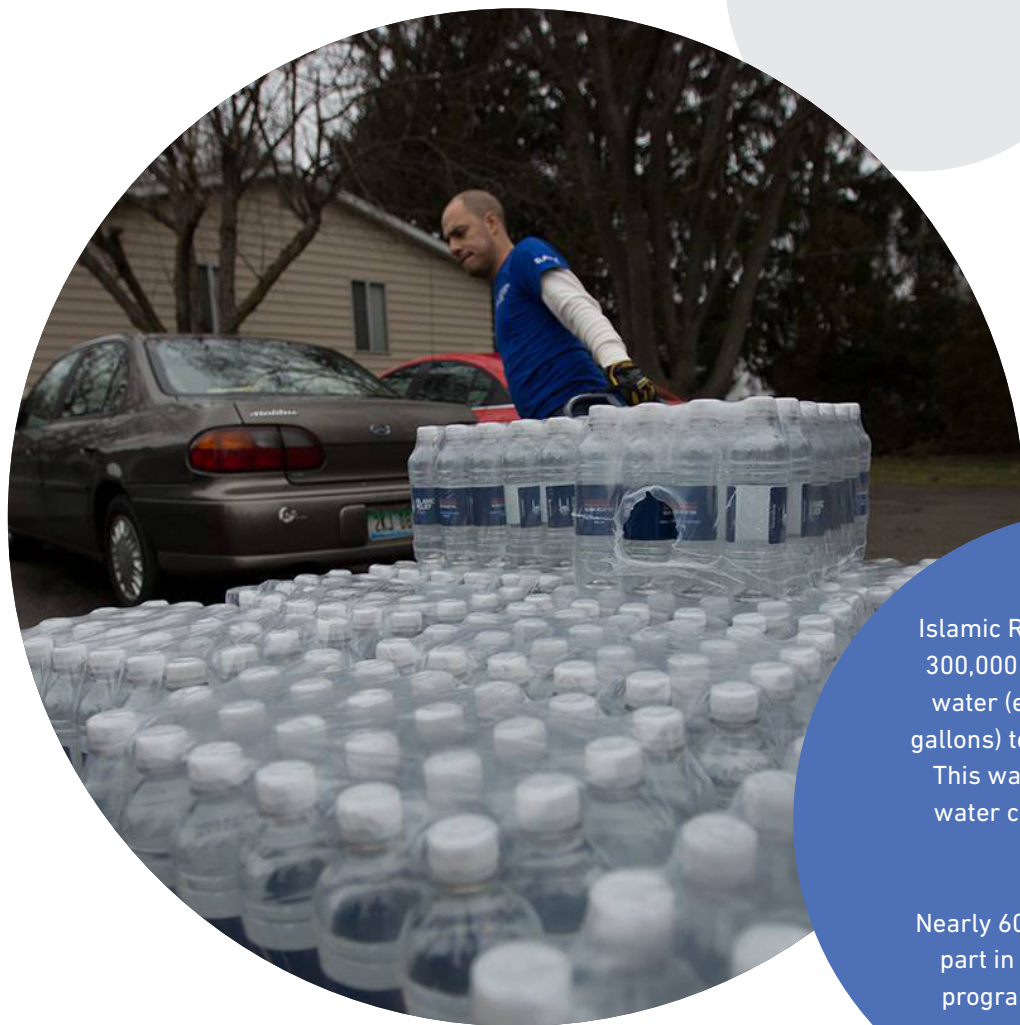
£25m

emergency response to the crisis in Syria and neighbouring countries

488,438

people worldwide are now safer from disasters and climate change





Islamic Relief distributed more than 300,000 bottles of clean, drinkable water (equivalent to about 40,000 gallons) to the residents of Flint, USA. This was to help combat the toxic water crisis that had affected the whole city.

Nearly 600 staff and volunteers took part in this six week distribution programme that benefitted over 22,000 people.



"The dialysis centre is my only hope for life. I do not want to die," said Faten\*, 16, from Idlib in Syria, who depends on the new dialysis and cardiology centre set up by Islamic Relief this year. "Thanks to God and Islamic Relief, I now receive dialysis sessions twice a week."

\*Name changed for protection purposes.

As the conflict in Yemen deepened, we were on the ground stocking health facilities with vital medical supplies, giving 114,000 people safe drinking water and distributing food parcels and hygiene kits to thousands of families. We also teamed up with the WFP to distribute food baskets and alleviate the hunger of over 1.3 million individuals.

#### Strengthening disaster resilience

Climate change adaptation was central to improving the lives of over 99,000 vulnerable Bangladeshis this year. Families were supported with income generating activities, with dozens of climate adaptive crops successfully introduced and almost 25,000 trees planted to absorb CO2. Disaster reduction plans are now firmly in place, with community volunteers fully trained in first aid and search and rescue in case of emergencies – this programme has been supported by a 60 per cent growth in local government investment.

In Pakistan, we signed a Memorandum of Understanding with state officials to extend our disaster resilience programmes in Azad Jammu and Kashmir (AJK). Over 74,800 people in the Bagh district have already benefited from disaster training and toolkits designed to improve disaster risk management. In Sindh and Balochistan provinces, we scaled up livelihoods and water projects with an extra focus on enabling almost 185,000 people to adapt to the changing climate and reduce their risk from disasters.

## Here's how we responded to disasters and emergencies across the globe:

### Central African Republic

Tents, boreholes and latrines installed for over 9,200 people in camps in Chad after fleeing fighting in Central African Republic.

### Niger

Urgent treatment for malnutrition to over 6,300 as chronic food insecurity in north-west Niger worsened.

### Mali

Integrated response to improve access to water for more than 6,400 after suffering caused by conflict and poor harvests.

### Bangladesh

Cash grants to over 2,600 vulnerable families helped rebuild their livelihoods in the aftermath of flooding in the north-west of the country.

### Nepal

Over 4,000 survivors of two devastating earthquakes received cooking sets, blankets, and mosquito nets.

### Afghanistan

Firewood and food given to over 19,200 internally displaced people living in tents to help them survive the harsh winter weather, plus food packs and hygiene kits given to 11,000 people uprooted by flash floods, avalanches and a 7.5 magnitude earthquake.

### Pakistan

Tents and essential items given to over 12,000 who lost their homes in an earthquake and in addition, water mosquito nets and latrines provided for nearly 23,000 victims of flooding.

### A lifeline for families devastated by conflict

This year we assisted over 3.37 million people deep inside war-torn Syria. Healthcare interventions alone served almost 586,000 people across four governorates, as we equipped six dialysis centres and stocked around 50 hospitals with essential drugs like anaesthetics. Latrines and showers were also installed in a dozen camps, and food packs given to nearly 7,000 people, with children's nutritional supplements and World Food Programme (WFP) food rations to a further 10,000 families.

We helped refugees in neighbouring Jordan through our DFID-funded shelter and education project. By offering families financial assistance with rent, 4,000 children were able to go back to school. In camps and shelters in Lebanon,

at least 700 people a month relied on our mobile health clinic, and increased education and mental health support was also provided to refugee children. Nearly 326,000 refugees and internally displaced people in Iraq were given food, warm clothing and heaters, and almost 1,000 Palestinians received healthcare and education.

Our emergency programmes this year extended to refugees risking their lives in search of safety in Europe. Our €1.1 million response included providing refugees arriving in Greece and Italy with advice and translation services, the distribution of food packs in Macedonia, hygiene kits and blankets in Germany, and short-term shelter and warm clothing in Sweden.





## Empowering communities

### Transformative development

Working in some of the poorest communities on Earth, we improved life chances through projects giving access to water, sanitation and healthcare – and enabled vulnerable people to build brighter futures through education and livelihood interventions.

2.4m

people worldwide helped by medical and healthcare interventions

232,000

people received access to quality education

375,000

individuals supported to build sustainable livelihoods





Bikash Ranjan Chakrobarty received training, seeds, fertilizer and special bio-pesticides to enable him to successfully grow pumpkins. One of nearly 11,000 poor people helped by our livelihood projects in Bangladesh this year, he now earns a decent living and trains others on farming techniques.



"Everyone in this village is very happy," said mother-of-two Marita Yosefe, 24, who can now collect safe drinking water close to her home, thanks to an Islamic Relief Worldwide project in Malawi this year. "Today, I collect water from the borehole, water that is free from diseases."

benefited from supplementary feeding, whilst young people were supported into farming, fishing and small businesses. New water sources, filtration plants and livelihood support equipped 16 Pakistani villages to reduce the impact of future flooding.

#### Lasting livelihoods

We extended last years' successful mushroom-cultivation project to another Indonesian province. In West Lombok, eight women's groups have already doubled their incomes, with the government looking to replicate the project elsewhere. In Ethiopia, 250 widowed women were empowered to launch small enterprises through a project that also got young people into work and promoted child protection. In Sudan, widowed women embraced self-reliance thanks to our livelihoods training and Islamic microfinance, whilst 6,100 children gained better quality education and health. Dairy, vegetable, fruit and nut farming in AJK received a much needed boost, with over 172,000 Pakistanis benefitting from productive livestock, specialist equipment and investment in local agricultural infrastructure to increase sustainability. Over 1,300 young people accessed our vocational training in Kosova, and dozens of young entrepreneurs were supported to rebuild livelihoods shattered by the 2014 conflict in Gaza. Meanwhile, in Myanmar, construction of brand new vocational centres neared completion.

#### Building brighter futures

We opened up a world of opportunities for children through education. In the Afghan capital, 780 orphans accessed free classes, recreational activities and healthcare. At Khoog Kor orphanage in Jalalabad, we funded quality education, healthcare and the living costs of 478 orphaned children. Some 3,000 Sri Lankan children received stationery, shoes, bags and bicycles to shorten their long journeys to school, whilst bursaries got 200 South African children into education. We also launched an ambitious project serving 7,500 students in south-eastern Tunisia to promote reading, ICT and sports; the project has so far improved facilities at two schools, equipped 28 schools and libraries with ICT equipment, and trained 181 teachers on advanced teaching methods. Our home-based learning scheme taught literacy, numeracy and business skills to 1,800 Afghan women, whilst some 500 people living with disabilities in the Russian Federation unlocked the benefits of learning and sports through our innovative Learning Centre. Refugee children were also placed in mainstream Tunisian schools, and adults were given psychosocial support and vocational training.

#### Water and health for life

Over 21,800 people in Malawi now have reliable access to water through new boreholes, hand-pumps and solar powered water systems. The environmentally-friendly project trained farmers in rain water harvesting and water conservation, introduced energy-saving stoves, and planted trees to reduce further soil erosion. Peace flowed in water-scarce Assem, India, after we united local people in moving past inter-communal violence with new wells and hand-pumps, serving almost 3,260 people. A solar powered water yard in South Sudan reduced tensions between host communities and internally displaced people living in camps. In addition, three Albanian villages gained access to water close to home, and 2,700 Tunisian school children and teachers benefited from water tanks and fun classes on good hygiene.

With support from UNODC, we extended our pioneering work to reduce harm caused by drugs in Afghanistan. Working in a women's prison and across Mazar city, we provided harm-reduction support to 400 women – many of whom have been diagnosed with HIV/ AIDS. Alongside specialist health and drug-cessation counselling services, items such as condoms and clean syringes reduced further harm. In Myanmar, our health clinic and mobile 'boat clinics' served 10,000 people, and construction of the Oncology Centre of Excellence in South Africa came to an end. When it opens in 2016 as part of the Nelson Mandela Children's Hospital, the Oncology Centre will provide cutting-edge care and lifesaving treatments for children with cancer from across Africa.

#### Integrated sustainable development

We provided healthcare through four new nutrition centres in Chad and installed dozens of boreholes and latrines. Both men and women were able to earn a decent living thanks to the seeds, sheep, agricultural machinery and small cash loans we offered. Altogether, 48,000 people benefited and the average family income rose by 39 per cent, with food stock also increasing by 38 per cent.

