

FRIDAY



A6G0JSRT

A01

29/09/2017

#278

COMPANIES HOUSE

2016

Annual Report & Financial Statements

Islamic Relief Worldwide

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

OUR VALUES

إِحْسَان
E X C E L L E N C E

إِخْلَاص
S I N C E R I T Y

عَدْل
S O C I A L J U S T I C E

رَحْمَة
C O M P A S S I O N

أَمَانَة
C U S T O D I A N S H I P

© Islamic Relief Worldwide 2017

This publication is subject to copyright. The contained text may be used free of charge for the purposes of advocacy, campaigning, education and research, provided that the source is acknowledged in full. Islamic Relief Worldwide requests that all such use be registered with us to monitor the impact for advocacy purposes. For usage in any other circumstances, translation or adaptation, permission must be sought and a fee may be charged.

For further information, please email irw@irworldwide.org

Contents

INTRODUCTION

Message from Chair	4
Charitable expenditure	6

ISLAMIC RELIEF WORLDWIDE

Objectives and activities	9
Structure, governance and management	10
Trustees' responsibilities	12

TRUSTEES' STRATEGIC REPORT

Achievements and performance	15
• Protecting life and dignity	16
• Empowering communities	20
• Campaigning for change	24
• Strengthening the Islamic Relief partnership	28
Support for our programmes	32
Principal risks and uncertainties	34
Strategic partners	36
Income and expenditure	37
Plans for 2017	38
Financial review	40

INDEPENDENT AUDITOR'S REPORT

44

FINANCIAL STATEMENTS

Income and expenditure	46
Balance sheet	47
Cash flow statement	48
Notes to the financial statements	49

CORPORATE DIRECTORY

68

Message from the Chair of the Board of Trustees



In 2016 we continued to expand our work in conflict zones and other challenging environments to meet the unprecedented need for life-saving aid. As the devastating war in Syria entered its sixth year, our £26.6 million emergency response to the crisis reached millions of vulnerable people living in Syria and as refugees in three neighbouring countries. As fighting continued to shatter lives in Iraq and Yemen, we continued to provide vital aid, often in areas other organisations are unable to access.

We also responded to scores of natural disasters. From earthquakes in Afghanistan and Italy, to flooding in Mali, Somalia, Bangladesh and Pakistan, and a tornado in the USA, we were able to swiftly assist those affected – thanks to the generous support of our donors.

Empowering disaster-prone communities to protect themselves against disasters before they occur remained a priority this year, and we assisted nearly 154,000 people in Bangladesh and Azad Jammu and Kashmir (AJK) alone. Our climate adaptation projects and campaigning for action on climate change offered practical help and real hope for poor communities, which are being hit first and hardest by environmental changes. Our advocacy work this year also pushed for world leaders to secure peace and protect the most vulnerable people caught up in conflict. We teamed up with a wide range of local, national

and international partners to achieve greater impact through sustainable development programmes, gender justice initiatives and interfaith collaboration, harnessing the potential of faith to drive real change.

The 35 sustainable development projects we delivered this year transformed living standards and opportunities in some of the world's poorest places – including China, Kenya and South Sudan. We empowered over 184,000 people to earn a dignified and reliable living, and helped 322,000 people open up a world of opportunity through education. Our health projects served 292,000 people worldwide, and included life-saving surgery in Syria and psychosocial support in Gaza. We were honoured to mark the opening of the Islamic Relief Oncology Centre of Excellence at the new Nelson Mandela Children's Hospital in South Africa.

Our Ramadan and Qurbani programmes set new records in 2016, and we welcomed the 50,000th child onto our orphan sponsorship scheme. We were humbled by the continuing generosity of our donors, which lifted our income to record levels once more. Our total income increased by 4.5 per cent to reach an unprecedented £110.4m, a figure that is remarkable given the uncertain economic climate around the world and additional uncertainty in the UK following the Brexit vote. The

“Asalaamu
alaikum –
Peace be upon
you all”

kindness of our donors enabled us to almost match the record amounts spent on programmes in 2015.

In April there was a pivotal meeting of the Transitional International General Assembly, which is overseeing the development of our governance reform plan. A task force was formed to move this work forward, and a further meeting will be held towards the end of 2017 with the aim of forming the permanent International General Assembly in 2018. We are indebted to Tahir Salie for his leadership as Chair in this and other areas in the first part of the year, before he sadly had to step down because of ill health.

From the strong foundations demonstrated in this annual report, we are moving forward in the implementation of a new five-year global strategy and new governance arrangements that will support our continuing growth – so that we can reach even more vulnerable people in the years ahead, God willing. We extend our gratitude to our big-hearted donors, multilateral and governmental partners, and our passionate staff and volunteers – the lifeblood of Islamic Relief Worldwide.

Thank you.

Lamin El Anri

Charitable expenditure

1%

**CAMPAIGNING
FOR CHANGE**

- In the USA, we presented the historic Islamic Declaration on Climate Change to the United Nations and demanded bold and urgent action to protect the environment.
- In Turkey, we drew on our extensive consultation across 16 countries to influence positive change at the World Humanitarian Summit.
- In the United Arab Emirates, we signed a ground-breaking agreement with UN Women to expand our work on gender equality in the Muslim world.

5%

**SUPPORTING
EDUCATION**

- In Sudan, children in ten primary schools benefited from nutritious meals in a scheme that increased the number of girls going to school, and boosted school attendance.
- In Afghanistan, by promoting child rights and providing school kits as well as livelihoods support for guardians, we enabled hundreds of orphaned boys and girls to go to school.
- In Kosova, our local team gave out nearly 300 stationery kits to schoolchildren.

11%

**SUSTAINABLE
LIVELIHOODS**

- In Somaliland, our small cash grants, training and farming equipment empowered over 41,700 people, many of them women, to escape the poverty trap.
- In Kenya, the water-conserving solar powered technology we introduced boosted the incomes and food security of 618 farming families – enabling them to re-invest in expanding their livelihoods into the future.
- In Malawi, we irrigated 120 hectares of land and created nine fish ponds which gave local people a lasting source of food and income.

17%

**ACCESS TO
HEALTHCARE
AND WATER**

- In South Africa, we celebrated a major milestone in the fight against childhood cancer as the \$7.7m new Islamic Relief Oncology Centre of Excellence opened at the Nelson Mandela Children's Hospital.
- In Somalia, we delivered a \$5 million borehole project as part of the push to break the devastating cycle of drought and floods.
- In Pakistan, we gave more than 27,500 people access to safe drinking water and new latrines – and showed them how to improve their health through good hygiene practices.

19%

**CARING FOR
ORPHANS AND
CHILDREN**

- In Lebanon and Palestine, our psychosocial support enabled thousands of refugee and conflict-affected children to look with hope toward the future once more.
- Around the world, over 50,000 poor and vulnerable children received life-changing support with their basic needs and education through our orphan sponsorship scheme.
- In the UK and internationally, our flagship student fundraising event, Charity Week, broke records by raising over £1 million for orphans and children's projects.

47%

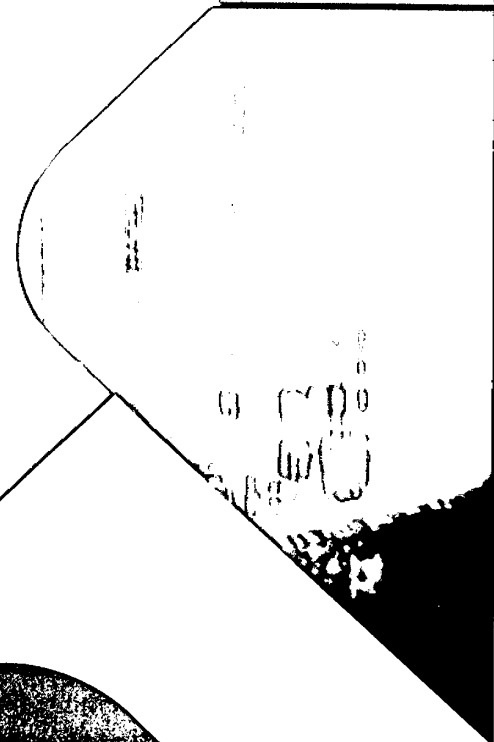
**PROTECTING LIFE
AND DIGNITY**

- In war-torn Syria and nearby countries, we reached over 3.37 million vulnerable people with life-saving food, water, medical assistance, shelter and more.
- In Yemen, nearly 316,000 families affected by the protracted crisis relied on us for food, vital medical assistance, as well as water, sanitation and hygiene services.
- In Bangladesh, we pioneered new climate adaptive crops, raised homes above the flood level and improved early warning systems to better protect 99,000 people from natural disasters.


In 2016, our
programme expenditure
was £99.1 million.



Islamic Relief Worldwide



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.



When the floods of 2014 swept through communities in India and Pakistan, Aijaz Ahmad Bhat and his family lost everything – including their home and the precious carpet they were weaving. Islamic Relief Waqf this year gave them back their livelihood and the means to rebuild their home.

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.

Exemplifying our Islamic values, we will mobilise resources and people, build partnerships, and develop local capacity, as we work to:

- Reduce the impact of conflicts and natural disasters.
- Empower local communities to emerge from poverty and vulnerability through holistic programmes.
- Support marginalised and vulnerable people to voice their needs and to address the root causes of poverty.
- Strengthen our Islamic Relief family by fully implementing new governance arrangements, shaping our global policies and priorities, and meeting rigorous quality standards.

The aims set in our strategy for 2017-2021 commit us to:

- Become a leading humanitarian responder and advocate with specific expertise.
- Empower local communities to overcome poverty and vulnerability by focusing on longer term and holistic programmes.
- Engage and work together with communities and young people to deliver the 2030 Agenda for Sustainable Development.
- Further enhance our reputation as a trusted partner with new global governance structures.

Structure, governance and management

BOARD OF TRUSTEES

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

Representatives of some Islamic Relief partners are included on our Board, improving gender balance and securing a high level of skills as well as valuable diversity of experience and expertise.

Islamic Relief is implementing a four-year governance reform plan. This will enable many of our partners and independent implementing partners to be represented at the International General Assembly level, as well as to be eligible to be elected to the Board of Trustees.

RECRUITING AND APPOINTING TRUSTEES

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

WELCOMING AND TRAINING TRUSTEES

A comprehensive induction process and ongoing training in new or emerging areas of responsibility ensure we benefit from a professional and appropriate board. New trustees receive a full overview of our strategic and operational functions, as well as a welcome pack, which includes a copy of the Memorandum and Articles of Association, the financial statements, Board minutes, the Charity Commission guidance 'The Essential Trustee' and recent publications. We may also assign a mentor to help them settle into the role. We actively encourage trustees to identify any training they may need, and our CEO keeps trustees up-to-date with training opportunities and changes in regulatory standards. We continually evaluate the Board's effectiveness. The Board of Trustees 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 and strategies 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 68.

REMUNERATION POLICY

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

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

GOVERNING DOCUMENT

Islamic Relief Worldwide (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. It supports our fundraising activities by recycling clothes, running charity shops across the UK and procuring some food supplies.

THE ISLAMIC RELIEF GLOBAL FAMILY

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

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

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

In addition, we have registered branches in:

- Ireland
- Mauritius

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

- Islamic Relief Chechnya
- Islamic Relief India
- Islamic Relief Kenya
- Islamic Relief Pakistan

Independently registered implementing partners who also engage in a wider range of activities, such as advocacy and fundraising, are located in the following countries:

- Afghanistan
- Albania
- Bangladesh
- Bosnia and Herzegovina
- Chad
- Ethiopia
- Indonesia
- Iraq
- Jordan
- Kosova
- Lebanon
- Libya
- Mali
- Niger
- Occupied Palestinian Territories
- The Philippines
- Russian Federation (North Caucasus)
- Somalia
- South Sudan
- Sudan
- Tunisia
- Turkey
- Yemen

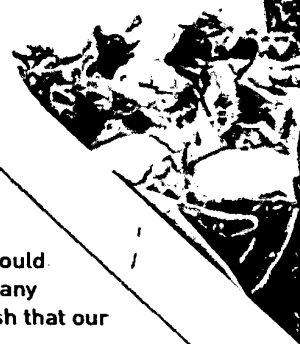
Countries in which we work through other partners to deliver projects include:

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

ISLAMIC RELIEF PARTNERS



Trustees' responsibilities



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

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

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

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

Trustees must keep adequate accounting records that are sufficient to:

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

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

STATEMENT ON DISCLOSURE OF INFORMATION TO THE AUDITORS

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

- So far as they are aware, there is no relevant audit information of which our auditors are unaware.

- They have taken all the steps that they should have taken to make themselves aware of any relevant audit information, and to establish that our auditors are aware of that information.

PUBLIC BENEFIT

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

EMPLOYEES

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

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

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

HELP FROM VOLUNTEERS' IN-KIND GIFTS

Our volunteers provide crucial support for our work. We are blessed to be assisted by a committed and passionate network of volunteers, whom we actively manage. During 2016, big-hearted volunteers contributed significant hours supporting 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.



In Malawi, our record-breaking Qurban! programme saw over 24,000 meal packs given to poor families.

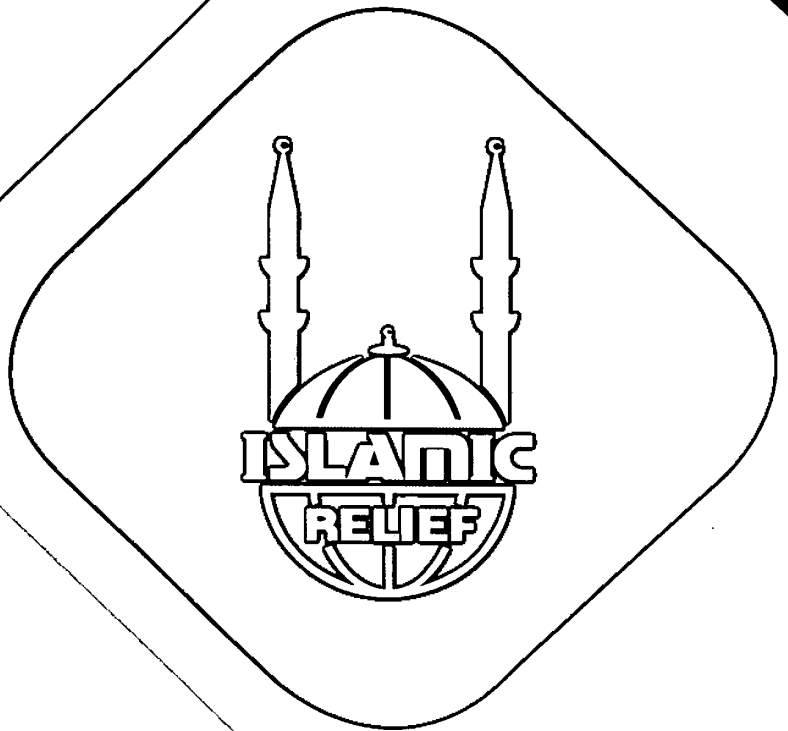


More vulnerable children accessed life-changing support through our orphan sponsorship scheme this year than ever before. Sulaiman, 17, has been assisted by Islamic Relief since he was six years old, receiving financial support that enabled him to attend school and build a vocation as a mechanic in Indonesia. "Islamic Relief will continue helping me in achieving my life goals of becoming an educated person with my own business," he said.

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 2016.





"This is a life-changing moment which will forever remain in our memories," said father-of-four Ibrahim Ibrahimović, as he and his family worked on their new plantation in a village close to Srebrenica, Bosnia and Herzegovina. Islamic Relief provided the family – and 46 others – with raspberry trees, irrigation systems and equipment this year. They can now earn a dignified living and are planning for the future.

Achievements and performance

OUR STRATEGY

Our Global Strategy focuses our resources and expertise in service of the world's most vulnerable people and communities. Guided by the timeless values and teachings of Islam, the challenging aims we work toward are designed to achieve maximum impact and meaningful change. In addition, we commit to delivering a set of core promises:

- Strengthen local capacity – empowering communities to manage their own affairs, we also actively strengthen the capacity of civil society.
- Protect children – we safeguard the wellbeing and welfare of children through child-focused programmes and innovative child protection activities.

- Provide Islamic perspectives – a policy leader on Islamic humanitarianism, we develop distinctive, relevant and practical approaches to the key issues affecting our world.
- Protect the environment – we embed environmental custodianship that safeguards the environment from further harm and equip communities to adapt to the changing climate.

This Annual Report reflects on the progress we made toward achieving our aims in the last year of our ambitious strategy.

Cooking utensils and food provided by Islamic Relief assisted over 22,600 displaced people in Myanmar – including Roshida, 45, and her family.

**seven
million**

people assisted by protecting
life and dignity programmes

**1.25
million**

poor people were fed by
our Ramadan foodpacks

**3.3
million**

individuals benefited
from Qurbani meat

**£26.6
million**

humanitarian response to
devastating conflict in Syria






Protecting life and dignity

We responded to humanitarian emergencies triggered by conflict and natural disasters around the world this year. Often among the first on the ground in an unfolding crisis and working in areas other organisations cannot access, Islamic Relief Worldwide also helped vulnerable communities to better protect themselves when disasters strike.



Determined Islamic Relief staff in drought-stricken Ethiopia trekked 46 kilometres with teams of camels to get food supplies to remote villages in the Afar region. The supplementary feeding programme reached malnourished children and mothers, and was delivered with financial support from the Ethiopian Humanitarian Fund (EHF), managed by UNOCHA.





Fighting forced father-of-four Qahtan Hadi Hasan, 41, and his family to flee their home in Iraqi Kurdistan. "Living conditions are very bad, especially for small children but Islamic Relief is helping us," he explained, describing the situation inside the overflowing Debaga camp. The family were among 192,000 internally displaced people to receive food supplies through extensive emergency operations carried out by Islamic Relief Iraq this year.

RESPONDING TO CONFLICT

Our £26.6 million Syria emergency response reached in excess of 3.97 million vulnerable individuals in four countries this year. Able to access even besieged areas, we fed over 949,000 people facing hunger and starvation and gave nearly 105,000 individuals access to safe drinking water, vital hygiene and sanitation. Some 1.6 million patients benefited from lifesaving medical supplies, treatment and emergency care, whilst our safe learning environments and educational support in Aleppo and Idlib offered children a chance to look to the future. Our work to assist refugees included partnering with the UN World Food Programme to distribute e-vouchers that fed over 103,000 people in Iraq, a country in which fighting has forced many families from their homes. Some 9,000 refugees and Jordanians depended on our mobile health clinics and medical treatments. Around 14,000 refugees and people in Lebanon received food, psychosocial support gave hope to thousands of children, and hundreds of women received counselling and life-skills training to tackle gender-based violence.

WORLDWIDE DISASTER RESPONSE

AFGHANISTAN:

In the aftermath of a massive earthquake, we delivered food and essential items to nearly 11,000 people – many in remote, hard-to-reach areas. In addition, we built scores of new homes to replace those destroyed, and provided food rations for three months in the aftermath of the quake.

BANGLADESH:

Amidst flooding triggered by monsoon rains, our emergency teams provided food to more than 12,000 people in some of the worst affected areas.

ITALY:

Our emergency team distributed supplies of food, hygiene kits and nappies in the aftermath of a 6.2 magnitude earthquake.

MALI:

Tarpaulin, mosquito nets, food and water-purifying tablets assisted families left homeless by flooding.

NEPAL:

1,200 earthquake survivors still living in makeshift shelters received water-proof clothing and other essential items such as tarpaulin and blankets to reduce their suffering during the monsoon season.

PAKISTAN:

Food, shelter and vital winter survival items reached nearly 1,800 individuals affected by an earthquake and flooding.

KASHMIR:

Families fled their homes as tensions increased on the Pakistan-India border. Our emergency food supplies fed 11,500 people.

SOMALIA:

One of the few international NGOs able to access communities cut off by flooding, we used improvised canoes to get food to over 6,000 stranded individuals.

USA:

Disaster response teams assisted residents of Dallas, Texas, and cleared rubble in the aftermath of a destructive tornado.

YEMEN:

Nearly 316,000 families affected by the protracted crisis relied on us for food, vital medical assistance, as well as water, sanitation and hygiene services, and we fed 17,000 malnourished children.

PROVIDING WINTER WARMTH

As harsh winter weather battered vulnerable communities, we provided critical winter supplies such as blankets, warm clothing, heaters and food – reaching more than 622,000 vulnerable people across six countries.

BOOSTING RESILIENCE TO NATURAL DISASTERS

Our work to improve community resilience in disaster-prone Bangladesh reached more than 99,000 people and increased average household income by 180 per cent. Working with an agricultural university and local farmers, we successfully introduced scores of climate adaptive crops and 120 producer groups. We enhanced early warning systems, and secured 93.72 million BDT in Bangladeshi government funding for 215 schemes to reduce the impact of disasters. Ten new community hubs helped families adapt to the changing climate by raising homes above the flood level and installing low-cost rainwater harvesting and solar-energy technology.

Islamic Relief Pakistan continued a comprehensive resilience programme in Azad Jammu and Kashmir (AJK). Over 54,700 people in 51 villages benefited from interventions such as water channels and walking paths and we empowered local people with the skills to protect themselves from natural disasters and save lives when they occur.

Fatin Abu Daka, 35, opened a dressmaking shop with support from Islamic Relief Palestine, and plans to expand her now thriving business. "I became a productive woman in my community and my self-confidence has increased," she said.

888,000
people benefited
from water, sanitation
and hygiene projects

545,600
individuals reached by
nutrition programmes

35
sustainable development
projects transformed
communities

\$7.7
million
committed to childhood cancer
treatment and care across Africa





Empowering communities

Determined to deliver lasting change, Islamic Relief Worldwide transformed life in some of the world's poorest communities in 2016. As well as providing basic services such as water, sanitation and healthcare, we supported families to achieve reliable livelihoods and to access a world of opportunities through education.



A new house enabled Ma Ruxiang, 75, and his family to swap a dark cramped cave dwelling for a clean and safe living environment this year. The culturally sensitive home is one of 130 now built by Islamic Relief Worldwide in China's impoverished Gansu province.

Food, medical supplies, and reliable access to water helped 30,000 people in South Sudan. Food security improved when families received seeds, farming and fishing tools and training, and new women's associations increased self-sufficiency.



INTEGRATED SOLUTIONS FOR COMMUNITIES

In Bangladesh, some 15,000 people benefited from an integrated development scheme delivered in 2016. Community food banks help families through the lean season. Our grants and training enabled breadwinners to earn a dignified income. Thousands of water and sanitation facilities were installed, cataracts treatment restored sight to scores of women, and children received learning materials. Islamic Relief also transformed Kamuthe village, Kenya. A new borehole now produces 21,000 litres per hour, whilst new water points and connections have made the village viable once more: children go to school and small businesses have sprung up following the project.

FIGHTING HUNGER THROUGH SUSTAINABLE FARMING

Solar-powered technology introduced in Kenya's arid Mandera county enabled 618 farming families to grow more food. Through the USAID-funded scheme, they pooled their savings to invest in irrigation kits that use 80 per cent less water than traditional systems. Families can now sell the excess produce and re-invest for the future. Food security for 5,300 people in Sudan also increased through energy-saving irrigation systems. Local people were given seeds, and shown how to produce cheap animal feed and keep their livestock healthy through the project, which is now being maintained by the Ministry of Agriculture. In Malawi, 120 hectares of irrigated land and nine fish ponds increased food security for farming households; whilst 350 families learned to grow food year-round through a forest-protecting scheme in Myanmar.

LIFTING FAMILIES OUT OF POVERTY

We empowered over 184,000 people to earn a dignified and stable income. Over half of the 41,700 people in rural Somaliland benefiting from cash grants, training, and farming equipment were women. We delivered vocational training to unemployed people in the Philippines and Kosovo, where our skills-boosting bakery and clothing factory equipped scores of women to earn a decent living. We supported visually impaired people in Chechnya to plant over 900 fruit trees as a source of income. Expanding our Waqf-funded mushroom cultivation project enabled another 149 Indonesians to achieve self-sufficiency. In addition, over 1,200 farmers began earning in Azad Jammu and Kashmir (AJK), and India.

PROVIDING EDUCATION FOR ALL

This year, we supported education for over 322,000 individuals. Thousands of children at ten schools in Sudan's Central Darfur region enjoyed nutritious meals prepared by parents and teacher associations organised through our partnership with the World Food Programme (WFP). Some 982 children enrolled at school, the number of girls attending primary school increased by 17 per cent, and average school attendance almost doubled. We

distributed nearly 300 stationery kits to schoolchildren in Kosovo, and about 150 South African children received new school uniforms. Hundreds of Afghan orphans benefited from our work promoting child rights. We also offered school kits as well as livelihood support for their guardians.

LASTING ACCESS TO WATER

In Indonesia, new latrines and water wells halted the spread of waterborne diseases and improved access to water. A similar scheme – already serving over 27,500 people – was expanded in Pakistan this year, enabling local women to develop plans for hygiene awareness activities, new latrines and access to safe drinking water. We gave 9,000 people in seven Malawian villages reliable access to water and continued to push for long-term solutions to break the devastating cycle of drought and floods in Somalia, delivering a \$5 million borehole project.

LIFE-CHANGING HEALTHCARE

Nearly 292,000 poor people were able to access our health projects this year. Around 5,000 orphaned Afghan children across four provinces received health screenings and treatment, and families learned to improve their health through good nutrition, health and hygiene practices. Eyecare services including mobile clinics, cataract operations and disease prevention were taken up by 5,000 people in Pakistan. Our work in Palestine included offering psychosocial support for children affected by conflict, help for those with thalassemia, and co-hosting a scientific day on autism diagnosis and treatment. We also celebrated a major milestone as the Islamic Relief Oncology Centre of Excellence opened at the new Nelson Mandela Children's Hospital in South Africa. As sole funder of the cutting-edge unit, we committed \$7.7m (£10m ZAR) to the fight against childhood cancer across the African continent.

"I am very happy now that I can meet all my family's needs," said widowed mother-of-three, Rowshanara Begum Ranu. One of 1,450 people assisted by our livelihoods programme for families of orphaned children in Bangladesh, she built a thriving livestock enterprise and as leader of her local self-help group now helps others to escape poverty.



Islamic Relief activists fasted and marched for climate action at the UN's pivotal COP22 conference in Marrakesh, Morocco.

THE EARTH IS GREEN AND BEAUTIFUL

THE EARTH IS GREEN AND BEAUTIFUL

WE DO CLIMATE

WAND JUSTICE

16

countries included in extensive consultations on humanitarianism

Six events at pivotal humanitarian and development summits

three continents included in work to improve participation in the 2030 agenda

CULTURE
OUR HANDS
CLIMATE
GLOBAL WARMING
SEA LEVEL RISE
CLIMATE CHANGE



Campaigning for change

We brought the needs of marginalised communities to the world's attention through our advocacy and campaigning this year. Pushing for positive change, we forged new alliances and used our extensive experience and local expertise to tackle problems which hit the planet's poorest people hardest.



Lamia El-Amri (second from right) Vice Chair of our Board of Trustees and now Chair, joined Dr Mohamed Amr Attawia from the Board of Directors of Islamic Relief USA on a delegation presenting the Islamic Declaration on Climate Change to the UN.