In an ambitious DFID-funded programme, we teamed up with other NGOs to improve essential public services in 15 Ethiopian *woredas* (districts). Nearly 43,000 people accessed new water and sanitation schemes, 45,000 children were

able to attend school thanks to new school furniture and solar powered lighting, and thousands benefited from health services, including motorbike ambulances and improvements in maternal health. In Rangpur, Bangladesh, average family income shot up by 402 per cent after women accessed microfinance. Tube wells improved access to water and food banks helped communities get through the lean season – whilst training boosted health and hygiene outcomes and promoted the importance of protecting the environment.

We repaired five storm-damaged health centres and six day care centres, and constructed 450 new disaster-resilient homes in the Philippines. Over 16,900 Yemeni families





## Campaigning for change

**A force for positive change**  
Our extensive research, advocacy and campaigning once more targeted the root causes of poverty and suffering in 2015. Alongside our work in vulnerable communities across the globe, we took on climate change and pushed for a safer, fairer world for all.

7

faith-literate policy briefings and papers published

23

bold commitments to gender justice established

1st

Islamic Declaration on Climate Change in the world launched

EARTH IS GREEN AND BEAUTIFUL GOD STEW

Islamic Relief volunteers represent the Muslim community and send a strong message about climate change to world leaders attending COP 21.





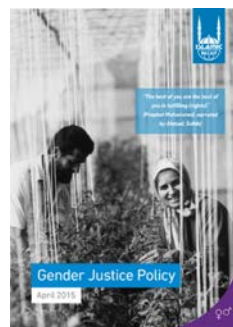
Lotifa Begum, Islamic Relief's Global Campaigns Coordinator, speaks at the Faith in Climate Justice event ahead of COP 21. At the event she handed over the Muslim Climate Action petition, which held over a million signatures, to the UNFCCC Executive Secretary General, along with the solar powered Green Torch.

#### A call to action on climate change

Alongside Muslim Climate Action, Islamic Foundation for Ecology and Environment Science and Climate Action Network, we hosted an international symposium to launch a trailblazing call to action on climate change. The Islamic Declaration on Climate Change demanded that nations with the greatest responsibility and Islamic leaders worldwide recognise their obligation to reduce carbon footprints and shift to 100 per cent renewable sources of energy; it was a key step toward responding to the gravest threat now facing our planet.

As world leaders met at the UN Climate Convention's COP 21, we ramped up the pressure by presenting at side events, mobilising marches in Paris and London, and, as

a leading member of the Muslim Climate Action coalition, collecting petitions on climate change through the Green Torch Awareness campaign. Over 1.7 million people in the UK signed the petition, which we presented to the UNFCCC Executive Secretary.



#### A just world for women and girls

Tackling social injustice gained greater momentum this year, as comprehensive analysis of the impact of our projects on women and girls around the world resulted in our first gender justice policy. We also co-organised an event around the 29th Session of



"Violence against women increases at the outset of emergencies and in conflict situations. We should, therefore, integrate gender-based violence programming into all humanitarian and conflict responses," recommended our senior policy advisor for gender, Iman Sandra Pertek, at the Organisation of Islamic Cooperation's (OIC) Human Rights Commission.

the UN's Human Rights Council that advocated for practical solutions to end gender-based violence. Unique research studies explored how gender-based violence is condemned in Islamic teachings. Islamic Relief India used this to encourage a national consultation and produced a set of recommendations for Muslim leaders and organisations to end gender-based violence. We also helped Indonesian communities challenge commonplace female genital cutting by highlighting the Islamic argument against the harmful practice.

#### A safer childhood for all

To ensure children caught up in complex emergencies were appropriately safeguarded, we rolled out child safeguarding training for field office staff and deployed child protection experts to the Mediterranean refugee crisis and Nepal earthquake. In Manila, the Philippines, we delivered global interfaith training on child protection with World Vision International, which drew on religious teachings to expel harmful practices like physical abuse, child marriage and child labour, neglect and exploitation. Empowered to advocate against child abuse in their communities, Muslim and Christian faith leaders in the country pledged to set up awareness workshops and form local committees to protect children from harm.

#### A better development agenda

Thanks to Islamic Relief's global 'Unlocking the Chains of Debt' campaign, which was coordinated through the Jubilee Drop the Debt movement, the government of Pakistan committed to launch a debt audit. This would examine the legality and use of foreign debt and would see the repatriation of stolen funds held in foreign bank accounts.

Our years of work to influence the goals and targets in the new Sustainable Development Goals (SDGs) bore fruit this year. Arguing extensively for an inclusive approach to development, our faith-literate policy briefings and experience working with some of the world's poorest communities shaped the dialogue on critical issues such as financing development programmes, climate change, peace-building, financial inclusion and gender justice.

We joined religious leaders and other faith-based organisations to develop a pioneering action framework to end extreme poverty and achieve the new SDGs. Building on an initiative launched with the World Bank's support, the framework seeks to secure a sea-change in the role of faith-based organisations in tackling poverty and holding governments to account. We became co-chairs of a new learning hub on peace and conflict through the Joint Learning Initiative for Faith and Local Communities (JLI). As a founding member of the JLI, we helped unlock the capacity of faith-based groups to tackle poverty and suffering. The JLI, UN agencies and academic institutions co-hosted a global conference at the World Bank – enabling policy makers to build more effective partnerships with faith-based groups to end extreme poverty and promote sustainable development. It was co-sponsored by Islamic Relief, the Catholic Medical Mission Board, Catholic Relief Services, Tearfund, American Jewish World Service, IMA World Health and McKinsey & Company.

We joined with UN agencies, donors and other faith-based organisations in New York, USA, to tackle governance and democratisation, peace and security, gender equality and women's empowerment. In Bristol, UK, we presented at a UN Development Programme and Alliance of Religions and Conservation meeting in which faith leaders pledged far reaching practical action to help the world's poorest people. In addition, we helped other humanitarian organisations embed the SDGs into their programmes and at the World Economic Forum's Jordan meeting, we advocated for the private sector and civil society to cooperate to achieve the SDGs. We were also a panellist in a special session of the Standing Committee for Economic and Commercial Cooperation of the Organisation of the Islamic Cooperation, which was chaired by the Turkish President. In Davos this year, we highlighted the potential of Islamic finance in supporting disaster risk reduction and climate change adaptation.





# Strengthening the Islamic Relief partnership

## Greater capacity to help

We increased our impact on the ground by continuing to improve our efficiency and effectiveness, with good governance and a rigorous focus on accountability and transparency. Collaboration with other humanitarian actors was a key strategy toward securing real change.

£3.8m

active loan portfolio now facilitates financial inclusion

48,000

orphaned children now sponsored through Islamic Relief Worldwide

4.3m

people benefited from Ramadan and Qurbani food packs

In Iraq, Farouk\* (centre left) was one of 10,000 vulnerable children supported through our orphan sponsorship scheme, which grew by 20 per cent this year. This was supported by an updated online portal that enabled us to provide an enhanced service to more donors than ever before. \*Name changed for protection purposes.





By utilising local masons and carpenters, Islamic Relief Waqf was able to rebuild 46 damaged houses in India to withstand future floods and provided disaster risk reduction training.

This is one of the newly constructed shelters in Molundubi Gram Panchayat, Goalpara, Assam.

Work to support religious freedom in Europe gained traction this year, as we joined prominent Muslim and Jewish leaders in workshops that birthed the new Muslim-Jewish Leadership Council. The Council is the first European platform of its kind in which Muslim leaders and Jewish religious authorities proactively advocate for the protection of religious freedom in Europe.

business, or increase production. By funding enterprise, we empower people to earn a decent living and break out of the vicious cycle of poverty.

Depending on the part of the world and how well-developed their financial service industry, the programmes are regulated via central banks or through a village banking model. To ensure compliance with *Sharia* standards, we work closely with the 'Accounting and Auditing Organization for Islamic Financial Institutions.' A number of our microfinance programmes – for example our DFID Partnership Programme Agreement funded financial inclusion work in Pakistan – reached maturity this year and are now self-sustaining due to our donors' support. This means that *Sharia* compliant microfinance can relieve poverty for many years to come, even if it is made as a general donation.

To drive efficiency, a further 15 key field offices gained enhanced ICT infrastructure that transformed communications and business processes. The Islamic Relief Academy also supported our work by developing talent throughout the Islamic Relief family and the wider humanitarian sector. As well as rolling out an innovative e-learning portal for our staff this year, the learning and research think tank signed a memorandum of understanding with Middlesex University and Universiti Sains Islam Malaysia (USIM) to collaborate on research, development and internships. Since the Academy's launch in 2014, over 20 postgraduate students and academics have joined our Fellows Programmes – producing

reports on topics such as donor relationships, disaster preparedness and the role of faith in development, as well as pioneering research into sustainable funding for development and *Waqf* banking models.

#### Good governance, transparency and accountability

Our commitment to continuously improving transparency, accountability and reporting saw innovative financial systems introduced to our offices in a further ten countries this year. We also launched a new online portal through which all Islamic Relief offices can fund humanitarian projects using rigorous standardised processes that improve reporting and transparency. As a leading member of the International Civil Society Centre, we continued to drive transformational reform to better equip the sector to respond to emerging challenges. In addition, good governance and human rights were pushed to the fore as we participated in a Berlin platform organised by development company GIZ and the German Development Institute, which improved understanding of global agendas and the development of global partnerships.

#### Developing relationships for change

Our close working relationship with the Lutheran World Federation continued this year, seeing the delivery of joint programmes in Kenya and Jordan, and a side event at the annual general meeting of the UNHCR. Our relationship with Sheikh Abdullah Al-Nouri Charity gained greater traction as a formal agreement to cooperate was signed. In addition, we created and capitalised on new opportunities to team up with other humanitarian actors in the fight against poverty and suffering – including exploring partnerships with Medecins Sans Frontieres on medical aid, and Blue Rose Compass to provide underprivileged young adults with educational scholarships.

A visit by specially appointed representative for US President Barack Obama, Shaarik H Zafar, provided a valuable opportunity to build relationships. During a fact-finding visit to Pakistan, we were also pleased to host a delegation from the Muslim Charities Forum and the Association of Chief Executives of Voluntary Organisations at our flagship projects in Rawalpindi. UK MP Zac Goldsmith, MP and Shadow Secretary for International Development, Mary Creagh, and influential anti-apartheid campaigner and former South African Ambassador to the US, his Excellency Ebrahim Rasool, all joined us in celebrating our achievements at our Ramadan campaign launch.

#### Making a lasting difference

Islamic Relief Waqf provides donors with an opportunity to make a long-term difference in some of the world's poorest communities. 2015 saw 176 new *Waqf* shares, worth around £167,357, swelling the total number of shares to 4,731.

Together with general donations, the Waqf Support Fund 2014 return on investment funded a dozen projects this year – largely focused on water and sanitation, health and nutrition, and livelihoods. *Waqf* funding this year empowered families in Bosnia to earn a living through agriculture, delivered cataract screening and eye care to 825 Bangladeshis, and provided 10,000 people with reliable access to water in Ethiopia.

#### Maximising our impact

We launched two pilot schemes this year, which have been designed to lift communities permanently out of poverty. Both integrated projects are led by local needs and draw on Islamic perspectives. In Bangladesh, for example, the focus is on removing structural causes of poverty, working with families to boost income and nutrition, and improving access to education, healthcare, water and sanitation.

With an active loan portfolio exceeding £3.8 million, our pioneering multi-national Islamic microfinance programme currently serves nearly 15,000 entrepreneurs in a dozen countries. The microfinance programme enables poor people to get the inventory or equipment to set up a small





Islamic Relief, alongside the Council for Arab-British Understanding (Caabu), hosted a dinner and discussion with His Royal Highness Prince El Hassan bin Talal of Jordan and Sir Alan Duncan, former minister of International Development, on January 12 2015.

## Support for our programmes

### Funding our work worldwide

#### Fundraising in the Middle East

This year we focused on strengthening our relationships with institutions and individual donors in the Middle East. Expanding our activities, we opened new offices in Jordan, Lebanon and Qatar. As conflict escalated in Yemen, we spent \$9 million to fund our food pack project, which provided essential staples to 105,000 people in several of the most affected governorates. A new partnership with the King Salman Humanitarian Aid and Relief Centre, which was signed this year, will support our ongoing work in Yemen.

Several new strategic partnerships forged this year will make available more funding for our humanitarian efforts and provide opportunities to bolster impact through joint projects. These include longstanding supporter of Islamic Relief Worldwide, Sheikh Abdullah Al-Nouri Charity, and the International Islamic Charity Organisation. We were also delighted to consolidate our relationship with our main strategic partner and donor in the Middle East, the Islamic Development Bank (IDB), together with the Namaa Al-Munawwarah Foundation, which is overseen by Prince Faisal Bin Salman.

Our participation in key conferences in Kuwait in 2015 also brought our experience and advocacy to wider audiences than ever before. Boosting the role of women in the humanitarian sector, action on the Syria crisis, and active partnership in development and relief work were among the issues we helped bring to the fore in the region.





Singer-songwriter Zain Bhikha joined our emergency teams in Malawi, where we distributed 56kg food packs containing flour, beans and salt to 600 families impacted by flooding.



Thandeka Tutu-Gxashe, daughter of renowned social rights activist and retired Anglican bishop Desmond Tutu, visited our headquarters. Thandeka heads the Tutu Foundation's education campaign, which Islamic Relief South Africa helps to fund.



Islamic Relief volunteers teamed up with local organisations to distribute food and household goods to people forced from their homes in the Cumbrian floods.

Support for our programmes grew through a brand new Arabic language website, as well as through fundraising campaigns for Ramadan foodpacks, *Qurbani* and humanitarian appeals for Syria, Yemen, Palestine and Iraq. Altogether, we secured funding worth £17 million to support our vital humanitarian work around the world.

#### Emerging markets

Growing our team within this young department strengthened our capacity to secure new supporters worldwide, enabling us to direct more resources to develop partner offices. Among the exciting initiatives was exploratory work with our offices in Albania, Bosnia and Kosovo to determine how field offices may also directly raise funds for their programmes. Work to expand our global presence also gained momentum as we completed feasibility studies to reach currently under-served donors in Finland and Japan.

Amidst continued global economic uncertainty, the expectations and demands of our donors rose once more. Our ongoing commitment to delivering best practice in fundraising – particularly in quality, transparency and accountability – was pivotal in building the trust and confidence of donors this year.

#### Fundraising, campaigning and community action in the UK

The year began with a VIP dinner featuring Prince Hassan Bin Talal of Jordan and Alan Duncan MP, hosted by the broadcaster Mehdi Hasan, to highlight and debate humanitarian challenges in the Middle East.

It was a year in which innovative fundraising made its mark. Supporters were challenged to take part in three 'winter survival camps' to simulate and reflect on the experience of Syrian refugees – raising over £100,000 as we surpassed our £1 million fundraising target for the winter appeal period.

Another innovative idea, the Ramadan One Pound Challenge, raised £75,000 in just ten days. Online donations for the year reached a high of over £8.7 million, driven by increased use of short videos and eye-catching pop-up advertising. The *Qurbani* appeal income exceeded £2.1 million, 5% above target. A single live appeal on the Islam Channel on the Night of Power – the 27th night of Ramadan – raised an unprecedented £850,000 for refugees; more than double our target for all three live appeals this year.

Community fundraising and campaigning were spearheaded by thousands of volunteers across the UK. The volunteer-

inspired Cakes4Syria campaign raised over £100,000, and exceeded all expectations by reaching nearly half a million pounds since it began three years ago. Charity Week raised a record £754,000 for orphans and children's projects through the tireless work of volunteers at universities across the country and internationally. A pre-Ramadan national tour featuring Zain Bhikha raised £465,000 – enough to provide food packs to over 81,000 people driven from their homes by the Syrian conflict.

Islamic Relief UK played an active role in the Disasters Emergency Committee's Nepal appeal and provided funds for the response to Ebola in West Africa, the refugee crises in the Mediterranean and Syria, and communities affected by conflict in Yemen.

One group of volunteers travelled to Paris with fellow campaigners from the Muslim Climate Action Network and Friends of the Earth to raise awareness on climate change in the run-up to the crucial UN summit. Action to curb the damaging impact of global warming on third world countries was imperative this year, alongside continuing efforts to highlight the impact of the Syrian conflict and the need to improve access and protection for humanitarian aid.

Another volunteer group helped families affected by flooding in the north of England in December; clearing flooded homes and bagging 80 tonnes of sand to prevent further damage. Islamic Relief provided a grant to the Cumbria Community Foundation to help families replace damaged furniture and other essentials. Volunteers also took part in other domestic programmes like a Winter Warmth project to help the homeless and providing support to women affected by domestic violence.

Imran Madden, formerly head of the Humanitarian Department at Islamic Relief Worldwide, was appointed UK Director in succession to Jehangir Malik, who left the organisation after 23 years of distinguished service. One of Imran's first public engagements was a fringe debate on the global refugee crisis. Co-organised by Islamic Relief and World Vision and held at the Labour and Conservative Party conferences, Imran spoke alongside DFID Minister, Desmond Swayne MP, and the Shadow Secretary of State for International Development, Mary Creagh MP. Alongside mayoral candidate Zac Goldsmith MP, Mary Creagh also attended a high-profile Ramadan launch dinner in London earlier in the year. Both spoke warmly of Islamic Relief, its role in the Muslim community and its work around the world. Mary Creagh spoke from first-hand experience after a visit to Lebanon to see our work supporting Syrian refugees.

Relationships with high-profile companies, mosques and trusts facilitated a broad range of partnerships and events. We are among the very first charities featured in the charity directory for the new Barclays Pingit app, and hosted an event on Islamic microfinance at the London offices of Bank of America Merrill Lynch. The publisher Shade 7 donated a share of the profits from sales of its award-winning book. We staged a mosque tour in partnership with the London Qur'an Academy, and spoke at dinners organised by the Bromley Muslim Cultural Association and the Woking Business Forum to raise funds for Syrian refugees and the Nepal Earthquake Appeal respectively.



# Principal risks and uncertainties

From the fragile and conflict affected countries where we run programmes, through to the weakening economic climate of the countries where we fundraise, risks arise out of every aspect of Islamic Relief Worldwide's activities. It is therefore essential that we have in place structures to identify principal risks early, and to mitigate their potential impact.

The Islamic Relief Worldwide Board of Trustees is advised by an independent Audit Committee. The Audit Committee's terms of reference include the review of risk management within and around the organisation. The Audit Committee, which meets at least four times a year, consists of a mixture of non-executive external experts and trustees, as well as legal and transparency experts, who come together to review the risk register and the action plans in place to mitigate any identified risks.

Islamic Relief Worldwide has an independent internal audit function that reports directly to the Audit Committee. This function carries out a risk-based audit programme following an audit plan approved by the Audit Committee. One of their key responsibilities is to maintain the risk register, record risks and the associated action plans to tackle them.

Senior management regularly undertake strategic and operational reviews in order to identify organisational risks and formulate action plans to mitigate these. They are then responsible for implementing those action plans, with the Audit Committee monitoring their progress. The reviews and progress of action plans inform the risk register, which is a current and active document. The principal risks and uncertainties facing Islamic Relief Worldwide, and the mitigating actions taken to meet them, are as follows:

1. The faltering global economy and increased competition for funds continues to impact Islamic Relief Worldwide's funding model. We are meeting these challenges by addressing our cost base and by diversifying our income streams. With regard to the former, the organisation operates a strict budget setting and variance analysis process that emphasises efficiency saving and controlling costs. With regard to the latter, a *Waqf* (endowment) board has been set up in order to formulate alternative investment initiatives to encourage the growth of unrestricted income. We also continually review the strategy and business model of our trading subsidiary, TIC International Ltd, with the view of increasing unrestricted income through its profits.

2. In a bid to cut the funding of terrorism, a global increase in compliance has had unintended consequences for the majority of legitimate NGOs, both secular and faith-based. Those carrying out humanitarian projects in difficult parts of the world are now forced to channel resources away from their missions and towards fulfilling regulatory compliance requirements. We have put into place systematic processes by which we can deal quickly and efficiently with these requirements.

3. The increase in regulation has had a significant impact on the international financial and banking sectors, which has made operating in certain places a challenge for NGOs. There are now greater hindrances in place when moving funds to provide timely assistance to those in need. Islamic Relief Worldwide continues to play a part alongside civil society groups across the world by sharing concerns with the banking and finance sector, as well as lobbying the Financial Action Task Force (FATF) to ensure the smooth flow of funds for life-saving and life-changing humanitarian work.

4. In an increasingly digital world, cybercrime continues to be a global threat and reminds us all of the ongoing need to be vigilant in protecting the data we rely on to deliver our mission. Islamic Relief Worldwide is implementing an information security management system, updating data protection measures and reviewing disaster recovery plans to control against and mitigate any such attacks. We continually monitor our information technology infrastructure to ensure that our data is reasonably protected, whilst making the best use of organisational resources.

5. Due to the competitive nature of the job market and our limited resources, Islamic Relief Worldwide finds it increasingly difficult to attract and retain experienced staff for senior management and technical positions. In order to address this, we have been looking into 'talent preparedness' interventions to better anticipate and cope with attrition, while improving attraction and retention. This includes redefining our employee value proposition to focus on non-monetary rewards and offering meaningful careers, as projected via our popular recruitment adverts and animations. It includes headhunting via social media and professional networks in order to find suitable talent, and recognising their performance. While we are not market rate driven, we wish to offer 'market relevant' salaries, hence a compensation and benefits benchmarking exercise is about to be undertaken again to inform the Remuneration Committee's strategy. Recognising that development is key to retention, we also run an externally accredited Management Development Programme to enhance capacity and enrich staff and management capability.

In Ethiopia, thousands of girls and boys are benefiting from projects promoting education. As well as improving primary schools, with support from Al-Asmakh Charity Foundation, we will build new secondary schools and equip classrooms to boost the quality of education.



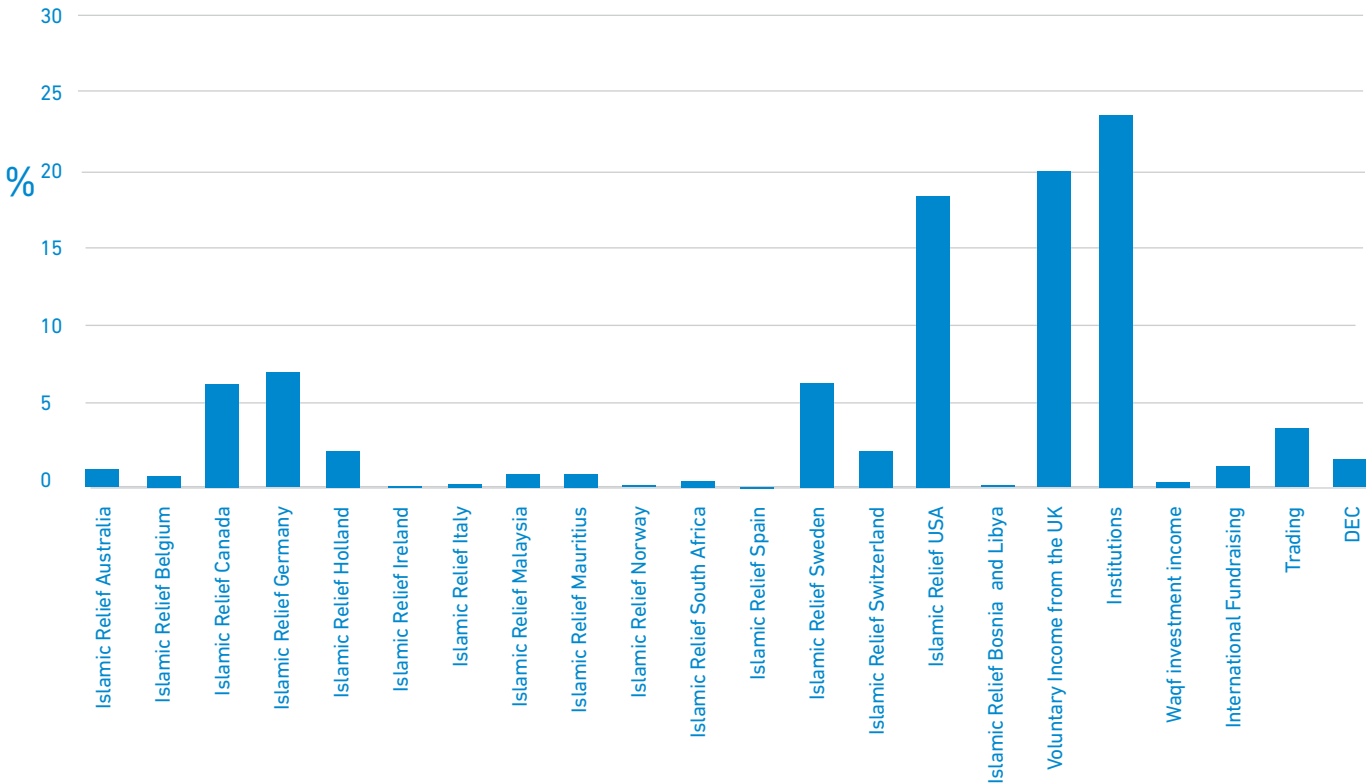
# Strategic partners

Thank you to all of our strategic partners.