SHAPING THE HUMANITARIAN SECTOR

Our campaigning at the UN's World Humanitarian Summit (WHS) in Istanbul drew on extensive consultation on the current state of global humanitarian work which spanned two years and 16 countries. We called on member states to upscale efforts to prevent conflict and enable peace-building – including by adopting faith literate approaches – and better protect local people and humanitarians in conflict zones. Also high on our agenda was shared responsibility for helping refugees and creating safe and legal routes to safety, as well as action to safeguard vulnerable women, children, older people and those with disabilities. Sponsoring three side events, we highlighted the impact of counter-terrorism legislation on some of the world's poorest regions, the potential of the Muslim world to meet today's humanitarian challenges, and the need for better support for local deliverers of aid and engagement with faith leaders.

At the World Economic Forum (WEF), we highlighted that humanitarian space and respect for the basic principles of humanity and human rights are shrinking. As a member of The Future of the Humanitarian System Council of WEF, we strengthened the efforts of the United Nations, the International Red Cross and Red Crescent, as well as NGOs and local responders. Scores of organisations took part in regional consultation meetings held on three continents through the Muslim Platform for Sustainable Development – forging better routes to participation in the 2030 Sustainable Development Agenda and exciting plans for innovative knowledge hubs.

We drove forward advocacy, training and research through The Muslim Charities Forum, and set up the Muslim Platform for Sustainable Development. An international conference with University Sains Malaysia focused on Islamic sustainable development. Working closely with Lutheran World Federation, we drafted guidelines for psychosocial programming and with CAFOD, Christian Aid



of Islamic Cooperation (OIC). This year, we also published an insightful study on understanding and addressing female genital cutting/mutilation in Indonesia.

PUSHING FOR CLIMATE ACTION NOW

We fought for environmental sustainability by presenting the historic Islamic Declaration on Climate Change—which arose from an international symposium co-sponsored by Islamic Relief in 2015 to the United Nations. Through a COP22 conference side event, we demanded rapid progress on swapping reliance on fossil fuels for renewable energy sources. The influential Global Muslim Climate Network, which we coordinate alongside Greenfaith, was formally launched in New York during Climate Action Week. We lobbied mosques to switch to renewable energy, determined activists trekked the Sahara desert to raise funds for climate resilience projects, and we put in place an environmental action framework across the Islamic Relief family.

DEMANDING SUPPORT FOR REFUGEES

Our activists joined the Stand in Solidarity March with Refugees through the streets of London and New York. Amplifying an UNHCR petition and taking part in a UN high-level meeting and subsequent discourse, we turned up pressure on world leaders to address the plight of refugees and migrants. Joining forces with the Joint Learning Initiative brokered a summit that increased the capacity of faith organisations to assist refugees. In the UK, our hard-hitting report urged the government to remove barriers to employment, livelihoods and economic empowerment faced by female refugees from Syria.

and Tearfund highlighted the impact of faith leaders in the Ebola response.

Our training and research centre, IR Academy, teamed up with the University of Leeds to create a UK Development Studies Association study group on religions and development—with a launch event attended by CAFOD, World Vision, and the Joint Learning Initiative as well as leading academics. An Arts and Humanities Research Council grant awarded this year powered sustainable development partnerships in Ethiopia, India and the UK.

EMPOWERING WOMEN IN THE MUSLIM WORLD

A ground-breaking agreement with UN Women secured greater collaboration for our expanding work on gender equality in the Muslim world—particularly assisting women and girls who are refugees or living in communities impacted by conflict, preventing violence against women and girls, and improving discourse on women's rights in Islam. We also raised the issue of gender justice at the UN Commission on the Status of Women, in New York, USA through a side event with Imams Against Domestic Violence and Turning Point. Another event uniting faith communities to end gender inequality which was held at the UN headquarters together with the Lutheran World Federation, US Federation for Middle East, World Vision, the YWCA and Organisation

At a gathering in the United Arab Emirates, Executive Director Phumzile Mlambo-Ngcuka (left) of UN Women and the Chief Executive Officer of Islamic Relief Worldwide, Naser Haghamed, launch a Memorandum of Understanding to improve gender equality.



one reform

of the Islamic Relief
Worldwide board of trustees

50,000+

vulnerable children
now empowered


30% growth

in funding for
community projects

one project

supported by
Islamic Relief Waqf





Strengthening the Islamic Relief partnership

Determined to achieve even greater impact for those we exist to serve, this year we continued to improve our efficiency and effectiveness. We forged ahead with ambitious governance reforms, developing our programmes, infrastructure, systems, and talent. This won us recognition for transparency and accountability.

This year, eight-year old Ismayil*, who saw his father killed in a South African township, became the 50,000th child enrolled on our orphan sponsorship scheme. He receives psychosocial support as well as monthly food hampers and financial assistance.

(*Name changed for protection purposes)



PREPARING FOR THE FUTURE

Our governance innovations support our growth and ability to respond to future challenges. In 2015, the diverse Islamic Relief family began a four-year transitional period toward a new global governance structure that makes certain:

A closer Islamic Relief family works together to reach those in need in every part of the world efficiently and quickly.

There is greater transparency and accountability at all levels.

Islamic Relief family members fully participate in the operations of Islamic Relief Worldwide.

Islamic Relief family members across the world consistently operate to the highest standards.

The reform of our Board of Trustees this year marked a key milestone in our transition, as appointments were made for the first time by eligible member organisations of the Islamic Relief family and individual members.

INCREASING OUR IMPACT

We grew funding for our Ramadan programme by nearly 30 per cent this year, enabling us to feed a staggering 1.25 million people during the holy month. We also celebrated our biggest Qurbani distribution to date: funds totalling nearly €11 million (EUR) meant we could give high-quality meat to over 3.3 million individuals across the world, and, for the first time, in the UK. In addition, we further developed Islamic Relief Waqf as a sustainable source of funding for work: this year, the Islamic endowment scheme supported nine projects in the Middle East, Asia, Africa and Eastern Europe. We also helped other civil society organisations to develop institutional fundraising streams, through a consortium set up by IR Academy and involving Coventry University, Plan International, Action Aid and the private sector.

We boosted our ability to respond swiftly and effectively when disasters strike, with a gruelling real-time exercise for our 40-strong surge roster team, who ensure we reach communities in need of emergency aid within 72 hours. We also added our expertise to a major research



project launched this year to increase best practice in humanitarian surge capacity, and helped heighten the impact of humanitarian efforts as IR Academy cemented its relationship with Essex Business School, part of the University of Essex in a Memorandum of Understanding. Formal agreements were also signed with organisations to deliver training to build capacity and innovation in the Middle East, and to train organisations based in Kuwait. We teamed up with Frankfurt Business School to develop an exciting online Islamic microfinance training programme, certified by the Frankfurt School of Finance and Management – and also launched an accredited Certified Islamic Finance qualification with Islamic Finance Advisory and Assurance Services (IFAAS).

SUPPORTING AND DEVELOPING TALENT

We actively support and develop our staff on whom we rely to fulfil our mission. Our efforts to support the health and wellbeing of our staff this year included new work/life balance and maternity and paternity provisions. The Institute of Leadership and Management (ILM) now approves three levels of our ambitious management training courses; and we enhanced our internal management development programme and induction for new staff in order to better nurture and retain talent. Trustees, CEOs and directors from seven partner organisations benefited from our leadership development programme this year. New internal programmes empowered more women to progress into management roles and developed the leadership skills of our dedicated

volunteers. In addition, nine postgraduates and academics joined our Fellowship schemes this year.

IMPROVING SYSTEMS AND INFRASTRUCTURE

Rollout of a robust new management information system and online platform for our microfinance programmes reached Islamic Relief independent implementing partners in Kenya, Sudan, Bosnia and Herzegovina, Kosovo and Ghechnya as well as Pakistan. The system better protects against fraud and money laundering. Core finance processing capabilities in high priority independent implementing partner offices were boosted by new business process management software which improves quality, transparency, reporting and accountability. An upgrade to our online global orphans sponsorship system also improved efficiency.

INNOVATING IN TRANSPARENCY AND ACCOUNTABILITY

In 2016, we gained full member status of the INGO Accountability Charter, joining 19 other full members including Oxfam, Greenpeace and Amnesty International. Our excellence in transparency, good governance and social responsibility was also recognised by an influential awards programme for corporate social responsibility; we dedicated the Leadership Award for Social Sector and Philanthropy to the children of Syria.

Support for our programmes

FUNDRAISING IN THE MIDDLE EAST

In the Middle East this year, we raised over £9,950,000 to support our vital work worldwide.

Our Qurbani appeal in the region was launched on Al Jazeera and raised £275,338 - including £150,000 from Al Asmakh for canned Qurbani. An exciting Charity Week partnership with Reach Out to Asia (ROTA) in Qatar brought in £48,000.

Strategic digital marketing drove up our social media reach, whilst the number of individual donors grew to 6,000. In addition, we secured 44 contracts with influential institutional donors. A single agreement with the Arab Fund for Economic & Social Development provided over £680,000 for education in Gaza. Work to prevent blindness in Africa was boosted by funds worth in excess of £116,000. In Somalia, 24 water boreholes were drilled in a scheme funded by Islamic Development Bank. In total this year, we signed agreements to deliver 61 much needed humanitarian projects.

FUNDRAISING, CAMPAIGNING AND COMMUNITY ACTION IN THE UK

2016 began with a campaign to promote regular giving. The campaign urged donors to give £3 a month, to which they could subscribe via a brand new 'text to give regularly' option, as well as our usual routes. The campaign targeted lapsed donors and those recently giving less than £40 a year, and also encouraged existing regular donors to increase their donation.

Our challenging 'winter survival camps' continued this year, simulating and reflecting on the experience of Syrian refugees, and raising over £50,000. This year also saw our first ever experiential event, in which we transformed a London warehouse into the war-torn streets of Aleppo. Providing an insight into what it is like to live in Syria, 'A Night in Aleppo' was presented with The Emerald Network and was met with an incredible response both on the night and on social media, where it reached over four million people.

We marked Ramadan with one of our most innovative campaigns yet. The positive 'SubhanAllah', Glory to God, campaign - which included advertising on buses all over London - generated a staggering 700 pieces of global media and an extraordinary response on social media.

With the recent introduction of Facebook Live, we took the opportunity to run a Facebook Live Appeal during Ramadan. The first of its kind within the Muslim NGO sector, the appeal helped us maintain a strong online presence during an extremely busy period.

This was also the year in which we introduced our UK Domestic Qurbani programme, serving poor families in the country for the first time. The project was covered by BBC News.

Our direct mail inviting donors to support our Ramadan and Qurbani appeals stood out from the rest, thanks to a partnership with Islamic Wills and Al-Hidaayah Travels which enabled us to include a free Umrah and Hajj trip for two in a letter received by a randomly selected donor.

Thousands of volunteers spearheaded community fundraising and campaigning. The volunteer-inspired Cakes4Syria, now in its fourth year, brought in over £200,000 from chocolate cakes delivered to doorsteps around the country. Through universities across the country and internationally, the flagship student fundraising event, Charity Week, broke records by raising over £1 million for orphans and children's projects.

The year saw renowned England cricketer Moeen Ali join the Islamic Relief family, advocating on the Syrian conflict. His support enabled us to reach wider audiences and attract far more media coverage. We were also honoured to work with a wide variety of influencers such as Tariq Ramadan, Tasmina Sheikh, Baroness Warsi, Shabana Mahmood, Zain Bhikha, Shelina Janmohamed, Peter Osborne, Dipesh Gada and Rashid Bhika.

As anticipated, the Disasters Emergency Committee (DEC) launched a Yemen appeal to gain support for one of the most silent conflicts in the world. As one of the largest NGOs on the ground in the country, we were able to lead the way for the DEC.

Our report 'Invisible Lives' highlighted the plight of women refugees in camps around the Middle East. The report took a new approach, focusing on employment issues



for females within camps and the wider cultural issues they may face, and was used in parliamentary visits and at external events.

EMERGING MARKETS

This year, a restructure equipped our Emerging Markets department to work even more effectively to grow and expand the Islamic Relief family worldwide. New staff members focused on helping our youngest partner offices to expand their work, build on grassroots activities, and develop volunteer teams. We also enabled independent implementing partners in Albania, Bosnia-Herzegovina and Kosovo to kickstart engaging local fundraising programmes.

Working at the grassroots of international communities, we continued to expand our reach and attract new supporters. Successful fundraising initiatives were expanded into new countries this year.

Our annual International Volunteer camp brought together 150 remarkable volunteers for a skill-building programme developed with Islamic Relief Academy. The unique experience equipped our amazing volunteers with skills like teamwork and communication, supporting their work with Islamic Relief and beyond.

TIC INTERNATIONAL

TIC International, our trading subsidiary, which also runs our charity shops, generated profit of nearly £0.5m after processing 2,900 tonnes of donated items for recycling from over 300 drop-off points in the UK, Germany and Italy.

Principal risks and uncertainties

Delivering programmes in fragile and conflict-affected parts of the world, and fundraising elsewhere, presents Islamic Relief Worldwide with significant and varied risks and uncertainties. To reduce their impact on our ability to tackle poverty and suffering, we have robust structures in place.

The Islamic Relief Worldwide Board of Trustees is advised by an independent Audit Committee. The Committee's terms of reference include the review of the management of risk within and around the organisation. The Audit Committee, which meets at least four times a year, consists of a mixture of external non-executives who have a variety of expertise. One of their tasks is to review the risk register and the action plans in place to mitigate the identified risks.

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

Senior management regularly undertake strategic and operational reviews to identify organisational risks and develop plans to mitigate them. 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 live, active document.

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

1. STAFF SAFETY

Islamic Relief Worldwide operates in a number of countries which are caught up in conflict and/or are experiencing natural disasters – environments which

present risks to the safety of our staff. Since the safety and wellbeing of our employees are of paramount importance, we have in place numerous mitigating measures. These include policies and procedures on health and safety, and security. Security training is mandatory for all staff being deployed, and we continually monitor the security situation in each country where we work, ensuring adequate measures are in place to safeguard our staff.