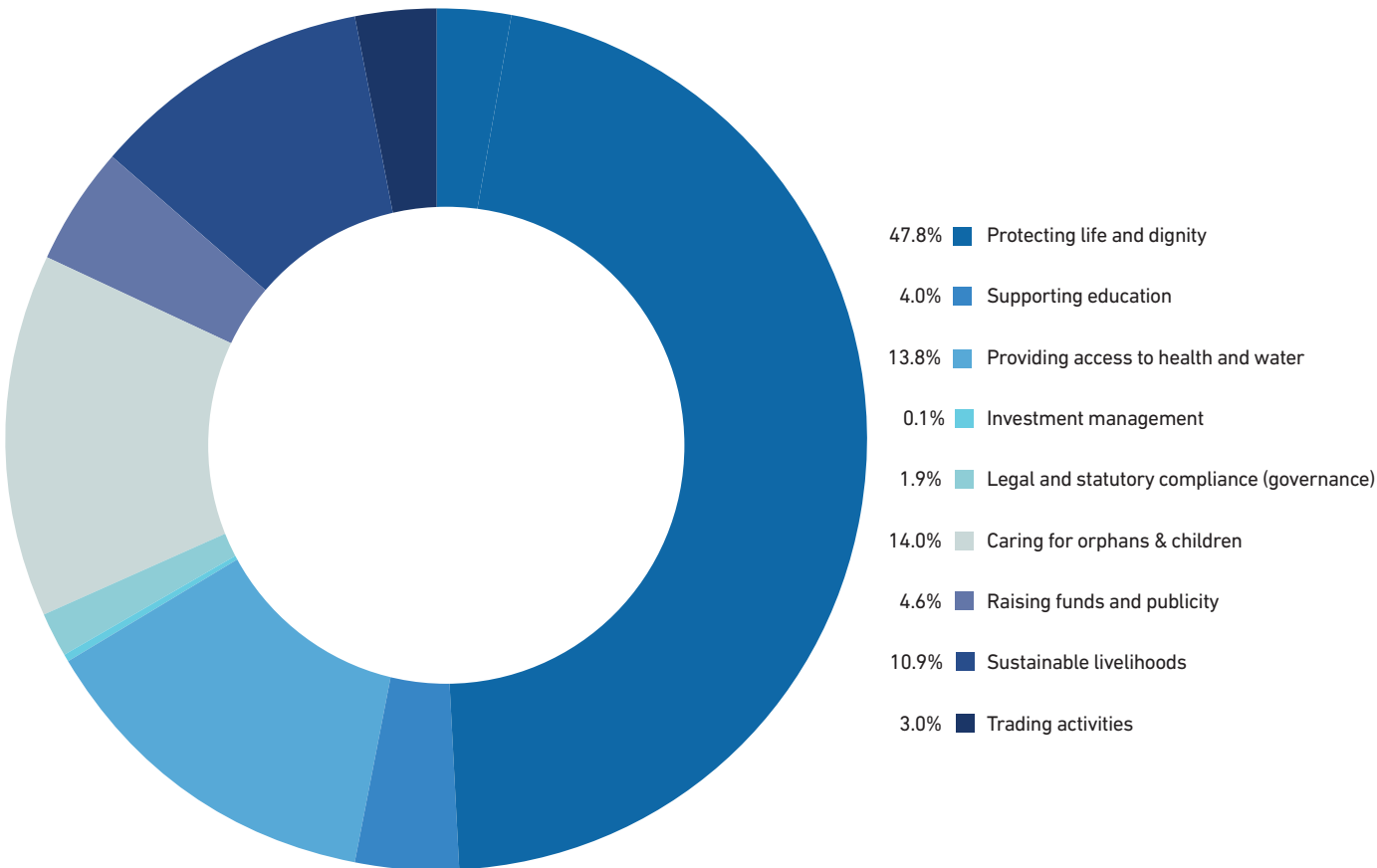


# Income and expenditure

Where the money came from



Where the money was spent





# Plans for 2016

2016 will see a change in focus, as Islamic Relief Worldwide seeks to respond to new challenges and opportunities presented by our changing world and the humanitarian sector.

The upcoming 2016-20 Global Strategy proposes some important new directions for the years ahead:

1

## Developing our thematic expertise

Islamic Relief has accrued significant experience in our decades of work in the humanitarian sector. We will further deepen our knowledge and practice in thematic areas that are important to our work, including climate change adaptation and resilience building.

2

## Boosting funding for long-term programmes

We will unlock more funding for longer term development programmes that create lasting change in poor communities. We will create exciting new ways for donors to support our work, and bolstering engagement with bi-lateral and multi-lateral donors will be key.

3

## Supporting a stronger civil society

Our capacity-building work will broaden as we support more NGOs in meeting emerging challenges and improving their ability to respond effectively. By strengthening civil society, we will maximise the impact of humanitarian aid and development interventions.

4

## Integrating advocacy throughout our work

We will strengthen our humanitarian advocacy at programme and national levels, capitalising on the unique understanding of our field teams to do more than ever before to ensure that the communities we serve have their voices heard.

5

## Developing domestic programmes

Islamic Relief partners around the world have significantly increased their implementation of programmes, such as relief for families affected by natural disasters in North America and Europe, and poverty alleviation in South Africa. They plan to further increase and improve domestic programmes.

6

## Improving accountability and efficiency

Islamic Relief partners around the world have significantly increased their implementation of programmes such as relief for families affected by natural disasters in North America and Europe, and poverty alleviation in South Africa. They plan to further increase and improve domestic programmes.

7

## Building acceptance and alliances

Social alienation and poor understanding of Islam are contributing to deepening divisions and tensions. Islamic Relief Worldwide has been at the forefront of building mutual empathy, trust, and understanding – and seek to add to this by increasing our alliances with governments and leading institutions.

8

## Developing partners in emerging economies

We will expand the Islamic Relief partnership to more self-governing members based in middle income countries with growing economies in Africa and South and South East Asia. This will add to the southern representation already developed in Malaysia, Mauritius and South Africa.

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 7/8/15 including approving in their capacity as Directors the Trustees Strategic Report and Directors

Report contained therein, and is signed as authorised on its behalf by:



Mr. Adnan Saif  
Company Secretary/Trustee  
19th August 2016



# Financial review

This year has been a record breaking one for Islamic Relief Worldwide, both in terms of income and charitable expenditure. Our aim as always has been to alleviate poverty and human suffering and in doing so, our charitable expenditures in the core areas of relief and development increased by 25 per cent to our highest level ever of £100.3 million (2014: £80.3m).

### Income and fundraising

Our total income increased by 6.5 per cent compared to 2014, reaching £105.6 million. The growth was largely due to contributions from institutional donors to alleviate the plight of people in Syria and Yemen. Notably, our international fundraising increased by 220 per cent to £16.9 million (2014: £7.6m).

The generous UK public and Islamic Relief partners continued to support emergency campaigns throughout the year. The Ebola response in West Africa and the humanitarian relief effort after earthquakes struck Nepal in April, and Pakistan and Afghanistan in October received a positive response in terms of fundraising. Further analysis of income is provided in note 2 through note 7.

Voluntary donations, which include regular giving, campaigns and appeal income, fell by 3.6 per cent to £75.9 million (2014: £78.8m). These donations came from UK individual donors (28%), DEC (3%) and the global IR family partners from across the world (69%).

After total resources expended of £112.6m (£92.4m in 2014), reserves stood at:	
Restricted reserves	£25.8m (2014: £31.6m)
General reserves	£5.6m (2014: £7.1 m)
Endowment funds	£6.1m (2014: £5.8m)

### Charitable expenditure

Our charitable expenditure continued to reach those who most needed our help in the world's poorest and most challenging places. In the year we spent £100.3 million (2014: £80.3m).

Protecting life and dignity programmes continue to be where we use the greatest proportion of funds, representing approximately 56 per cent (2014: 54%) of total charitable expenditure. Alongside these vital programmes, we continued our work to care for orphans and vulnerable children, as well as implementing sustainable livelihood programmes that together accounted for the remaining 44 per cent of charitable expenditure (2014: 46%).

Our programmes reach many distressed people in the most troubled parts of world. With the conflicts in Yemen and Syria (which entered its fifth year), the growth in human suffering continued at an unprecedented rate. Programmes in these two countries dominate our spending in the region, representing 53 per cent (2014: 48%) of all charitable expenditures. The emergency earthquake appeals for Nepal, Pakistan and Afghanistan represented relief expenditures in the Asia region of 23 per cent (2014: 25%) of total programme spend.

### TIC International

At our trading business, TIC International, sales fell by 12 per cent to £4.3 million (2014: £4.9m). Profit contributions amounted to £610k (2014: £725k), which remained at 14 per cent of turnover.

The clothes recycling sector is experiencing difficult trading conditions, with a number of our competitors ceasing to trade and the remainder heavily discounting on price and offering favourable credit terms. In order to remain competitive, TIC International has also had to reassess its pricing structure in West Africa and Asia. The share of this business activity makes up 50 per cent of overall sales and has declined from the previous year (2014: 59%). However, with the help of a weaker Sterling and Euro, like for like sales were flat compared with the year before.

While shop sales continued to show modest growth of 7 per cent, our food sales (canned meat) decreased by 44 per cent to £835k, which drove the decline in overall sales at the business.

### 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 that will be spent on the specified programmes in the coming financial years.

**General reserves** are not restricted to specific projects, but ensure that the delivery of our vital programmes are not disrupted by unforeseen circumstances, such as reduced income or increased expenditure.

We have a policy that sets the level of general reserves to such that it meets our operating expenses in the event of a sudden change in income. This includes a downturn in income and/or unexpected increases in costs, such as the costs of unforeseen liabilities for employment or other legal claims not covered by insurance, the costs of closure or wind-down of our core operations.

We review this policy each year, assessing risks and reflecting on changes in factors such as investment, income and also our financial obligations and commitments. The policy sets our target reserves as seven months' reserves of the core operational budget, as well as an appropriate amount for emergencies. These funds are held in current and medium-cash forms.

We have assessed our year-end reserves position and have concluded that it is within our policy target reserve and covers next year's core operational budget, with an appropriate amount also available for emergencies.

As at 31 December 2015, the total group reserves decreased by £6.9 million to £37.6 million (2014: £44.5m), which is made up of a £1 million drop in unrestricted reserves and a decrease of £6 million in restricted reserves. The decrease in restricted reserves arises from the implementation of programmes in 2015 by utilising funds raised in earlier years.

The unrestricted reserves as at 31 December 2015 amounted to approximately five months of core costs projected for 2016. The Board of Trustees has agreed with the recommendation from the Audit Committee, Chief Executive Officer and Finance Director to adopt a three-year plan to increase general reserves to a higher level. The plan sees unrestricted reserves increasing to seven months of group operational costs and the Board recognises three years is an appropriate timeframe for the achievement of this target.