2. UNCERTAIN GLOBAL ECONOMIC OUTLOOK

Future levels of income for Islamic Relief Worldwide remain uncertain, thanks to the unclear global economic outlook and increased competition for funds. We are meeting this challenge by addressing our cost base and by diversifying our income streams. We operate a strict budget setting and variance analysis process that emphasises efficiency saving and controlling costs. A Waqf (endowment) board has been set up in order to formulate alternative investment initiatives to grow 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.

3. BANK DE-RISKING

The phenomenon of bank de-risking has made operating in certain countries particularly challenging for NGOs. As a consequence, we face greater hindrances when moving funds to provide timely assistance to those in need. Islamic Relief Worldwide continues to work alongside civil society groups across the world to set out our concerns with the banking and finance sector, as well as lobbying the Financial Action Task Force (FATF) to ensure funds for lifesaving and life-changing humanitarian work flow smoothly.

4. CYBERCRIME

Cybercrime continues to be a global threat, with several high profile cases of breach at organisations with much larger technology infrastructure and resources than Islamic Relief Worldwide. We have continued to prioritise data protection and cyber-security, with ongoing efforts around information



In Mali, ten-year old Ardiana receives her family's Islamic Relief Worldwide Ramadan food parcel – one of over 235,000 distributed in 31 countries and areas this year.

security, disaster recovery and data protection. In 2017, a multi-disciplinary working group will work towards EU General Data Protection Regulation (GDPR) compliance.

5. COMPETITIVE JOB MARKET

The competitive nature of the job market and our limited resources make it increasingly difficult to attract and retain experienced staff for senior management and technical positions. We are therefore exploring interventions to better anticipate and cope with attrition, while improving attraction and retention. This includes headhunting suitable talent via social media and professional networks and offering meaningful careers. It also sees focus on non-monetary employee rewards such as reduced working hours, increased annual leave entitlement, enhanced maternity pay, two weeks full paternity pay and an annual wellbeing budget. While we are not market rate driven, we wish to offer 'market relevant' salaries. We are therefore in the process of implementing the outcomes of a compensation and benefits benchmarking exercise. Recognising that development is key to retaining talent, we also run an externally accredited Management Development Programme and Aspiring Managers programme to enhance capacity and enrich staff and management capability.

6. UK'S DEPARTURE FROM THE EUROPEAN UNION

The terms of the UK's impending departure from the European Union may create significant implications for our work. We have already moved to minimise exchange losses by altering our financial strategy in response to uncertainty in financial markets. We will closely monitor the exit negotiations and formulate further mitigating strategies as the process progresses and challenges arise.

Strategic partners



مركز الملك سلمان للإغاثة والأعمال الإنسانية
KING SALMAN HUMANITARIAN AID & RELIEF CENTRE



Department
for International
Development



Organisation of Islamic Cooperation



المؤسسة الخيرية الهاشمية
Jordan Hashemite Charity Organization



REACH OUT TO ASIA
أيادي الخير نحو آسيا



Qatar Foundation



Sida



OCHA
United Nations
Office for the Coordination
of Humanitarian Affairs



THE
LUTHERAN
WORLD
FEDERATION



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC



European
Commission



age International

UN
WOMEN

United Nations Entity for Gender Equality
and the Empowerment of Women

CAFOD
Just one world

START
NETWORK



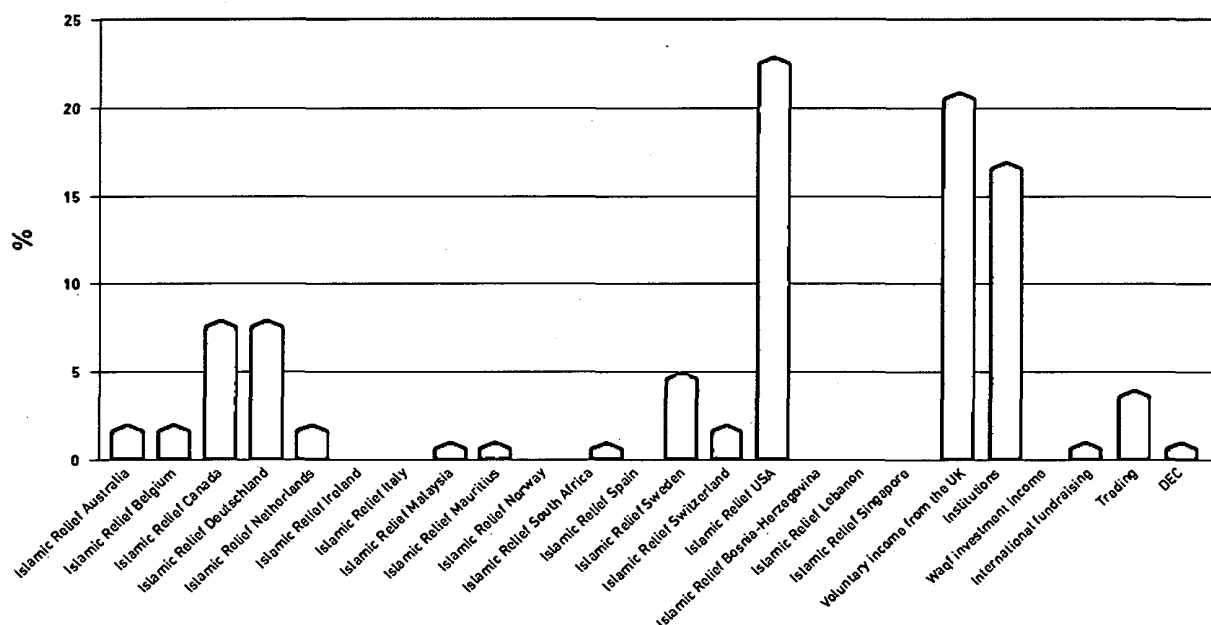
الهيئة الخيرية
Royal Charity Organization



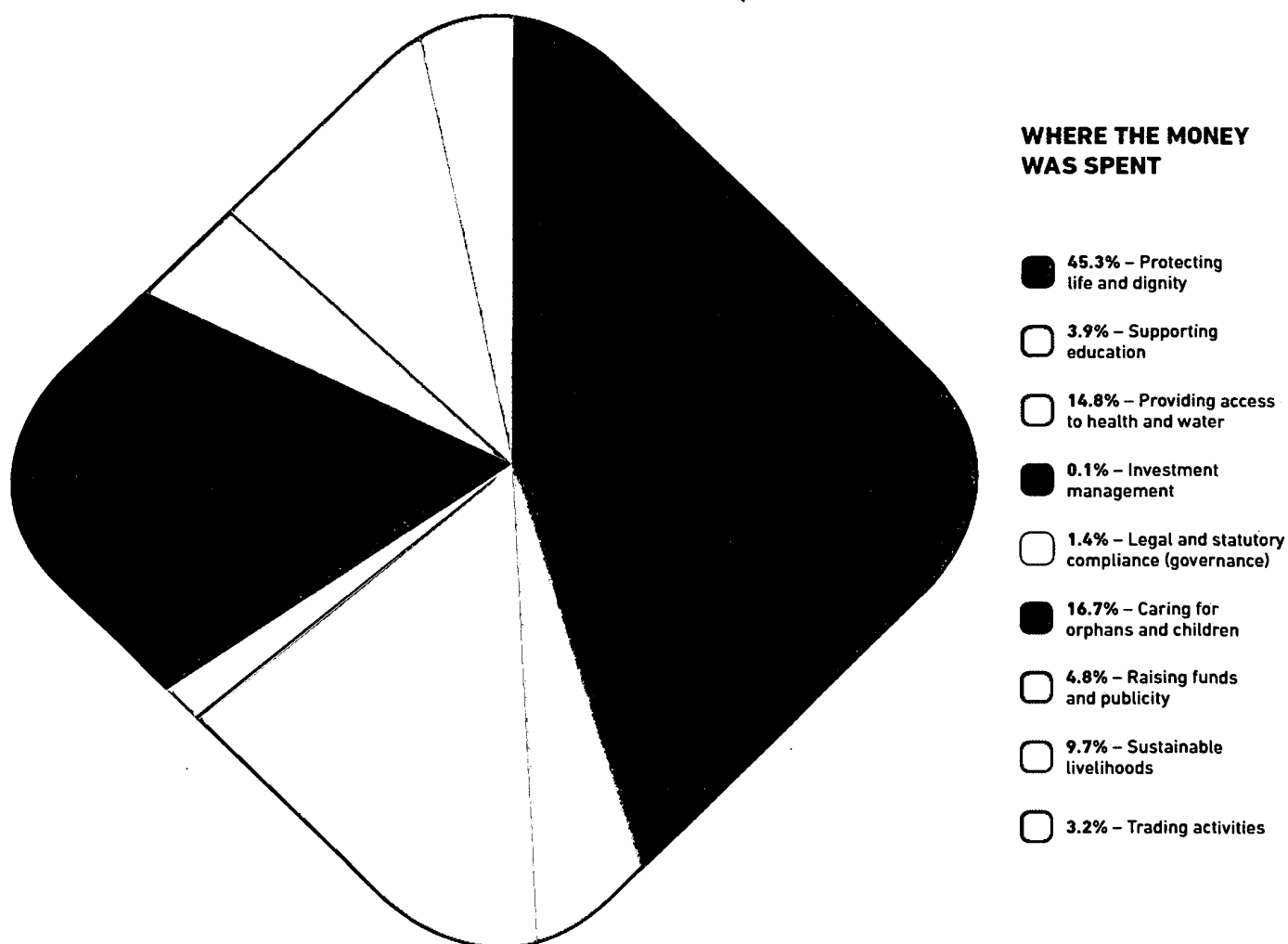
Thank you to all our strategic partners.

Income and expenditure

WHERE THE MONEY CAME FROM



WHERE THE MONEY WAS SPENT



Plans for 2017

Our Global Strategy sets important new directions for 2017-21, including:

1. A leading humanitarian responder and advocate with specific expertise

We aim to be one of the world's leading global humanitarian international NGOs by 2021. We will be among the first to respond to international appeals for assistance, and to mobilise practical action in response to humanitarian need. We will be recognised in the sector for our distinctive expertise in delivering shelter in emergencies and establishing resilience within the communities we serve.

2. Empowering local communities to overcome poverty and vulnerability

We will complement our humanitarian work with a stronger portfolio of longer-term integrated and holistic development programmes across the core countries in which we work. Wherever possible, we will work through local implementing partners to build sustainability and the capacity of civil society, including a focus on including people of all ages and abilities, and mainstreaming protection for all.

An exciting and challenging year lies ahead, as we embark on a new five-year strategy designed to ensure we adapt to the changing world and to better respond to the needs of the individuals and communities that need our help.

3. Engaging and working with communities and young people for delivery of the 2030 agenda

Our policy, advocacy and programming work will continue to confront ignorance and social injustice through working with communities and agencies on a range of issues. This includes inclusive programming and protection. We will continue to influence development discourse and provide leadership amongst Muslim development and humanitarian agencies and represent to major institutions the powerful and positive contribution faith-based actors can make towards achieving the Sustainable Development Goals (SDGs).

4. Enhancing our reputation as a trusted partner

To complement our voluntary support, we aim to be a trusted partner for key government and multilateral donors - particularly those based in the home countries of Islamic Relief partners - with longer-term funding agreements aligned to shared priorities. We will be recognised by governments in both donor and host countries as having robust processes for vetting our donors and partners, and recognised as exemplars in transparent reporting and accountability.

5. Achieving global governance

To facilitate the impact and effectiveness of our work, we will strengthen the Islamic Relief family and increase its global representation. Working together to increase our support and influence in developed countries, we will also develop new partners in key emerging middle-income Muslim countries – in which we aim to have at least a quarter of our Islamic Relief partners by 2021. Internally, our planned federal family structure will be fully implemented, sustainable funding for shared global services will be in place, and agreed core standards for partners will safeguard the global reputation of Islamic Relief.

This Trustees Annual and Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 17 September 2017 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 Salf
Company Secretary/Trustee
25 September 2017

Financial review

2016 was marked by an uncertain economic climate across the globe and particularly in the UK, following the decision to leave the European Union. However, thanks to our generous donors, Islamic Relief Worldwide's income surpassed the record levels of 2015 and charitable expenditure nearly matched 2015's record figure.

INCOME AND FUNDRAISING

Our total income increased by 4.5 per cent to **£110.4m** (2015: **£105.6m**). Although total institutional grants fell back this year, these were more than made up for by income from Islamic Relief partners registering an increase in their donations in response to the continuing suffering of people in Syria and Yemen.

Voluntary donations – which include regular giving, campaigns, appeal income and income from Islamic Relief partners – increased markedly by 14.2 per cent to **£86.7m** (2015: **£75.9m**). This increase was driven by the rise in donations from Islamic Relief partners, up 17.3 per cent to **£60.4m** (2015: **£51.5m**). Donations from individuals in the UK increased by 12.9 per cent to **£23.7m** (£21m in 2015), and from individuals abroad by 20 per cent to **£1.8m**, from **£1.5m** in 2015. Income through DEC was limited to funding for ongoing work in Nepal and Philippines: at **£0.8m**, this represented a fall of 57.9 per cent from **£1.9m** in the previous year. Income from an end of year DEC appeal for the crisis in Yemen reached us in 2017.

Total institutional income fell 23.7 per cent to **£19.3m** (2015: **£25.3m**) as grants from the Middle East almost halved from **£16.9m** in 2015 to **£9.3m** this year. Encouragingly, grants from the rest of the world increased 17.9 per cent to **£9.9m** (2015: **£8.4m**).

After total resources expended of £112.1m (£112.5m in 2015), reserves stood at:

<i>Restricted reserves</i>	£18.6m (2015: £25.9m)
<i>General reserves</i>	£11.0m (2015: £5.7m)
<i>Endowment funds</i>	£6.3m (2015: £6.1m)

CHARITABLE EXPENDITURE

We continued to operate in some of the most fragile and conflict-affected parts of the world enabling our expenditure to reach those who most required help. In the year Islamic Relief Worldwide's total charitable expenditure amounted to **£99.1m** (2015: **£100.3m**).