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

Reserve	31 Dec 2013	31 Dec 2014	31 Dec 2015	Change from prior year
	£'000	£'000	£'000	%
Unrestricted	9,561	7,116	5,651	-21%
Restricted	22,847	31,592	25,845	-18%
Endowments	5,379	5,833	6,099	5%
Total	37,787	44,541	37,595	-16%

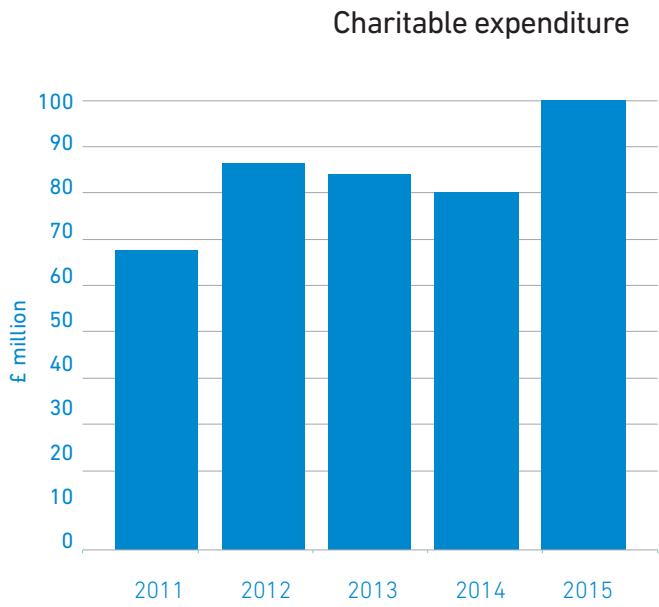
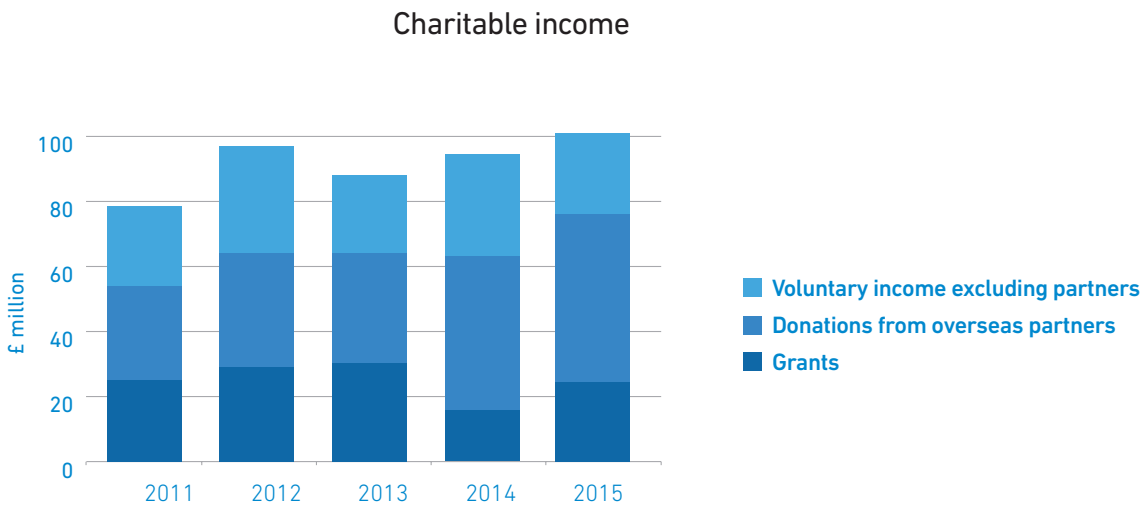


Going concern

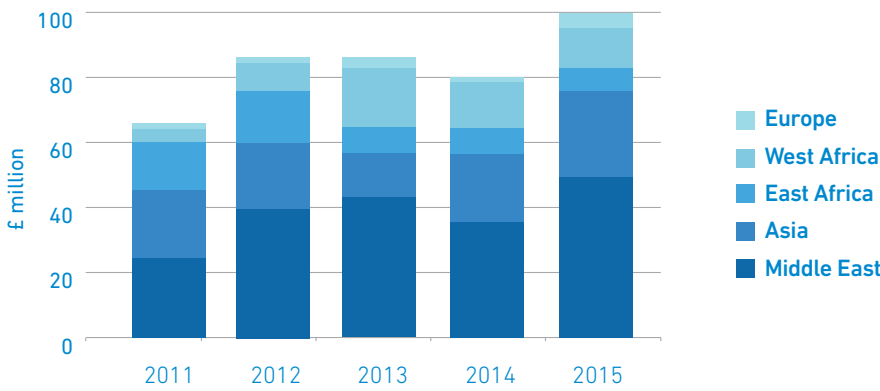
We have set a review of financial performance and our reserves position for 2015, and we have a reasonable expectation that we have the resources to continue in operational existence for the foreseeable future. We believe there are no material uncertainties that call into doubt our ability to continue as a going concern. The annual financial statements have therefore been prepared on the basis that the charity is a going concern.

Five year trend

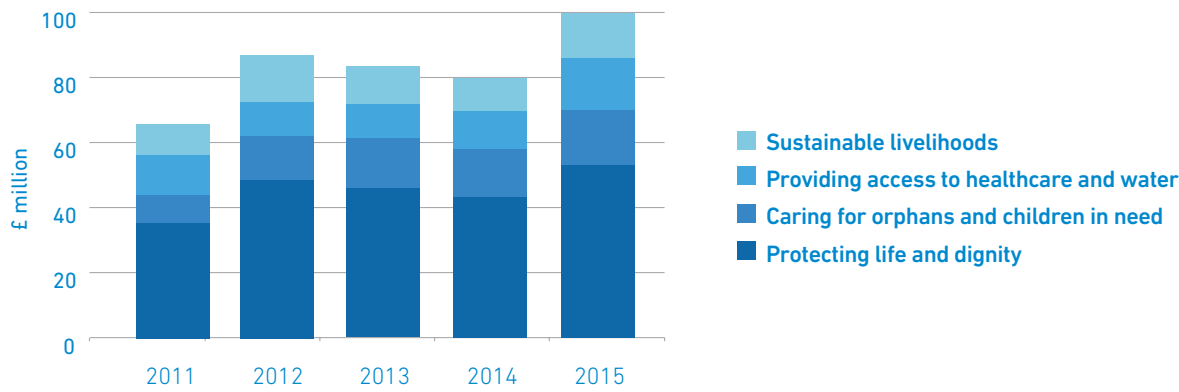
	2011	2012	2013	2014	2015
Grants	£25,578,127	£29,430,036	£30,577,259	£15,857,189	£25,273,203
Donations from overseas partners	£29,089,238	£35,174,506	£34,154,566	£47,414,468	£51,473,192
Voluntary income excluding partners	£24,393,557	£32,476,731	£23,489,429	£31,347,711	£24,418,935



Charitable expenditure by region



Charitable expenditure by sector





# Independent Auditor's Report

## To the members of Islamic Relief Worldwide

We have audited the financial statements of Islamic Relief Worldwide for the year ended 31 December 2015 which comprise the Group Statement of Financial Activities and Income and Expenditure Account, the Group and Charity Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 154 of the Charities Act 2011 and section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, 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.

We have been appointed as auditor under section 151 of the Charities Act 2011 and 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.

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

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees Annual and Strategic Report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2015 and of the group's incoming resources and application of resources, including the group's income and expenditure and cash flows, 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 Companies Act 2006, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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) require us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records 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 or 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.



**Naziar Hashemi**  
Senior Statutory Auditor  
for and on behalf of Crowe Clark Whitehill LLP  
Chartered Accountants and Statutory Auditors  
St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

5th September 2016

Crowe Clark Whitehill is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



# Financial Statements

## ISLAMIC RELIEF WORLDWIDE GROUP STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT for the year ended 31<sup>st</sup> December 2015

	Unrestricted funds	Restricted funds	Endowment funds	Total	Unrestricted funds	Restricted funds	Endowment funds	Total	Note
				2015				2014	
	£	£	£	£	£	£	£	£	
<b>Income and endowments from:</b>									
Donations and legacies	9,263,149	66,375,473	253,505	75,892,127	3,942,176	74,365,890	454,114	78,762,180	2
Charitable activities	1,380	25,271,823	-	25,273,203	54,253	15,802,936	-	15,857,189	5
Other trading activities	3,515,149	497,727	-	4,012,876	3,452,804	692,616	-	4,145,420	3
Investments	-	-	398,278	398,278	-	-	377,363	377,363	4
<b>Total</b>	<b>12,779,678</b>	<b>92,145,023</b>	<b>651,783</b>	<b>105,576,484</b>	<b>7,449,233</b>	<b>90,861,442</b>	<b>831,477</b>	<b>99,142,152</b>	
<b>Expenditure on:</b>									
Raising funds	2,916,954	9,279,675	67,329	12,263,958	2,820,015	9,210,018	74,889	12,104,922	10
Charitable activities	11,646,318	88,612,129	-	100,258,447	7,376,424	72,906,600	-	80,283,024	10
<b>Total</b>	<b>14,563,272</b>	<b>97,891,804</b>	<b>67,329</b>	<b>112,522,405</b>	<b>10,196,439</b>	<b>82,116,618</b>	<b>74,889</b>	<b>92,387,946</b>	
Net income (expenditure)	(1,783,595)	(5,746,781)	584,454	(6,945,922)	(2,747,206)	8,744,824	756,588	6,754,206	
<b>Transfers between funds</b>	<b>318,623</b>	<b>-</b>	<b>(318,623)</b>	<b>-</b>	<b>301,890</b>	<b>-</b>	<b>(301,890)</b>	<b>-</b>	<b>26</b>
Net movement on funds	(1,464,972)	(5,746,781)	265,831	(6,945,922)	(2,445,316)	8,744,824	454,698	6,754,206	
Reconciliation of funds									
<b>Total funds brought forward</b>	<b>7,115,994</b>	<b>31,591,949</b>	<b>5,833,415</b>	<b>44,541,358</b>	<b>9,561,310</b>	<b>22,847,125</b>	<b>5,378,717</b>	<b>37,787,152</b>	
<b>Total funds carried forward</b>	<b>5,651,022</b>	<b>25,845,168</b>	<b>6,099,246</b>	<b>37,595,436</b>	<b>7,115,994</b>	<b>31,591,949</b>	<b>5,833,415</b>	<b>44,541,358</b>	

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing operations.

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 alone as a separate entity. Islamic Relief as a charity's excess of expenditure over income was £7m (2014 net surplus £6.7m) for the year ended 31 December 2015.



# ISLAMIC RELIEF WORLDWIDE GROUP AND CHARITY BALANCE SHEETS as at 31<sup>st</sup> December 2015

	2015 total funds		2014 total funds		
	Group	Charity	Group	Charity	Note
	£	£	£	£	
<b>Fixed assets</b>					
Intangible assets	73,812	73,812	91,669	91,669	13
Tangible assets	6,374,518	5,953,645	6,574,696	6,110,487	14, 15
Investments	362,076	1,269,351	358,103	1,269,351	16
<b>Total fixed assets</b>	<b>6,810,406</b>	<b>7,296,808</b>	<b>7,024,468</b>	<b>7,471,507</b>	
<b>Current assets</b>					
Stocks and work in progress	199,621	-	178,505	-	17
Debtors due within one year	9,580,564	9,384,473	12,153,737	12,167,232	18
Debtors due after one year	-	-	1,643,996	1,643,996	
Cash at bank and in hand	26,746,662	26,227,982	32,925,135	31,824,383	
<b>Total current assets</b>	<b>36,526,847</b>	<b>35,612,455</b>	<b>46,901,373</b>	<b>45,635,611</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	5,425,183	5,207,436	8,867,846	8,202,043	19
Net current assets	31,101,664	30,405,019	38,033,527	37,433,568	
Creditors: amounts falling due after more than one year	316,634	316,634	516,637	516,637	19
<b>Total assets less total liabilities</b>	<b>37,595,436</b>	<b>37,385,193</b>	<b>44,541,358</b>	<b>44,388,438</b>	
<b>Total funds</b>					
Unrestricted funds					
General	5,651,022	5,440,779	7,115,994	6,963,072	
<b>Total unrestricted funds</b>	<b>5,651,022</b>	<b>5,440,779</b>	<b>7,115,994</b>	<b>6,963,072</b>	24
Restricted income funds	25,845,168	25,845,168	31,591,949	31,591,951	25
Endowment funds	6,099,246	6,099,246	5,833,415	5,833,415	26
<b>Total funds</b>	<b>37,595,436</b>	<b>37,385,193</b>	<b>44,541,358</b>	<b>44,388,438</b>	

The financial statements on pages 53 to 72 were approved by the board and signed on its behalf by



**Mr. Adnan Saif**  
Company Secretary/ Trustee  
19th August 2016

The notes to the accounts on pages 56 to 72 form part of these financial statements.

# ISLAMIC RELIEF WORLDWIDE GROUP CASH FLOW STATEMENT for the year ended 31<sup>st</sup> December 2015

	2015	2014
	£	£
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
Net income/(expenditure) for the reporting period as per the statement of financial activities (excluding cash flow from endowments)	(7,211,753)	6,299,511
<b>Adjustments for:</b>		
Depreciation	508,744	540,170
Amortisation	17,857	17,857
(Gains)/losses on investments	(3,973)	2,781
Decrease/(Increase) in stocks	(21,115)	(82,488)
Decrease/(Increase) in debtors	4,217,169	308,073
(Decrease)/Increase in creditors	(3,442,663)	2,871,124
<b>Net cash provided by (used in) operating activities</b>	<b>(5,935,734)</b>	<b>9,957,028</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(368,436)	(489,977)
Proceeds from the sale of property, plant and equipment	59,870	18,370
<b>Net cash provided by (used in) investing activities</b>	<b>(308,566)</b>	<b>(471,607)</b>
<b>Cash flows from financing activities</b>		
Endowment (waqf)	265,831	454,698
Repayment of borrowings	(200,004)	(200,004)
<b>Net cash provided by (used in) financing activities</b>	<b>65,827</b>	<b>254,694</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(6,178,473)</b>	<b>9,740,115</b>
Cash and cash equivalents at the beginning of the reporting period	32,925,135	23,185,020
Cash and cash equivalents at the end of the reporting period	26,746,662	32,925,135
<b>Consisting of:</b>		
Cash at bank and in hand	26,746,662	32,925,135
	<b>26,746,662</b>	<b>32,925,135</b>

## Reconciliation in net funds

	1 Jan 2015	Cashflow	Non-cash movement	31 Dec 2015
	£	£	£	£
Cash at bank and in hand	32,925,135	(6,178,473)	-	26,746,662
Debt due within one year	(200,004)	200,004	(200,004)	(200,004)
Debt due in over one year	(516,637)	-	200,004	(316,633)



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 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 (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended 2014) and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on the accruals concepts and going concern basis, thus presuming that the company will continue in business and the accounting policies mentioned have been consistently applied.

The policies applied under the entity’s previous accounting framework are not materially different to FRS102 and have not impacted on equity or profit or loss.

b. Going concern

We have set out in the Trustees’ report a review of the financial performance and the charity’s reserve position (page 72). We have adequate resources and are well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call into doubt the Charity’s ability to continue. The financial statements have therefore been prepared on the basis that the charity is a going concern; the 2016 Cashflow and Budget also support this assertion.

c. Consolidation and group financial statements

Islamic Relief Worldwide (IRW) is a charitable company limited by guarantee. Its main activities are delivering emergency aid to parts of the world affected by natural or unnatural disasters, and setting up various development projects that help empower people in need.

The group financial statements consolidate those of Islamic Relief Worldwide and its trading subsidiary TIC International Limited (company registration number: 2796175) and its property investment company SIF Invest. 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: 08612172) and Islamic Relief UK (company registration number: 5483053). 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 subsidiary. TIC International Limited is considered to be an intrinsic part of the charity’s programme to relieve poverty in any part of the world.

Note 7 also gives the full details of the income and expenditure of the French subsidiary company SIF Invest, a company incorporated in France. Islamic Relief Worldwide owns 99% of the share capital of SIF Invest. The results have been consolidated within these financial statements.

The charity’s fundraising partners and international implementing partners are established as separate independently controlled entities in their own jurisdictions and, consequently, their results are not included within these consolidated financial statements.

d. Fund accounting

Islamic Relief Worldwide has various types of funds for which it is responsible, and which require separate disclosure.

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

ISLAMIC RELIEF WORLDWIDE  
NOTES TO THE FINANCIAL STATEMENTS

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. The *Waqf* is the Islamic equivalent of endowments.

e. Incoming resources and investment income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy and there is certainty of receipt.

Voluntary income: 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.

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

Activities for generating funds: 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. Gifts in kind

Gifts in kind for use by the charity are included in the accounts at their approximate market value at the date of receipt. Gifts in kind for distribution are included in the accounts at their approximate market value at the date of distribution.

g. Recognition of liabilities

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the Statement of Recommended Practice for Accounting and Reporting (effective since April 2005) issued by the Charity Commission.

h. 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. This includes such items as internal and external audit, legal advice, and costs associated with constitutional and statutory requirements.

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.

Campaigning for change: These are costs associated with disseminating information and raising the profile of the charitable activities of Islamic Relief Worldwide.

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.

The number of staff involved in an activity is deemed to be the appropriate basis for allocating support costs as it closely reflects the resource usage of the support functions of the core activities. The number of staff working on a particular activity is determined by the estimated equivalent time devoted by a full-time member of staff to perform the task.

Support costs that represent the support functions of management, finance and accounts, human resources, IT and office facilities are allocated to each activity, based on the number of staff performing a particular activity in relation to the total number of staff performing all core activities.

Grants are charged to the SOFA when a constructive obligation exists, notwithstanding that they may be paid in future accounting periods.

i. Operating leases

Rentals applicable to operating leases (where substantially all of the benefits and risks of ownership remain with the lessor) are charged against income as incurred. Rental costs under

ISLAMIC RELIEF WORLDWIDE  
NOTES TO THE FINANCIAL STATEMENTS

operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

j. 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.

k. Fixed assets and depreciation

All expenditure of a capital nature is capitalised at cost as fixed assets with items costing below £500 being fully depreciated during the year of purchase. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Intangible assets represent the organisation’s registered trademarks.

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. 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 4 years straight-line basis
Office equipment	Over 4 years straight-line basis
Motor vehicles	Over 5 years straight-line basis
Plant and machinery	Over 8 years straight-line basis

l. Intangibles

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

m. 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.

n. Investments

Long-term investments are classified as fixed assets and stated at current value. They consist of subsidiary undertakings, unlisted investments and property. Short-term

investments are classified as current assets. Provision is made for any impairment in the value of fixed-asset investments.

o. Liquid resources

The charity includes fixed term deposits of less than one year as liquid resources.

p. Provisions

Provisions are recognised when the charity has a present legal or constructive obligation as a result of a past event, where it is probable that a transfer of economic benefit will be incurred and this transfer can be reliably estimated.

q. Pension costs

The charity operates a group personal pension scheme, which effectively means that all employees who join the scheme have their own pension plan.

r. Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value added tax (VAT) is not recoverable by the company, and is therefore included in the relevant costs in the statement of financial activities.

s. Volunteers

Islamic Relief appreciates the hard work and dedication of their volunteers across the world.

Around 1,600 different volunteers engaged in a number of activities, including campaigning and domestic programmes.

t. Debtors

Debtors are measured at cost less any impairment.

u. 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.

v. 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 and subsequently measured at the sentimental value, with the exception of bank loans which are subsequently measured at amortised cost using the effective interest rate method.

w. Revenue from donated goods

Revenue represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts. Revenue is recognised upon dispatch of goods.

ISLAMIC RELIEF WORLDWIDE  
NOTES TO THE FINANCIAL STATEMENTS

Donated goods for sale in the shops and recycling are measured at fair value when sold. Estimating the fair value of donated goods for resale is considered impractical because of the volume of low value items received, the absence of detailed stock control systems and market factors.

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

Preparation of the financial statements requires management to make significant judgments and estimates. The items where these judgments and estimates have been made include:

Non-exchange transactions

Donated goods

Donated goods for sale in the shops and recycling are measured at fair value when sold. Estimating the fair value of donated goods for resale is considered impractical because of the volume of low value items received, the absence of detailed stock control systems and market factors.

2. Donations and legacies

	Unrestricted funds	Restricted funds	Endowment funds	Total	Unrestricted funds	Restricted funds	Endowment funds	Total	Note
	2015	2015	2015	2015	2014	2014	2014	2014	
	£	£	£	£	£	£	£	£	

Donations, appeals and fundraising events									
United Kingdom	9,024,625	11,884,157	115,839	21,024,621	3,883,052	22,595,253	330,278	26,808,583	
Disasters Emergency Committee*	-	1,921,915	-	1,921,915	-	1,584,867	-	1,584,867	
International Fundraising**	193,361	1,188,350	90,688	1,472,399	-	2,895,751	58,509	2,954,260	
Islamic Relief partners	45,163	51,381,051	46,978	51,473,192	59,124	47,290,019	65,327	47,414,470	6
	9,263,149	66,375,473	253,505	75,892,127	3,942,176	74,365,890	454,114	78,762,180	

\* 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](http://www.dec.org.uk)

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

3. Other trading activities

	Total	Total
	2015	2014
Trading subsidiaries	£	£
TIC		
Income from charitable shops	1,069,162	1,000,184
Qurbani Income	497,727	692,616
Clothes recycling income	2,415,517	2,419,749
	3,982,406	4,112,549
SIF	30,470	32,871
Total	4,012,876	4,145,420

4. Investments

	Total	Total
	2015	2014
	£	£
Return on <i>waqf</i>	398,278	377,363
Total	398,278	377,363



5. Charitable income by institution

	Protecting life and dignity	Empowering communities	Total	Protecting life and dignity	Empowering communities	Total
			2015			2014
	£	£	£	£	£	£
Action Aid	215,031	-	215,031	164,087	84,504	248,591
Bill & Melinda Gates Foundation	-	-	-	-	870,489	870,489
Catholic Agency for Overseas Development	1,380	75,000	76,380	-	80,899	80,899
Care International UK	-	-	-	-	20,385	20,385
Concern Worldwide	-	-	-	-	-	-
Department for International Development	1,541,494	-	1,541,494	384,644	850,000	1,234,644
Department for International Development (PPA)	-	882,752	882,752	-	-	-
European Commission	-	-	-	-	247,983	247,983
European Commission for Humanitarian Operations	-	775,316	775,316	-	1,236,461	1,236,461
Episcopal Relief Development	13,214	-	13,214	-	-	-
HelpAge International	21,966	185,506	207,472	-	-	-
International HIV Fund	-	-	-	-	750	750
International Organisation for Migration	-	58,671	58,671	-	-	-
International Rescue Committee UK	-	952,046	952,046	-	864,682	864,682
Oxfam	185,909	-	185,909	255,980	10,269	266,249
Plan International	-	-	-	-	136,324	136,324
Secours Islamique France	385,809	1,446,872	1,832,681	382,963	1,596,484	1,979,447
ShelterBox	-	81,585	81,585	-	318,141	318,141
Start Fund	-	-	-	50,499	-	50,499
Solidarity Fund	-	-	-	-	-	-
Swiss federal department of foreign	-	263,048	263,048	-	181,032	181,032
United Nations Children Fund (UNICEF)	-	53,025	53,025	-	-	-
United Nations Development Programme	-	339,627	339,627	-	545,068	545,068
United Nations World Food Programme	320,705	-	320,705	876	-	876
Subtotal	2,685,508	5,113,448	7,798,956	1,239,049	7,043,471	8,282,520
In kind donations						
Globus relief	569,066	-	569,066	-	-	-
In kind donations subtotal	569,066	-	569,066	-	-	-
Total	3,254,574	5,113,448	8,368,022	1,239,049	7,043,471	8,282,520