Although expenditure on Protecting Life and Dignity programmes (including Supporting Education and Campaigning for Change) decreased to **£52.1m** from **£55.8m** it still accounted for the greatest proportion of spend, some 52.6 per cent (2015: 55.7%) of the total.

Expenditure on Caring for Orphans and Children in Need increased by 18.6 per cent to **£19.1m**. Expenditure on Providing Access to Healthcare and Water rose 6 per cent to **£16.9m**. However, spend on Sustainable Livelihoods dipped by 11.4 per cent to **£11.1m**.

As the catastrophic conflicts in Syria and Yemen continued unabated, the Middle East remained a focus, drawing 53.5 per cent (2015: 53.3%) of total charitable expenditure. Both Africa and Asia accounted for 22.6 per cent of total spend – spending for Africa increased from 2015's figure of 20.9 per cent whilst Asia's share reduced from 23.1 per cent. The balance of expenditure was spent in Europe, accounting for 1.3 per cent (2015: 2.6%).

TIC INTERNATIONAL

TIC International Ltd, our trading business, gift aided **£437k** to IRW after generating a net profit of **£433k** (2015: **£610k**) representing a decline of 28.4 per cent compared to the prior year. At 10.6 per cent of turnover, profitability was also down from the previous figure of 14 per cent. Total sales amounted to **£4.1m** (2015: **£4.3m**) – five per cent lower than the previous year.

Clothes recycling accounts for 51.5 per cent of turnover, underpinning the whole business. This proportion crept up very slightly from last year, largely due to underperformance in other parts of the business. Despite favourable movements in the exchange rates, sales remained flat at **£2.1m** as the activity continued to face challenges. Whilst operating costs rose, the very competitive nature of the business has meant that price increases have not been able to be re-negotiated for some time. The quality and levels of donated clothing stocks are also concerning.

At **£1.07m**, sales generated in shops this year remained the same as in 2015. Sales of canned meat decreased by 28 per cent to **£616k** (2015: **£853k**), reflecting the market trend towards frozen and fresh meat. We endeavour to counter this by publicising the key advantages of canned meat including long shelf life, ease of storage and low cost of transport.

RESERVES

Reserves consist of endowments, restricted reserves and general reserves.

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

Restricted reserves represent donations and grants for specific projects that are unspent at the balance sheet date and which will be spent on the specified programmes in the coming financial years.

General reserves (also known as unrestricted reserves) are not restricted to specific projects, but ensure that the delivery of our vital programmes are not disrupted by

unforeseen circumstances, such as reduced income or increased expenditure.

We have a policy that sets the level of general reserves such that it meets our operating expenses in the event of a sudden drop in income or unexpected expenditure. This policy is reviewed each year - assessing risks and reflecting on changes in factors such as investment, income and also our financial obligations and commitments. Currently the policy sets our target reserves at seven months' of the core operational budget (£7.7m). These funds are to be held in current and medium-term cash forms.

In 2015, the Board of Trustees agreed to adopt a plan to increase general reserves over a period of time, following a recommendation by the Audit Committee, Chief Executive Officer and Finance Director. The plan saw general reserves increasing to seven months' core operational costs over the course of three years. However, we are happy to report that the policy level of general reserves has been met at the balance sheet date this year - two years ahead of the original plan.

The substantial increase in general reserves is due to a combination of factors, the main one being that £2.4m of reserves have now been appropriately categorised, and £1.5m of unrealised exchange gains arising due to our holding of foreign currencies which have appreciated against our reporting currency (Pounds Sterling).

As at 31 December 2016, the total group reserves stood at £35.9m - a decrease of £1.7m over the year. Of this, restricted funds account for £18.6m (2015: £25.9m), general funds for £11.0m (2015: £5.7m) and endowment funds for £6.3m (2015: £6.1m). The decrease in restricted reserves arises from the implementation of programmes in 2016 by utilising funds raised in earlier years, and the re-categorisation of £2.4m of funds. The improvement in general funds arises from the re-categorisation of funds and foreign exchange gains; and the increase in endowment funds represents the return on investment.

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

Reserve	31 Dec 2014 £'000	31 Dec 2015 £'000	31 Dec 2016 £'000	Change %
<i>Unrestricted</i>	7,116	5,651	10,998	94.6%
<i>Restricted</i>	31,592	25,845	18,568	-28.2%
<i>Endowments</i>	5,833	6,099	6,306	3.4%
<i>Total</i>	44,541	37,595	35,872	-4.6%

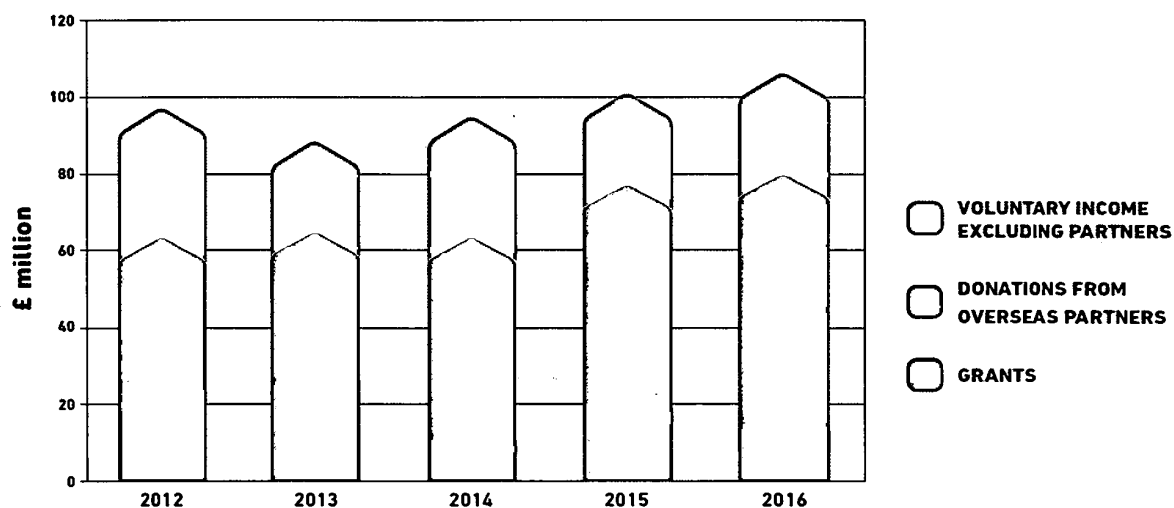
GOING CONCERN

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

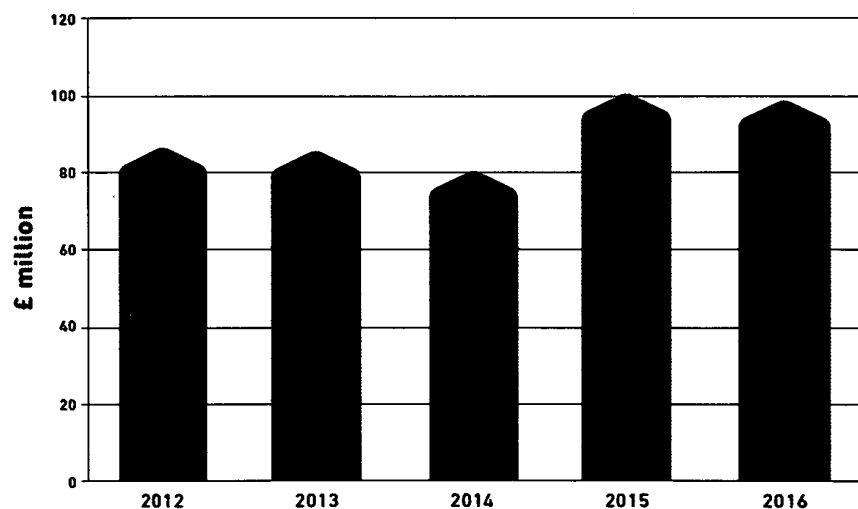
FIVE YEAR TREND

	2012	2013	2014	2015	2016
Grants	£29,430,036	£30,577,259	£15,857,189	£25,273,203	£19,253,461
Donations from overseas partners	£35,174,506	£34,154,566	£47,414,468	£51,473,192	£60,419,240
Voluntary income excluding partners	£32,476,731	£23,489,429	£31,347,711	£24,418,935	£26,238,862

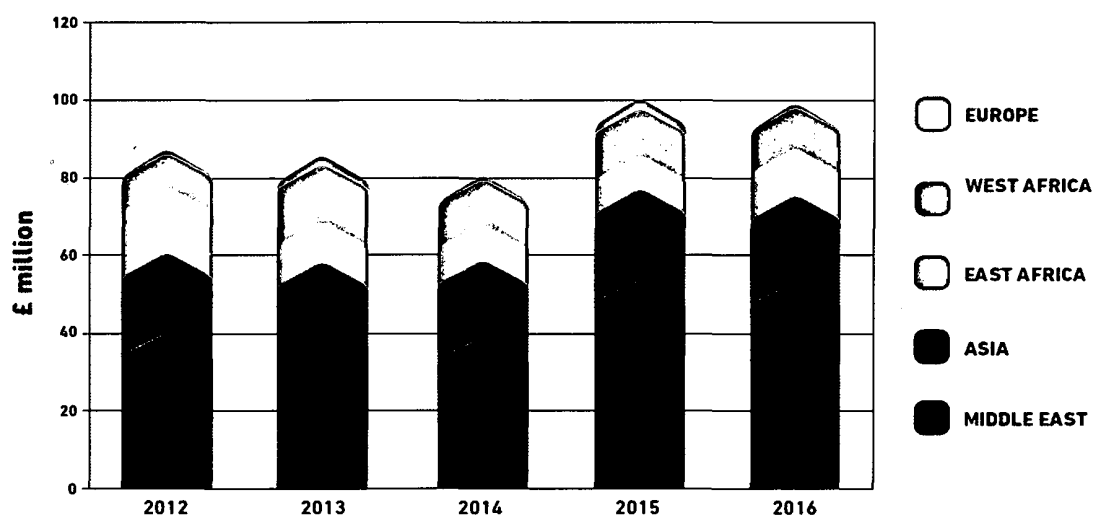
CHARITABLE INCOME



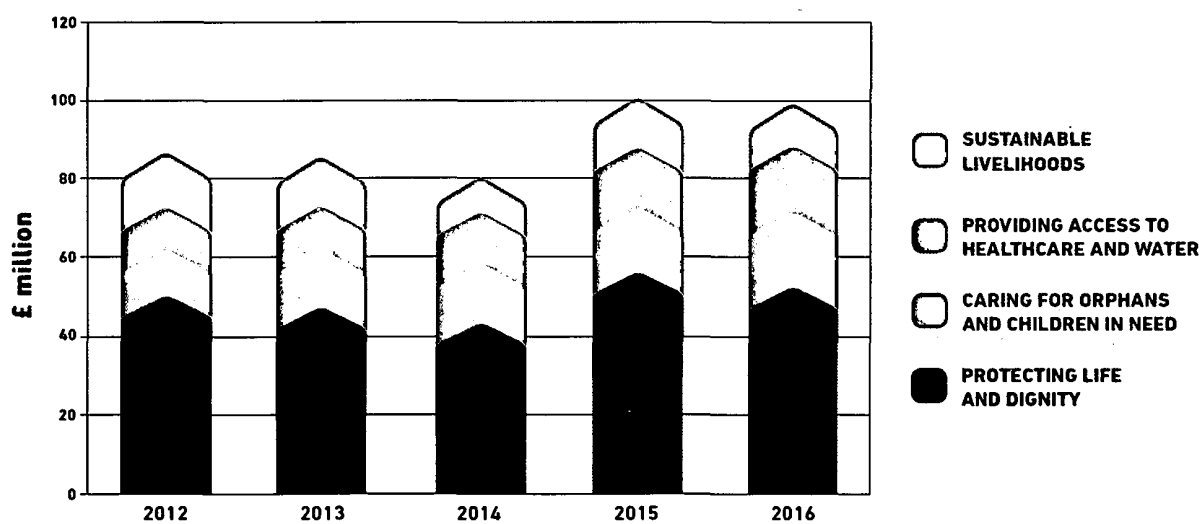
CHARITABLE EXPENDITURE



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 2016 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 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 12, 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

A description of the scope of the audit of the financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 2016 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 based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report and Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires 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.