5. Charitable income by institution

	Protecting life and dignity	Empowering communities	Total	Protecting life and dignity	Empowering communities	Total
			2015			2014
	£	£	£	£	£	£
International fundraising						
Afif Al Asmakh Charity Foundation	154,901	316,135	471,036	-	-	-
Alpha Data LLC	308	-	308	1,416	288	1,704
Al Eslah Society Bahrain	81,786	-	81,786	-	17,936	17,936
Bahrain Royal Charity Organisation	-	131,191	131,191	-	-	-
Bayet al Zakat	86,222	538,111	624,333	660,569	62,777	723,346
Egyptian Medical Syndicate	-	61,180	61,180	-	-	-
International Islamic Charitable Organisation Kuwait	-	9,800	9,800	119,814	4,800	124,614
Islamic Development Bank	811,794	76,722	888,516	455,269	997,728	1,452,997
Jordanian Hashemite Charity Organisation	20,372	167,084	187,456	129,141	169,446	298,587
King Salman Centre for Emergency and humanitarian	238,004	-	238,004	-	-	-
Mubarak Abdullah M AlsawaiKET	4,867,244	-	4,867,244	-	-	-
PALRINGO LTD	52,814	104,662	157,476	-	-	-
Qatar Charity	171,053	-	171,053	243,413	-	243,413
Reach Out to Asia – Qatar	-	817,645	817,645	-	309,376	309,376
Sheikh Abdullah Al Nouri Charity - Kuwait	393,287	12,058	405,345	913,324	95,285	1,008,609
The Foundation of the Committee of Humanitarian Relief & Aid	-	-	-	181,620	-	181,620
Subtotal	6,877,785	2,234,588	9,112,373	2,704,566	1,657,636	4,362,202
In kind donations						
Al Dawliyah	10,626	-	10,626	-	-	-
Alurwah Alwuthqa Charitable Association	16,629	-	16,629	-	-	-
Arab Medical Union	15,509	-	15,509	-	-	-
Islamic Cultural Centre Panama	1,207,141	-	1,207,141	57,702	-	57,702
King Salman Centre for Emergency and humanitarian	3,241,395	-	3,241,395	-	-	-
Sheikh Abdullah Al Nouri Charity - Kuwait	44,293	-	44,293	306,282	-	306,282
World Assembly of Muslim Youth	-	-	-	112,967	-	112,967
In kind donations subtotal	4,535,593	-	4,535,593	476,951	-	476,951
Income from IRW donors received directly in country offices						
Islamic Development Bank	198,904	3,058,311	3,257,215	2,647,659	-	2,647,659
Jordanian Hashemite Charity Organisation	-	-	-	87,857	-	87,857
Income from IRW donors received directly in country offices subtotal	198,904	3,058,311	3,257,215	2,735,516	-	2,735,516
International fundraising subtotal	11,612,282	5,292,899	16,905,181	5,917,033	1,657,636	7,574,669
Total	14,866,856	10,406,347	25,273,203	7,156,082	8,701,107	15,857,189

6. Donations disclosure by partner

			Total			Total
			2015			2014
Partner	Protecting life and dignity	Empowering communities	£	Protecting life and dignity	Empowering communities	£
Islamic Relief Australia	498,075	693,898	1,191,973	734,183	562,356	1,296,539
Islamic Relief Belgium	-	597,273	597,273	376,159	572,718	948,877
Islamic Relief Canada	4,251,974	2,792,047	7,044,021	2,077,301	2,309,182	4,386,483
Islamic Relief Germany	3,759,193	4,076,912	7,836,105	3,417,394	3,009,477	6,426,871
Islamic Relief Italy	48,834	203,707	252,541	115,352	123,898	239,250
Islamic Relief Ireland	95,518	13,157	108,675	127,167	59,511	186,678
Islamic Relief Malaysia	439,793	500,091	939,884	433,731	439,049	872,780
Islamic Relief Mauritius	254,099	657,190	911,289	278,680	275,570	554,250
Islamic Relief Nether-land	1,356,660	1,118,665	2,475,325	1,238,238	919,150	2,157,388
Islamic Relief Norway	22,507	-	22,507	-	-	-
Islamic Relief South Africa	159,267	304,502	463,769	321,723	154,260	475,983
Islamic Relief Sweden	2,585,495	4,533,159	7,118,654	3,353,190	1,463,585	4,816,775
Islamic Relief Switzer-land	1,248,941	1,262,297	2,511,238	1,315,296	1,540,557	2,855,853
Islamic Relief USA	8,768,959	11,054,434	19,823,393	10,551,803	11,504,120	22,055,923
Islamic Relief Spain	33,915	-	33,915	53,547	46,959	100,506
Islamic Relief Bosnia	13,623	-	13,623	40,314	-	40,314
Islamic Relief Libya	4,473	124,534	129,007	-	-	-
Total	23,541,326	27,931,866	51,473,192	24,434,078	22,980,392	47,414,470

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

7. Results from trading subsidiaries

			Total			Total
	TIC International Limited	SIF Invest	2015	TIC International Limited	SIF Invest	2014
	£	£	£	£	£	£
Subsidiary trading income	2,415,517	30,470	2,445,987	2,419,749	32,871	2,452,620
Income from charitable shops managed by TIC International Limited	1,069,162	-	1,069,162	1,000,184	-	1,000,184
Qurbani sales to group	355,428	-	355,428	819,271	-	819,271
Income from Qurbani	497,727	-	497,727	692,616	-	692,616
	4,337,834	30,470	4,368,304	4,931,820	32,871	4,964,691
Operating and administrative costs	3,727,957	37,927	3,765,884	4,207,161	39,883	4,247,044
Net profit for the year	609,877	(7,457)	602,420	724,659	(7,012)	717,647
Amounts gift aided to Islamic Relief	609,877	-	609,877	724,659	-	724,659
Retained in subsidiary	-	(7,457)	(7,457)	-	(7,012)	(7,012)
The assets and liabilities of the subsidiaries were:						
Fixed assets	420,873	-	420,873	464,208	-	464,208
Current assets	1,396,711	131,193	1,527,904	1,914,426	133,633	2,048,059
Current liabilities	(797,611)	(33,648)	(831,259)	(1,411,907)	(36,199)	(1,448,106)
Total net assets	1,019,973	97,545	1,117,518	966,727	97,434	1,064,161
Aggregate share capital and reserves	1,019,973	97,545	1,117,518	966,727	97,434	1,064,161

8. Governance costs

	Activities undertaken directly	Activities undertaken directly
	2015	2014
	£	£
External audit and statutory accounts	34,000	64,000
Legal and consultancy	436,207	343,844
Trustee expenses	100,840	148,894
Risk management	307,647	332,361
Strengthening the Islamic Relief family*	362,084	321,578
General governance costs	389,093	453,044
	1,629,871	1,663,721

\* Strengthening the Islamic Relief family represents Islamic Relief Worldwide providing service delivery support to partners.



9. Trustees' remuneration

	2015	2014
Trustees are not remunerated		
Neither the trustees, nor any persons connected with them, have received any remuneration, either in the current year or the prior year.	£nil	£nil
The number of trustees claiming expenses	5	5
Trustee expenses	£	£
Meeting	28,868	42,852
Travel	74,153	102,071
Telecommunications	1,904	8,209
Total	104,925	153,132

10. Support cost allocation

	Management and administration	Finance	Human Resources & Organisational Development	Information Communications Technology	Facilities	Total support costs	Activities undertaken directly	Total	Total
	2015	2015	2015	2015	2015	2015	2015	2015	2014
	£	£	£	£	£	£	£	£	£
Costs of generating funds									
Costs of generating voluntary income	754,752	381,982	265,306	509,400	459,220	2,370,660	6,394,848	8,765,508	8,524,463
Fundraising trading – subsidiary costs	1,873,912	-	-	-	-	1,873,912	1,483,301	3,357,213	3,427,773
Investment management costs	21,436	10,849	7,535	14,467	13,043	67,330	73,907	141,237	152,686
	2,650,100	392,831	272,841	523,867	472,263	4,311,902	7,952,056	12,263,958	12,104,922
Cost of charitable activities									
Campaigning for change	323,958	163,957	113,876	218,648	197,112	1,017,551	693,695	1,711,246	1,411,618
Protecting life and dignity	92,560	46,845	32,536	62,471	56,317	290,729	49,233,682	49,524,411	39,403,812
Empowering communities									
- Access to healthcare and water	231,400	117,112	81,340	156,177	140,793	726,822	15,225,424	15,952,246	13,068,667
- Caring for orphans and children	77,133	39,037	27,113	52,059	46,931	242,273	15,780,145	16,022,418	14,677,018
- Supporting education	115,700	58,556	40,670	78,089	70,397	363,412	4,211,208	4,574,620	2,392,388
- Sustainable livelihoods	115,700	58,556	40,670	78,089	70,397	363,412	12,110,094	12,473,506	9,329,521
	956,451	484,063	336,205	645,533	581,947	3,004,199	97,256,248	100,258,447	80,283,024
Total costs	3,606,551	876,894	609,046	1,169,400	1,054,210	7,316,101	105,206,304	112,522,405	92,387,946

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.

ISLAMIC RELIEF WORLDWIDE  
NOTES TO THE FINANCIAL STATEMENTS

11. Net incoming resources

	Total	Total
	2015	2014
	£	£
This is stated after charging/(crediting):		
Auditors' remuneration	34,000	64,000
Depreciation	508,744	540,170
Operating leases rental other than plant and machinery	3,534,600	3,792,550
Exchange (gain)/loss	1,116,369	968,696
Auditors' remuneration relates solely to audit services.		
	2015	2014
	£	£
Fees payable to company's auditors for the audit of the company's annual accounts	30,000	60,000
Fees payable to company's auditors for the audit of the company's subsidiaries pursuant to legislation	4,000	4,000
Total audit fees	34,000	64,000

12. Staff costs and emoluments

	Group	Group
	2015	2014
	£	£
Gross salaries	10,649,607	9,959,873
Employers' National Insurance	799,303	753,449
Employers' pension	81,657	38,275
	11,530,567	10,751,597
Average number of employees	Group	Group
	2015	2014
	Number	Number
Engaged in raising funds	189	205
Engaged in charitable activities	87	83
Engaged in support activities	128	105
	404	393

Employee numbers do not include trustees/directors as they are not paid employees.