N. Hashemi

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

26 September 2017

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 31st December 2016

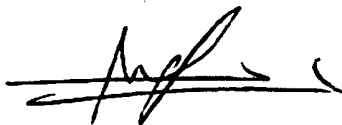
	UNRESTRICTED FUNDS	RESTRICTED FUNDS	ENDOWMENT FUNDS	TOTAL	UNRESTRICTED FUNDS	RESTRICTED FUNDS	ENDOWMENT FUNDS	TOTAL	NOTE
	2016				2015				
	£	£	£	£	£	£	£	£	
Income and endowments from:									
Donations and legacies	11,697,415	74,774,455	186,232	86,658,102	9,263,149	66,375,473	253,505	75,892,127	2
Other trading activities	3,566,493	501,646	-	4,068,139	3,515,149	497,727	-	4,012,876	3
Investments	-	-	416,212	416,212	-	-	398,278	398,278	4
Charitable activities	-	19,253,461	-	19,253,461	1,380	25,271,823	-	25,273,203	5
Total	15,263,908	94,529,562	602,444	110,395,914	12,779,678	92,145,023	651,783	105,576,484	
Expenditure on:									
Raising funds	3,166,032	9,805,517	62,510	13,034,059	2,916,954	9,279,675	67,329	12,263,958	10, 10 a-d
Charitable activities	9,268,787	89,816,620	-	99,085,407	11,646,318	88,612,129	-	100,258,447	10, 10 a-d
Total	12,434,819	99,622,137	62,510	112,119,466	14,563,272	97,891,804	67,329	112,522,405	
Net income (expenditure)	2,829,089	(5,092,575)	539,934	(1,723,552)	(1,783,595)	(5,746,781)	584,454	(6,945,922)	
Transfers between funds	2,517,382	(2,184,412)	(332,970)	-	318,623	-	(318,623)	-	26
Net movement on funds	5,346,471	(7,276,987)	206,964	(1,723,552)	(1,464,972)	(5,746,781)	265,831	(6,945,922)	
Reconciliation of funds									
Total funds brought forward	5,651,022	25,845,168	6,099,246	37,595,436	7,115,994	31,591,949	5,833,415	44,541,358	
Total funds carried forward	10,997,493	18,568,181	6,306,210	35,871,884	5,651,022	25,845,168	6,099,246	37,595,436	

ISLAMIC RELIEF WORLDWIDE
GROUP AND CHARITY BALANCE SHEETS
as at 31st December 2016

	2016 TOTAL FUNDS		2015 TOTAL FUNDS		NOTE
	GROUP	CHARITY	GROUP	CHARITY	
	£	£	£	£	
Fixed assets					
Intangible assets	55,955	55,955	73,812	73,812	13
Tangible assets	6,055,137	5,640,170	6,374,518	5,953,645	14, 15
Investments	352,417	1,269,351	362,076	1,269,351	16
Total fixed assets	6,463,509	6,965,476	6,810,406	7,296,808	
Current assets					
Stocks and work in progress	154,857	-	199,621	-	17
Debtors due within one year	11,205,533	11,058,889	9,580,564	9,384,473	18
Debtors due after one year	-	-	-	-	
Cash at bank and in hand	28,215,065	27,426,267	26,746,662	26,227,982	
Total current assets	39,575,455	38,485,156	36,526,847	35,612,455	
Liabilities					
Creditors: amounts falling due within one year	10,050,450	9,707,851	5,425,183	5,207,436	19
Net current assets or liabilities	29,525,005	28,777,305	31,101,664	30,405,019	
Total assets less current liabilities	35,988,514	35,742,781	37,912,070	37,701,827	
Creditors: amounts falling due after more than one year	116,630	116,630	316,634	316,634	19
Total assets less total liabilities	35,871,884	35,626,151	37,595,436	37,385,193	
Total funds					
Unrestricted funds					
General	10,997,493	10,751,760	5,651,022	5,440,779	
Total unrestricted funds	10,997,493	10,751,760	5,651,022	5,440,779	24
Restricted income funds	18,568,181	18,568,181	25,845,168	25,845,168	25
Endowment funds	6,306,210	6,306,210	6,099,246	6,099,246	26
Total funds	35,871,884	35,626,151	37,595,436	37,385,193	

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 £1.7m (2015 net loss £6.9m) for the year ended 31 December 2016.

The financial statements on pages 46 to 67 were approved by the board and signed on its behalf by



Mr. Adnan Saif
Company Secretary/ Trustee
25 September 2017

The notes to the accounts on pages 49 to 67 form part of these financial statements.

**ISLAMIC RELIEF WORLDWIDE
GROUP CASH FLOW STATEMENT**
for the year ended 31st December 2016

	2016	2015
	£	£
Reconciliation of net to net cash flow from operating activities		
<i>Net income/(expenditure) for the reporting period as per the statement of financial activities (excluding cash flow from endowments)</i>	(1,930,516)	(7,211,753)
Adjustments for:		
<i>Depreciation</i>	423,620	508,744
<i>Amortisation</i>	17,857	17,857
<i>(Gains)/losses on investments</i>	9,659	(3,973)
<i>Decrease/(increase) in stocks</i>	44,764	(21,115)
<i>Decrease/(increase) in debtors</i>	(1,624,974)	4,217,169
<i>Decrease/(increase) in creditors</i>	4,625,268	(3,442,663)
<i>Gains on foreign exchange</i>	1,953,931	(175,167)
Net cash provided by (used in) operating activities	3,519,609	(6,110,901)
Cash flows from investing activities		
<i>Purchase of property, plant and equipment</i>	(160,008)	(368,436)
<i>Proceeds from the sale of property, plant and equipment</i>	55,773	59,870
Net cash provided by (used in) investing activities	(104,235)	(308,566)
Cash flows from financing activities		
<i>Endowment (waqf)</i>	206,964	265,831
<i>Repayment of borrowings</i>	(200,004)	(200,004)
Net cash provided by (used in) financing activities	6,960	65,827
Net Increase/(decrease) in cash and cash equivalents	3,422,334	(6,178,473)
Cash and cash equivalents at the beginning of the reporting period	26,746,662	32,925,135
Change in cash and cash equivalents due to exchange rate movements	(1,953,931)	175,167
Cash and cash equivalents at the end of the reporting period	28,215,065	26,746,662
Consisting of:		
<i>Cash at bank and in hand</i>	28,215,065	26,746,662
	28,215,065	26,746,662

Reconciliation in net funds

	01/01/2016	CASHFLOW	NON-CASH MOVEMENT	31/12/2016
	£	£	£	£
<i>Cash at bank and in hand</i>	26,746,662	1,468,403	-	28,215,065
<i>Debt due within one year</i>	(200,004)	200,004	(200,004)	(200,004)
<i>Debt due in over one year</i>	(316,633)	-	200,004	(116,629)

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 68). 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 2017 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, incorporated in the United Kingdom (company registration number: 2796175, 100% shareholding) and its property investment company SIF Invest, incorporated in France (company registration number: 423900117, 99% shareholding). The results

of TIC International Limited and SIF Invest have been incorporated on a line-by-line basis, in accordance with current legislation.

Islamic Relief Worldwide also controls Islamic Relief Waqf, a limited company by guarantee (company registration number: 08612172) and Islamic Relief UK (company registration number: 5483053). During the year these were dormant companies, both incorporated in the UK.

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 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 probability 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 are accounted for when: the charity has entitlement, gifts in kind can be valued, and there is reasonable probability of receipt. Donated goods for sale in the shops or for recycling are measured at fair value when sold.

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.

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 operating leases are charged to the SOFA 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 defined contribution pension scheme, which effectively means that all employees are automatically enrolled with the scheme.

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 its volunteers across the world.

Around 1,900 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, 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.

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:

Depreciation and debtors provisions

2. DONATIONS AND LEGACIES

	UNRESTRICTED FUNDS	RESTRICTED FUNDS	ENDOWMENT FUNDS	TOTAL	UNRESTRICTED FUNDS	RESTRICTED FUNDS	ENDOWMENT FUNDS	TOTAL	NOTE
	2016	2016	2016	2016	2015	2015	2015	2015	
	£	£	£	£	£	£	£	£	
<i>Donations, appeals and fundraising events</i>									
United Kingdom	11,085,310	12,543,615	95,114	23,724,039	9,024,625	11,884,157	115,839	21,024,621	
Disasters Emergency Committee*	-	768,043	-	768,043	-	1,921,915	-	1,921,915	
International Fundraising**	492,426	1,191,779	62,575	1,746,780	193,361	1,188,350	90,688	1,472,399	
Islamic Relief partners	119,679	60,271,018	28,543	60,419,240	45,163	51,381,051	46,978	51,473,192	6
	11,697,415	74,774,455	186,232	86,658,102	9,263,149	66,375,473	253,505	75,892,127	

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

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

3. OTHER TRADING ACTIVITIES

	TOTAL	TOTAL
	2016	2015
TRADING SUBSIDIARIES	£	£
TIC		
Income from charitable shops	1,075,201	1,069,162
Qurbani Income	501,646	497,727
Clothes recycling income	2,407,076	2,415,517
	3,983,923	3,982,406
SIF	84,216	30,470
TOTAL	4,068,139	4,012,876

4. INVESTMENTS

	TOTAL	TOTAL
	2016	2015
	£	£
Return on waqf	416,212	398,278
TOTAL	416,212	398,278

5. CHARITABLE INCOME BY INSTITUTION

	PROTECTING LIFE AND DIGNITY	EMPOWERING COMMUNITIES	TOTAL	PROTECTING LIFE AND DIGNITY	EMPOWERING COMMUNITIES	TOTAL
	2016			2015		
	£	£	£	£	£	£
<i>Action Aid</i>	-	-	-	215,031	-	215,031
<i>Bill & Melinda Gates Foundation</i>	-	258,384	258,384	-	-	-
<i>Catholic Agency for Overseas Development</i>	-	75,000	75,000	1,380	75,000	76,380
<i>Department for International Development</i>	-	-	-	1,541,494	-	1,541,494
<i>Department for International Development (PPA)</i>	-	1,331,138	1,331,138	-	882,752	882,752
<i>European Commission</i>	-	43,922	43,922	-	-	-
<i>European Commission for Humanitarian Operations</i>	669,711	788,435	1,458,146	-	775,316	775,316
<i>Episcopal Relief Development</i>	-	-	-	13,214	-	13,214
<i>HelpAge International</i>	59,932	-	59,932	21,966	185,506	207,472
<i>International Organisation for Migration</i>	-	-	-	-	58,671	58,671
<i>International Rescue Committee UK</i>	-	262,726	262,726	-	952,046	952,046
<i>Lutheran World Federation (LWF)</i>	25,491	-	25,491	-	-	-
<i>Oxfam</i>	88,886	-	88,886	185,909	-	185,909
<i>Secours Islamique France</i>	296,637	1,689,404	1,986,041	385,809	1,446,872	1,832,681
<i>ShelterBox</i>	-	-	-	-	81,585	81,585
<i>Swiss Federal Department of Foreign Affairs</i>	-	228,381	228,381	-	263,048	263,048
<i>United Nations Children Fund (UNICEF)</i>	-	-	-	-	53,025	53,025
<i>United Nations Development Programme</i>	-	236,087	236,087	-	339,627	339,627
<i>United Nations World Food Programme</i>	-	358,760	358,760	320,705	-	320,705
<i>United Nation OCHA</i>	605,172	73,256	678,428	-	-	-
Subtotal	1,745,829	5,345,493	7,091,322	2,685,508	5,113,448	7,798,956
<i>Inkind Donations</i>						
<i>Globus relief</i>	-	2,819,689	2,819,689	569,066	-	569,066
Inkind Donations Subtotal	-	2,819,689	2,819,689	569,066	-	569,066
Total	1,745,829	8,165,182	9,911,011	3,254,574	5,113,448	8,368,022

*The Somalia fund balance stands at £1.4m as at 31 December 2016. This is an ongoing project and is pre-financed. We have received £1.35m up to July 2017 and expect to receive the balance before 31 December 2017 to clear the deficit.

5. CHARITABLE INCOME BY INSTITUTION

	PROTECTING LIFE AND DIGNITY	EMPOWERING COMMUNITIES	TOTAL	PROTECTING LIFE AND DIGNITY	EMPOWERING COMMUNITIES	TOTAL
	2016			2015		
	£	£	£	£	£	£
International fundraising						
Afil Al Asmakh Charity Foundation	78,973	-	78,973	154,901	316,135	471,036
Alpha Data LLC	-	-	-	308	-	308
Al Eslah Society Bahrain	67,809	-	67,809	81,786	-	81,786
Bahrain Royal Charity Organisation	-	-	-	-	131,191	131,191
Bayet al Zakat	867,894	243,361	1,111,255	86,222	538,111	624,333
Egyptian Medical Syndicate	-	-	-	-	61,180	61,180
International Islamic Charitable Organisation Kuwait	13,766	5,069	18,835	-	9,800	9,800
Islamic Development Bank	402,601	1,850,802	2,253,403	811,794	76,722	888,516
Jordanian Hashemite Charity Organisation	-	-	-	20,372	167,084	187,456
King Salman Centre for Emergency and humanitarian	-	-	-	238,004	-	238,004
Mubarak Abdullah M Alsuwaiket	-	-	-	4,867,244	-	4,867,244
Palringo Ltd	-	52,483	52,483	52,814	104,662	157,476
Qatar Charity	-	-	-	171,053	-	171,053
Reach Out to Asia – Qatar	-	824,134	824,134	-	817,645	817,645
Sheikh Abdullah Al Nouri Charity - Kuwait	455,605	24,446	480,051	393,287	12,058	405,345
Islamic Foundation Ireland	465	-	465	-	-	-
Al Bunyan Organization for Social Development	149,083	-	149,083	-	-	-
Sheikh Thani Bin Abdullah Foundation for Humanitarian Service	471,150	-	471,150	-	-	-
Al-Najat Charity Society	-	78,843	78,843	-	-	-
Subtotal	2,507,346	3,079,138	5,586,484	6,877,785	2,234,588	9,112,373
Inkind 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
King Salman Centre for Emergency and humanitarian	-	-	-	3,241,395	-	3,241,395
Sheikh Abdullah Al Nouri Charity - Kuwait	-	-	-	44,293	-	44,293
Muslims of Trinidad	130,347	-	130,347	-	-	-
Sheikh Thani Bin Abdullah Foundation for Humanitarian Service	169,468	-	169,468	-	-	-
Inkind Donations Subtotal	299,815	-	299,815	4,535,593	-	4,535,593
Income Received from IRW Donors Received Directly in Independent Implementing Partner Offices						
Islamic Development Bank	980,283	2,475,868	3,456,151	198,904	3,058,311	3,257,215
Income Received from IRW Donors Received Directly in Independent Implementing Partner Offices Subtotal	980,283	2,475,868	3,456,151	198,904	3,058,311	3,257,215
International Fundraising Subtotal	3,787,444	5,555,006	9,342,450	11,612,282	5,292,899	16,905,181
Total	5,533,273	13,720,188	19,253,461	14,866,856	10,406,347	25,273,203

6. DONATIONS DISCLOSURE BY PARTNER

PARTNER	TOTAL			TOTAL		
	2016			2015		
	PROTECTING LIFE AND DIGNITY	EMPOWERING COMMUNITIES	£	PROTECTING LIFE AND DIGNITY	EMPOWERING COMMUNITIES	£
<i>Islamic Relief USA</i>	13,242,496	12,001,675	25,244,171	8,768,959	11,054,434	19,823,393
<i>Islamic Relief Canada</i>	3,677,733	5,361,575	9,039,308	4,251,974	2,792,047	7,044,021
<i>Islamic Relief Germany</i>	3,367,731	4,950,477	8,318,208	3,759,193	4,076,912	7,836,105
<i>Islamic Relief Sweden</i>	1,999,373	3,664,529	5,663,902	2,585,495	4,533,159	7,118,654
<i>Islamic Relief Switzerland</i>	1,426,694	1,188,945	2,615,639	1,248,941	1,262,297	2,511,238
<i>Islamic Relief Netherland</i>	1,287,122	1,017,364	2,304,486	1,356,660	1,118,665	2,475,325
<i>Islamic Relief Belgium</i>	1,217,470	908,262	2,125,732	-	597,273	597,273
<i>Islamic Relief Australia</i>	710,705	1,061,223	1,771,928	498,075	693,898	1,191,973
<i>Islamic Relief Mauritius*</i>	165,156	681,635	846,791	254,099	657,190	911,289
<i>Islamic Relief Malaysia</i>	400,566	416,258	816,824	439,793	500,091	939,884
<i>Islamic Relief South Africa</i>	267,103	365,152	632,255	159,267	304,502	463,769
<i>Islamic Relief Italy</i>	86,826	321,248	408,074	48,834	203,707	252,541
<i>Islamic Relief Ireland</i>	108,669	204,721	313,390	95,518	13,157	108,675
<i>Islamic Relief Spain</i>	62,778	63,382	126,160	33,915	-	33,915
<i>Islamic Relief Singapore</i>	33,540	53,490	87,030	-	-	-
<i>Islamic Relief Norway</i>	62,927	6,000	68,927	22,507	-	22,507
<i>Islamic Relief Bosnia</i>	32,057	-	32,057	13,623	-	13,623
<i>Islamic Relief Lebanon</i>	4,358	-	4,358	-	-	-
<i>Islamic Relief Libya</i>	-	-	-	4,473	124,534	129,007
Total	28,153,304	32,265,936	60,419,240	23,541,326	27,931,866	51,473,192

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.

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

7. RESULTS FROM TRADING SUBSIDIARIES

	TOTAL			TOTAL		
	TIC INTERNATIONAL LIMITED	SIF INVEST	2016	TIC INTERNATIONAL LIMITED	SIF INVEST	2015
	£	£	£	£	£	£
Subsidiary trading income	2,407,076	84,216	2,491,292	2,415,517	30,470	2,445,987
Income from charitable shops managed by TIC International Limited	1,075,201	-	1,075,201	1,069,162	-	1,069,162
Qurbani sales to group	115,338	-	115,338	355,428	-	355,428
Income from Qurbani	501,646	-	501,646	497,727	-	497,727
	4,099,261	84,216	4,183,477	4,337,834	30,470	4,368,304
Operating and administrative costs	3,665,906	43,203	3,709,109	3,727,957	37,927	3,765,884
Net profit for the year	433,355	41,013	474,368	609,877	(7,457)	602,420
Amounts gift aided to Islamic Relief	436,677	-	436,677	609,877	-	609,877
Retained in subsidiary	(3,322)	41,013	37,691	-	(7,457)	(7,457)
The assets and liabilities of the subsidiaries were:						
Fixed assets	414,967	-	414,967	420,873	-	420,873
Current assets	1,350,181	178,024	1,528,205	1,396,711	131,193	1,527,904
Current liabilities	(748,496)	(32,009)	(780,505)	(797,611)	(33,648)	(831,259)
Total net assets	1,016,652	146,015	1,162,667	1,019,973	97,545	1,117,518
Aggregate share capital and reserves	1,016,652	146,015	1,162,667	1,019,973	97,545	1,117,518

8. GOVERNANCE COSTS

	ACTIVITIES UNDERTAKEN DIRECTLY	ACTIVITIES UNDERTAKEN DIRECTLY
	2016	2015
	£	£
External audit and statutory accounts	38,000	34,000
Legal and consultancy	226,063	436,207
Trustee expenses	62,360	100,840
Risk management	240,977	307,647
Strengthening the Islamic Relief family*	250,302	362,084
General governance costs	424,101	389,093
	1,241,803	1,629,871

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

9. TRUSTEES' REMUNERATION

	2016	2015
<i>Trustees are not remunerated</i>		
<i>Neither the trustees, nor any persons connected with them, have received any remuneration, either in the current year or the prior year.</i>		
	ENIL	ENIL
The number of trustees claiming expenses	5	5
Trustee expenses	£	£
Meetings	32,116	28,868
Travel	28,803	74,153
Telecommunications	1,440	1,904
Total	62,359	104,925

10. TOTAL RESOURCES EXPENDED

	TOTAL SUPPORT COSTS	ACTIVITIES UNDERTAKEN DIRECTLY	TOTAL	TOTAL SUPPORT COSTS	ACTIVITIES UNDERTAKEN DIRECTLY	TOTAL
	2016	2016	2016	2015	2015	2015
	£	£	£	£	£	£
<i>Costs of generating funds</i>						
Costs of generating voluntary income	1,908,986	7,394,885	9,303,871	2,370,660	6,394,848	8,765,508
Fundraising trading – subsidiary costs	557,699	3,036,072	3,593,771	1,873,912	1,483,301	3,357,213
Investment management costs	62,510	73,907	136,417	67,330	73,907	141,237
	2,529,195	10,504,864	13,034,059	4,311,902	7,952,056	12,263,958
<i>Cost of charitable activities</i>						
Campaigning for change	535,820	567,546	1,103,366	1,017,551	693,695	1,711,246
Protecting Life and Dignity	170,000	46,319,095	46,489,095	290,729	49,233,682	49,524,411
<i>Empowering Communities</i>						
- Access to healthcare and water	492,720	16,383,076	16,875,796	726,822	15,225,424	15,952,246
- Caring for Orphans and children	149,826	18,899,531	19,049,357	242,273	15,780,145	16,022,418
- Supporting Education	246,360	4,263,672	4,510,032	363,412	4,211,208	4,574,620
- Sustainable livelihoods	249,180	10,808,581	11,057,761	363,412	12,110,094	12,473,506
	1,843,906	97,241,501	99,085,407	3,004,199	97,254,248	100,258,447
TOTAL RESOURCES EXPENDED	4,373,101	107,746,365	112,119,466	7,316,101	105,206,304	112,522,405

In 2016 we have reviewed the rationale for the allocation as to which costs should be treated as direct and which are non-direct. As a result this examination has led to a change in the basis compared to 2015. We believe the 2016 rationale for cost allocation better reflects how we now operate.

**10a. COSTS OF GENERATING
VOLUNTARY INCOME**

	ACTIVITIES UNDERTAKEN DIRECTLY	SUPPORT COSTS	TOTAL	TOTAL	NOTE
	2016	2016	2016	2015	
	£	£	£	£	
<i>Fundraising and publicity costs</i>	5,869,213	1,446,201	7,315,414	7,021,566	
<i>Campaigns and events costs</i>					
<i>Protecting Life and Dignity</i>	1,409,879	428,607	1,838,486	1,613,122	
<i>Empowering Communities</i>	100,757	30,631	131,388	115,282	
<i>Campaigning for Change</i>	11,688	3,547	15,235	13,350	
<i>Islamic Relief Mauritius</i>	3,348	-	3,348	2,188	
	7,394,885	1,908,986	9,303,871	8,765,508	

**10b. FUNDRAISING TRADING: COST
OF GOODS SOLD AND OTHER COSTS**

	ACTIVITIES UNDERTAKEN DIRECTLY	SUPPORT COSTS	TOTAL	TOTAL
	2016	2016	2016	2015
	£	£	£	£
<i>Trading subsidiary costs</i>	3,036,072	557,699	3,593,771	3,357,213

**10c. INVESTMENT MANAGEMENT
COST: WAQF**

	ACTIVITIES UNDERTAKEN DIRECTLY	SUPPORT COSTS	TOTAL	TOTAL
	2016	2016	2016	2015
	£	£	£	£
<i>Investment management cost</i>	73,907	62,510	136,417	141,237

10d. SUPPORT COSTS

	SUBSIDIARY	MANAGEMENT AND ADMINISTRATION	FINANCE	HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT	INFORMATION COMMUNICATIONS TECHNOLOGY	FACILITIES	TOTAL	TOTAL
	2016	2016	2016	2016	2016	2016	2016	2015
	£	£	£	£	£	£	£	£
Costs of generating funds								
Costs of generating voluntary income	-	856,099	123,979	184,840	286,987	457,081	1,908,986	2,370,660
Fundraising trading – subsidiary costs	557,699	-	-	-	-	-	557,699	1,873,912
Investment management costs	-	28,031	4,059	6,052	9,397	14,971	62,510	67,330
	557,699	884,130	128,038	190,892	296,384	472,052	2,529,195	4,311,902
Cost of charitable activities								
Campaigning for change	-	242,023	34,595	51,578	80,081	127,543	535,820	1,017,551
Protecting life and dignity	-	75,834	11,088	16,531	25,668	40,879	170,000	290,729
Empowering communities								
- Access to healthcare and water	-	219,639	32,156	47,941	74,434	118,550	492,720	726,822
- Caring for orphans and children	-	66,959	9,757	14,548	22,588	35,974	149,826	242,273
- Supporting education	-	109,819	16,078	23,970	37,217	59,276	246,360	363,412
- Sustainable livelihoods	-	112,639	16,078	23,970	37,217	59,276	249,180	363,412
	-	826,913	119,752	178,538	277,205	441,498	1,843,906	3,004,199
TOTAL COSTS	557,699	1,711,043	247,790	369,430	573,589	913,550	4,373,101	7,316,101

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

11. NET INCOMING RESOURCES

	TOTAL	TOTAL
	2016	2015
	£	£

This is stated after charging/(crediting):

Auditors' remuneration	38,000	34,000
Depreciation	423,620	508,744
Operating leases rental other than plant and machinery	3,276,650	3,534,600
Exchange (gain)/loss	(2,263,100)	1,116,369

Auditors' remuneration relates solely to audit services.

	2016	2015
	£	£

Fees payable to company's auditors for the audit of the company's annual accounts	34,000	30,000
---	--------	--------

Fees payable to company's auditors for the audit of the company's subsidiaries pursuant to legislation	4,000	4,000
--	-------	-------

Total audit fees	38,000	34,000
------------------	--------	--------

12. STAFF COSTS AND EMOLUMENTS

	GROUP	GROUP
	2016	2015
	£	£

Gross salaries	11,221,488	10,649,607
Employers' National Insurance	746,418	799,303
Employers' pension	64,149	81,657

12,032,055 11,530,567

	GROUP	GROUP
	2016	2015

AVERAGE NUMBER OF EMPLOYEES	£	£
-----------------------------	---	---

Engaged in raising funds	215	189
Engaged in charitable activities	109	87
Engaged in support activities	95	128

419 404

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

The number of employees with emoluments between £60,000 to £70,000 per annum 2016: 1 (2015 : 1)

The number of employees with emoluments between £70,000 to £80,000 per annum 2016: 1 (2015 : 1)

Total redundancies for the year ended 31 December 2016: £38,340 (2015: £8,852)

Key management remuneration

Executive management team remuneration during the year totalled £631,488 (2015: £748,664)

13. INTANGIBLE ASSETS GROUP AND CHARITY

	GROUP TRADEMARKS
	2016
	£
Cost	
At 1 January 2016	188,026
At 31 December 2016	188,026
Accumulated amortisation	
At 1 January 2016	(114,214)
Charge for the year	(17,857)
At 31 December 2016	(132,071)
Net book value	
At 31 December 2016	55,955
At 31 December 2015	73,812

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
	£	£	£	£	£
Cost/Valuation					
At 1 January 2016	7,076,907	542,762	3,466,852	289,832	11,376,353
Additions	18,338	36,337	34,012	71,322	160,009
Disposals	-	-	(583)	(89,420)	(90,003)
At 31 December 2016	7,095,245	579,099	3,500,281	271,734	11,446,359
Accumulated depreciation					
At 1 January 2016	1,433,271	376,588	2,988,768	203,208	5,001,835
Charge for the year	151,860	46,574	185,829	39,357	423,620
Disposals	-	-	-	(34,233)	(34,233)
At 31 December 2016	1,585,131	423,162	3,174,597	208,332	5,391,222
Net book value					
At 31 December 2016	5,510,114	155,937	325,684	63,402	6,055,137
At 31 December 2015	5,643,636	166,174	478,084	86,624	6,374,518

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.

15. CHARITY TANGIBLE ASSETS

	FREEHOLD LAND AND BUILDINGS	FIXTURES, FITTINGS AND OFFICE EQUIPMENT	MOTOR VEHICLES	TOTAL
	£	£	£	£
Cost				
At 1 January 2016	6,875,252	3,308,462	164,929	10,348,643
Additions	-	34,012	52,140	86,152
Disposals	-	(583)	(71,420)	(72,003)
At 31 December 2016	6,875,252	3,341,891	145,649	10,362,792
Accumulated depreciation				
At 1 January 2016	1,371,896	2,910,791	112,311	4,394,998
Charge for the year	137,507	185,828	20,519	343,854
Disposals	-	-	(16,230)	(16,230)
At 31 December 2016	1,509,403	3,096,619	116,600	4,722,622
Net book value				
At 31 December 2016	5,365,849	245,272	29,049	5,640,170
At 31 December 2015	5,503,356	397,671	52,618	5,953,645

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

16. INVESTMENTS

	TOTAL GROUP	TOTAL CHARITY
	£	£
At 1 January 2016	362,076	1,269,351
Additions	-	(44)
Revaluation	-	-
Increase/(decrease in value)	(9,659)	44
At 31 December 2016	352,417	1,269,351

The above note includes the following significant investments,

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

The investment in properties refers to two properties:

The investment in SIF Invest relates to Islamic Relief Worldwide's investment in SIF Invest, incorporated in France. Islamic Relief Worldwide owns 99% of the share capital of SIF Invest. SIF Invest is treated as a subsidiary in the group accounts. The decrease in value relates to the movement of profit and loss and exchange difference. The property is situated in France. The historical cost of the property in 2000 was £252,000, and has been revalued on an open market value by Catella Valuation FCC, France, on 31 December 2011 at €400,000, (£335,121).