The number of employees with emoluments between £90,000 to £100,000 per annum 2015: 0 (2014 : 1)  
The number of employees with emoluments between £70,000 to £80,000 per annum 2015: 1 (2014 : 0)

Key management remuneration

Executive management team remuneration during the year totalled £748,664 (2014: £588,722)

ISLAMIC RELIEF WORLDWIDE  
NOTES TO THE FINANCIAL STATEMENTS

13. Intangible assets group and charity

	Group trademarks 2015
	£
<b>Cost</b>	
At 1 January 2015	188,026
Additions	-
<b>At 31 December 2015</b>	<b>188,026</b>
<b>Accumulated amortisation</b>	
At 1 January 2015	(96,357)
Charge for the year	(17,857)
<b>At 31 December 2015</b>	<b>(114,214)</b>
<b>Net book value</b>	
<b>At 31 December 2015</b>	<b>73,812</b>
<b>At 31 December 2014</b>	<b>91,669</b>

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	£	£	£	£	£
<b>Cost/Valuation</b>					
At 1 January 2015	7,021,044	525,007	3,267,819	288,416	11,102,286
Additions	55,863	27,355	199,033	86,185	368,436
Disposals	-	(9,600)	-	(84,769)	(94,369)
<b>At 31 December 2015</b>	<b>7,076,907</b>	<b>542,762</b>	<b>3,466,852</b>	<b>289,832</b>	<b>11,376,353</b>
<b>Accumulated depreciation</b>					
At 1 January 2015	1,283,982	329,070	2,725,576	188,962	4,527,590
Charge for the year	149,289	47,518	263,192	48,745	508,744
Disposals	-	-	-	(34,499)	(34,499)
<b>At 31 December 2015</b>	<b>1,433,271</b>	<b>376,588</b>	<b>2,988,768</b>	<b>203,208</b>	<b>5,001,835</b>
<b>Net book value</b>					
<b>At 31 December 2015</b>	<b>5,643,636</b>	<b>166,174</b>	<b>478,084</b>	<b>86,624</b>	<b>6,374,518</b>
<b>At 31 December 2014</b>	<b>5,737,062</b>	<b>195,937</b>	<b>542,243</b>	<b>99,454</b>	<b>6,574,696</b>

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



ISLAMIC RELIEF WORLDWIDE  
NOTES TO THE FINANCIAL STATEMENTS

15. Charity tangible assets

	Freehold land and buildings	Fixtures, fittings and office equipment	Motor vehicles	Total
Charity	£	£	£	£
<b>Cost</b>				
At 1 January 2015	6,836,575	3,109,429	139,814	10,085,818
Additions	38,677	199,033	76,585	314,295
Disposals	-	-	(51,470)	(51,470)
<b>At 31 December 2015</b>	<b>6,875,252</b>	<b>3,308,462</b>	<b>164,929</b>	<b>10,348,643</b>
<b>Accumulated depreciation</b>				
At 1 January 2015	1,234,517	2,647,600	93,214	3,975,331
Charge for the year	137,379	263,191	29,097	429,667
Disposals	-	-	(10,000)	(10,000)
<b>At 31 December 2015</b>	<b>1,371,896</b>	<b>2,910,791</b>	<b>112,311</b>	<b>4,394,998</b>
<b>Net book value</b>				
<b>At 31 December 2015</b>	<b>5,503,356</b>	<b>397,671</b>	<b>52,618</b>	<b>5,953,645</b>
<b>At 31 December 2014</b>	<b>5,602,058</b>	<b>461,829</b>	<b>46,600</b>	<b>6,110,487</b>

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 2015	358,103	1,269,351
Additions	-	(44)
Revaluation	-	-
Increase/(decrease in value)	3,973	44
<b>As at 31 December 2015</b>	<b>362,076</b>	<b>1,269,351</b>

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

The investment in properties refers to two properties:

The investment in SIF Invest relates to Islamic Relief Worldwide's investment in SIF Invest, incorporated in France. Islamic Relief Worldwide owns 99% 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 and has been revalued on an open market value by Catella Valuation FCC, France, on 31 December 2011 at €400,000, (£335,121). The historic cost of the property in 2000 was £252,000.

The second investment property is located in Bradford, UK, and valued at £62,000. This property was gifted to Islamic Relief.

ISLAMIC RELIEF WORLDWIDE  
NOTES TO THE FINANCIAL STATEMENTS

17. Stocks and work in progress

	Group	Group
	2015	2014
	£	£
Donated clothing	199,621	178,505
	<b>199,621</b>	<b>178,505</b>

Stocks held by the charity relate to emergency supplies to facilitate immediate response to disasters.

18. Debtors

	Group	Charity	Group	Charity
	2015	2015	2014	2014
	£	£	£	£
Trade debtors	608,987	2,522	596,602	3,233
Amounts owed from group undertakings	-	487,076	-	651,411
Prepayments and accrued income	772,745	772,745	688,923	688,923
Other debtors	8,198,832	8,122,130	12,512,208	12,467,661
	<b>9,580,564</b>	<b>9,384,473</b>	<b>13,797,733</b>	<b>13,811,228</b>
Amounts falling due more than one year are included in:				
Other debtors	-	-	1,643,996	1,643,996

Amounts due from associated and subsidiary undertakings included £609,877 gift aid payment from TIC International Limited (2014: £724,659).

Other debtors represent amounts owed by partners for costs incurred on their behalf for operational matters. Other debtors include £0.9 million Gift Aid.

# ISLAMIC RELIEF WORLDWIDE NOTES TO THE FINANCIAL STATEMENTS

## 19. Creditors

	Group	Charity	Group	Charity
	2015	2015	2014	2014
	£	£	£	£
Creditors: amounts falling due within one year				
Bank loan < 1 year	200,004	200,004	200,004	200,004
Trade creditors	1,569,408	1,311,744	1,409,647	840,023
Amounts owed to group undertakings	-	95,486	-	99,936
Accruals and deferred income**	924,053	889,532	1,422,899	1,301,778
Tax and Social Security	210,368	189,320	204,741	182,994
Other creditors*	2,509,205	2,509,205	5,615,596	5,562,349
Unpaid pension contributions	12,145	12,145	14,959	14,959
	5,425,183	5,207,436	8,867,846	8,202,043
Creditors: amounts falling due after more than one year				
Bank loan > 1 year	316,634	316,634	516,637	516,637

\*Other creditors represents amounts due to Islamic Relief implementing partners for projects committed to and implemented during 2015.

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

Supplier payment policy and practice: payments are made in accordance with terms and conditions agreed between Islamic Relief 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 2015	Deferred	Released	Balance as at 31 December 2015
	£	£	£	£
Deferred income				
Voluntary income (IR partners)	598,911	19,646	(598,911)	19,646
Voluntary income (international fundraising)	604,494	746,736	(604,494)	746,736
Total	1,203,405	766,382	(1,203,405)	766,382

## 20. Financial instruments

	2015	2014
	£	£
Financial assets measured at amortised cost		
Debtors	8,807,819	13,108,806
Cash	26,746,662	32,925,135
	35,554,481	46,033,941
Financial liabilities measured at amortised cost		
Creditors	4,620,376	7,769,726
Accruals	157,671	219,454
	4,778,047	7,989,180

# ISLAMIC RELIEF WORLDWIDE NOTES TO THE FINANCIAL STATEMENTS

## 21. Commitments

	Group	Charity	Group	Charity
	2015	2015	2014	2014
	£	£	£	£
Operating leases other than plant and machinery				
Less than one year	257,950	257,950	257,950	257,950
Between 2–5 years	1,031,800	1,031,800	1,031,800	1,031,800
More than 5 years	2,244,850	2,244,850	2,502,800	2,502,800
<b>Total</b>	<b>3,534,600</b>	<b>3,534,600</b>	<b>3,792,550</b>	<b>3,792,550</b>

As at 31 December 2015, the group had no capital commitments (2014: £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 2015	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
<b>Group</b>				
Tangible and intangible fixed assets	711,158	-	6,099,246	6,810,404
Assets	7,289,295	29,237,553	-	36,526,848
Liabilities	(2,349,431)	(3,392,385)	-	(5,741,816)
	5,651,022	25,845,168	6,099,246	37,595,436

## 24. Unrestricted funds

	General reserve	Total
	£	£
Balance as at 1 January 2015	7,115,994	7,115,994
Net incoming resources	(1,783,595)	(1,783,595)
Movement to restricted funds*	318,623	318,623
<b>Balance as at 31 December 2015</b>	<b>5,651,022</b>	<b>5,651,022</b>

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



25. Restricted income funds

	Opening balance	Income	Restricted expenditure	Associated expenditure	Unrestricted expenditure	Total 2015	Total 2014
Appeal Funds	£	£	£	£	£	£	£
2015							
Protecting life and dignity	13,554,133	45,868,679	45,907,842	4,903,418	1,362,364	9,973,916	13,554,133
Empowering communities							
Caring for orphans and children in need	1,046,194	16,484,741	15,046,811	2,571,539	820,506	733,091	1,046,194
Supporting education	3,586,695	2,877,754	3,704,552	397,845	223,946	2,585,998	3,586,695
Providing access to healthcare and water	8,745,190	13,765,548	13,395,281	1,194,208	1,007,422	8,928,671	8,745,190
Sustainable livelihoods	4,659,737	13,148,301	14,175,439	1,208,359	1,199,252	3,623,492	4,659,737
Total	31,591,949	92,145,023	92,229,925	10,275,369	4,613,490	25,845,168	31,591,949

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 2015	Total incoming resources	Return on Investments	Total available resources	Total resources expended	Transfer	Balance as at 31 December 2015	Total 2014
Endowment funds	£	£		£	£	£	£	£
2015								
Protecting life and dignity	325,288	10,329	21,385	357,002	3,211	17,109	336,682	325,288
Empowering communities	5,508,127	243,176	376,893	6,128,196	64,118	301,514	5,762,564	5,508,127
Total	5,833,415	253,505	398,278	6,485,198	67,329	318,623	6,099,246	5,833,415

*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% 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 2015, income from these *Waqf* investments amounting to £398,278 will finance future long-term sustainable humanitarian development projects. Of this £318,623 has been transferred to unrestricted funds to finance future humanitarian development projects.

27. Related party

During the year there were Qurbani sales between TIC International Limited and Islamic Relief Worlwide amounting to £355,426 (2014: £819,271). At the year end, amounts due from associated and subsidiary undertakings included £609,877 gift aid payment from TIC International Limited (2014: £724,659). These have been eliminated upon consolidation.

28. Transition note

There are no adjustments required to the current or previous period in respect of any accounting policy changes relating to FRS 102.



April\* and her sister celebrating Universal Children's Day 2015 in the Philippines.  
\*Name changed for protection purposes.

**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

**Names of Trustees**

- Mr Moegamat Tahir Salie, Chairperson of Board of Trustees (appointed 13 July 2015)
- Mrs Lamia El Amri, Vice-Chairperson of Board of Trustees (appointed 13 July 2015)
- Dr Abdul Rahman Bin Bidin, Treasurer of Board of Trustees (appointed 13 July 2015)
- Mr Adnan Abdul Rahman Saif
- Dr Almoutaz Tayara (appointed 13 July 2015)
- Dr Mohamed Ali Abu-El-Magd (resigned 9 February 2015)
- Mr Ibrahim Farouk El-Zayat (resigned 13 July 2015)
- Dr Mohammed Omar El-Alfy (resigned 13 July 2015)
- Dr Abdul Wahab Abdulrahman Nourwali (resigned 13 July 2015)

**Company Secretary**

- Mr Adnan Abdul Rahman Saif

**Executive Management Team**

- Dr Mohamed Ashmawey, Chief Executive Officer (resigned 31 January 2016)
- Naser Haghamed, Chief Executive Officer (appointed 18 April 2016)
- Mr Khatib Alam, Chief Operations Officer (resigned 9 September 2015)
- Mr Amjid Illahi, Interim Director of Services (appointed 14 September 2015)
- Mr Abdul-Jalil Ali, Interim Finance and Services Director
- Mr Waseem Ahmad, International Programmes Division Director (appointed interim 21 September 2015 and permanent 4 March 2016)

- Mr Shakil Butt, Human Resources and Organisational Development Director
- Mr Jehangir Malik, Islamic Relief UK Director (resigned 30 October 2015)
- Mr Imran Madden, Islamic Relief UK Director (appointed interim 21 September 2015 and permanent 14 December 2015)
- Mr Fadi Itani, Communications and External Relations Director (appointed 1 April 2015)
- Mr Mehdi Ben Mrad, International Programmes Director (resigned 31 July 2015)
- Mr Tayeb Abdoun, Emerging Markets Director (appointed 16 August 2015)
- Mr Lotfy El Sayed, Middle East Department Director (appointed 16 August 2015)
- Dr Hossam Said, IR Academy Managing Director

**Auditors**

Crowe Clark Whitehill LLP  
St. Bride’s House  
10 Salisbury Square  
London EC4Y 8EH

**Bankers**

Barclays Bank Plc  
One Snow Hill  
Snow Hill Queensway  
Birmingham B3 2WN

**Natwest Plc**

125 Colmore Row  
Birmingham B3 2AS

**Solicitors**

Gammon & Grange  
McLean Office  
Gammon & Grange, P.C.  
8280 Greensboro Dr.  
7th Floor  
McLean, VA 22102  
USA

*Bates Wells Braithwaite*

2-6 Cannon Street  
London EC4M 6YH

*Squire Patton Boggs*

7 Devonshire Square  
London EC2M 4YH

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

Qur’an 5:32





**Islamic Relief Worldwide**

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