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

17. STOCKS AND WORK IN PROGRESS

	GROUP	GROUP
	2016	2015
	£	£
Donated clothing	154,857	199,621
	154,857	199,621

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

18. DEBTORS

	GROUP	CHARITY	GROUP	CHARITY
	2016	2016	2015	2015
	£	£	£	£
Trade debtors	474,800	1,343	608,987	2,522
Amounts owed from group undertakings	-	406,956	-	487,076
Prepayments and accrued income	1,064,004	1,064,004	772,745	772,745
Other debtors	9,666,729	9,586,586	8,198,832	8,122,130
	11,205,533	11,058,889	9,580,564	9,384,473

Amounts falling due more than one year are included in:

Other debtors	-	-	-	-
---------------	---	---	---	---

Amounts due from associated and subsidiary undertakings included £436,677 gift aid payment from TIC International Limited (2015: £609,877).

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

19. CREDITORS

	GROUP	CHARITY	GROUP	CHARITY
	2016	2016	2015	2015
	£	£	£	£
<i>Amounts falling due more than one year are included in:</i>				
Bank loan < 1 year	200,004	200,004	200,004	200,004
Trade creditors	2,760,268	2,580,818	1,569,408	1,311,744
Amounts owed to group undertakings	-	-	-	95,486
Accruals and deferred income**	3,519,340	3,374,617	924,053	889,532
Tax and Social Security	211,699	193,272	210,368	189,320
Other creditors*	3,345,487	3,345,488	2,509,205	2,509,205
Unpaid pension contributions	13,652	13,652	12,145	12,145
	10,050,450	9,707,851	5,425,183	5,207,436

Creditors: amounts falling due after more than one year

Bank loan > 1 year	116,630	116,630	316,634	316,634
--------------------	---------	---------	---------	---------

*Other creditors represents amounts due to Islamic Relief independent implementing partners for projects committed to and implemented during 2016. 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 2016	DEFERRED	RELEASED	BALANCE AS AT 31 DECEMBER 2016
	£	£	£	£
<i>Deferred income</i>				
IR partners	19,646	2,322,054	(19,646)	2,322,054
International fundraising	746,736	980,885	(746,736)	980,885
Total	766,382	3,302,939	(766,382)	3,302,939

20. FINANCIAL INSTRUMENTS

	2016	2015
	£	£
<i>Financial assets measured at amortised cost</i>		
Debtors	10,141,530	8,807,819
Cash	28,215,065	26,746,662
	38,356,595	35,554,481
<i>Financial liabilities measured at amortised cost</i>		
Creditors	6,444,635	4,620,376
Accruals	216,401	157,671
	6,661,036	4,778,047

21. COMMITMENTS

	GROUP	CHARITY	GROUP	CHARITY
	2016	2016	2015	2015
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	1,986,900	1,986,900	2,244,850	2,244,850
Total	3,276,650	3,276,650	3,534,600	3,534,600

As at 31 December 2016, the group had no capital commitments (2015: £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

	UNRESTRICTED FUNDS	RESTRICTED FUNDS	ENDOWMENT FUNDS	TOTAL
AT 31 DECEMBER 2016	£	£	£	£
Group				
Tangible and Intangible fixed assets	157,299	-	6,306,210	6,463,509
Assets	12,356,546	27,218,909	-	39,575,455
Liabilities	(1,516,352)	(8,650,728)	-	(10,167,080)
	10,997,493	18,568,181	6,306,210	35,871,884
	UNRESTRICTED FUNDS	RESTRICTED FUNDS	ENDOWMENT FUNDS	TOTAL
AT 31 DECEMBER 2015	£	£	£	£
Group				
Tangible and Intangible fixed assets	711,160	-	6,099,246	6,810,406
Assets	7,289,294	29,237,553	-	36,526,847
Liabilities	(2,349,432)	(3,392,385)	-	(5,741,817)
	5,651,022	25,845,168	6,099,246	37,595,436

24. UNRESTRICTED FUNDS

	GENERAL RESERVE	TOTAL	GENERAL RESERVE	TOTAL
	2016	2016	2015	2015
	£	£	£	£
Balance as at 1 January 2016	5,651,022	5,651,022	7,115,994	7,115,994
Net incoming resources	2,829,089	2,829,089	(1,783,595)	(1,783,595)
Movement to restricted funds*	2,517,382	2,517,382	318,623	318,623
Balance as at 31 December 2016	10,997,493	10,997,493	5,651,022	5,651,022

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

25. RESTRICTED INCOME FUNDS

	OPENING BALANCE	INCOME	EXPENDITURE	GROSS TRANSFERS BETWEEN FUNDS	TOTAL 2016	TOTAL 2015
	£	£	£	£	£	£
2016						
Protecting life and dignity	9,973,916	47,435,770	47,089,798	-	10,319,888	9,973,916
Empowering communities						
Caring for orphans and children in need	733,091	19,836,542	20,157,742	-	411,891	733,091
Supporting education	2,585,998	4,342,419	4,465,753	-	2,462,664	2,585,998
Providing access to healthcare and water	8,928,671	13,723,874	16,052,297	-	6,600,248	8,928,671
Sustainable livelihoods	3,623,492	9,190,957	11,856,547	(2,184,412)	(1,226,510)	3,623,492
Total	25,845,168	94,529,562	99,622,137	(2,184,412)	18,568,181	25,845,168
2015						
Protecting life and dignity	13,554,133	45,868,679	49,448,896	-	9,973,916	13,554,133
Empowering communities						
Caring for orphans and children in need	1,046,194	16,484,741	16,797,844	-	733,091	1,046,194
Supporting education	3,586,695	2,877,754	3,878,451	-	2,585,998	3,586,695
Providing access to healthcare and water	8,745,190	13,765,548	13,582,067	-	8,928,671	8,745,190
Sustainable livelihoods	4,659,737	13,148,301	14,184,546	-	3,623,492	4,659,737
Total	31,591,949	92,145,023	97,891,804	-	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 2016	TOTAL INCOMING RESOURCES	RETURN ON INVESTMENTS	TOTAL AVAILABLE RESOURCES	TOTAL RESOURCES EXPENDED	TRANSFER	BALANCE AS AT 31 DECEMBER 2016	TOTAL 2016
ENDOWMENT FUNDS	£	£	£	£	£	£	£	£
2016								
<i>Protecting life and dignity</i>	336,682	7,196	22,257	366,135	3,191	17,806	345,138	336,682
<i>Empowering communities</i>	5,762,564	179,036	393,955	6,335,555	59,319	315,164	5,961,072	5,762,564
Total	6,099,246	186,232	416,212	6,701,690	62,510	332,970	6,306,210	6,099,246

	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 2015
ENDOWMENT FUNDS	£	£	£	£	£	£	£	£
2015								
<i>Protecting life and dignity</i>	325,288	10,329	21,385	357,002	3,211	17,109	336,682	325,288
<i>Empowering communities</i>	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% (notional and internally allocated) annual return on capital from which projects are implemented for the purpose of Waqf shares. A proportion of the return is also added back to the capital to ensure growth for reinvestment in future years. In 2016, income from these Waqf investments amounting to £416,212 will finance future long-term sustainable humanitarian development projects. Of this £332,970 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 Worldwide amounting to £115,338 (2015: £355,426). At the year end, amounts due from associated and subsidiary undertakings included £436,677 gift aid payment from TIC International Limited (2015: £609,877). These have been eliminated upon consolidation.

Corporate Directory

England & Wales Charity Registration Number
328158

Scotland Charity Registration Number
SC042020

Company Registration Number
2365572

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

Names of Trustees

- Mr Moegamat Tahir Salie, Chairperson of Board of Trustees (resigned 02 May 2017)
- Mrs Lamia El Amri, Chairperson of Board of Trustees (appointed 02 May 2017)
- Dr Abdul Rahman Bin Bidin, Treasurer of Board of Trustees
- Mr Adnan Abdul Rahman Saif
- Dr Almoutaz Tayara
- Dr Mohamed Amr Attawia (appointed 21 October 2016)

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 Amjid Illahi, Interim Director of Services (resigned 21 April 2017)
- Mr Abdul-Jalil Ali, Interim Finance and Services Director (resigned 31 March 2017)
- Mr Waseem Ahmad, International Programmes Division Director (appointed permanent 4 March 2016)
- Mr Shakil Butt, Human Resources and Organisational Development Director (resigned 21 April 2017)
- Mr Imran Madden, Islamic Relief UK Director
- Mr Fadi Itani, Communications and External Relations Director (resigned 1 October 2016)
- Mr Martin Cottingham, Interim Communications and External Relations Director (appointed 14 November 2016)
- Mr Tayeb Abdoun, Emerging Markets Director
- Mr Lotfy El Sayed, Middle East Department Director (resigned 31 July 2016)
- 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

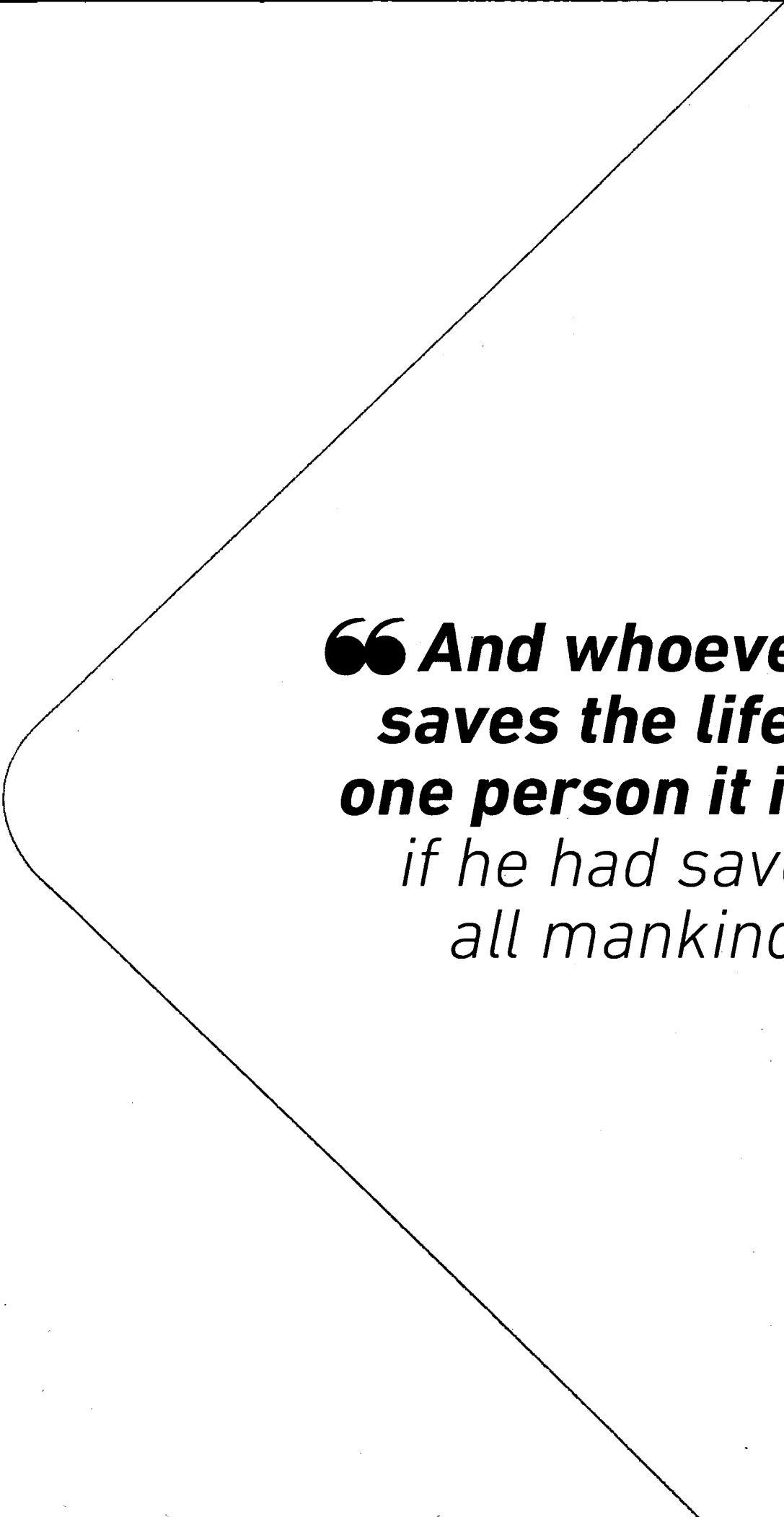
Natwest Plc
125 Colmore Row
Birmingham
B3 2AS

Solicitors

Bates Wells Braithwaite
2-6 Cannon Street
London
EC4M 6YH

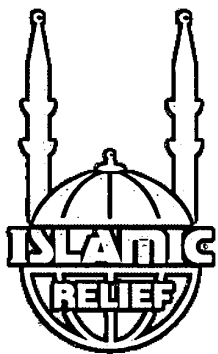
Squire Patton Boggs
7 Devonshire Square
London
EC2M 4YH

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



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

Qur'an 5:32



Islamic Relief Worldwide
19 Rea Street South
Birmingham
B5 6LB
United Kingdom

Tel: +44 121 605 5555
Fax: +44 121 622 5003

irw@irworldwide.org
www.islamic-relief.org

Registered Charity No. 328158
Registered Company No. 02365572