

**Registered Charity Number: 1126281**  
**Company Number: 06195282**  
**Scottish Charity Number: SC 038671**

**Human Relief Foundation  
(Company Limited by Guarantee)**

**Report and Financial Statements**

**for the year ended 31 December 2015**



# Human Relief Foundation

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# **Human Relief Foundation**

## **Company Information**

### **Trustees**

Dr Haytham Al-Khaffaf (Chairman)  
Dr Haitham Al-Rawi  
Mr Wael Musabbah  
Mr Mohammed Rahman

### **Company Secretary**

Mr Kassim Tokan

### **Registered charity number**

1126281

### **Company number**

06195282

### **Scottish Charity Number**

SC 038671

### **Principal and registered office**

2-4 Claremont  
Bradford  
BD7 1BQ

### **Auditors**

Garbutt & Elliott Audit Limited  
Arabesque House  
Monks Cross Drive  
York  
YO32 9GW

### **Bankers**

National Westminster Bank  
699 Wilmslow Road  
Manchester  
M20 1YW

HSBC  
47 Market Street  
Bradford  
BD1 1LW

Al Rayan Bank  
44 Hans Crescent  
Knightsbridge  
London  
SW1X 0LZ

### **Solicitors**

Fieldings Porter Solicitors  
Silverwell House  
Bolton  
BL1 1PT

# **Human Relief Foundation**

## **Report of the Trustees for the year ending 31 December 2015**

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 December 2015, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### **Mission and strategic objectives**

Human Relief Foundation (HRF) is an International Non-Governmental Charitable Organisation. HRF seeks to promote sustainable economic and social development by working with local communities through relief and developmental programmes, supporting them to build a better life and find their own solutions to global problems. For over two decades HRF has been instrumental in helping to save lives and relieve human suffering in some of the poorest regions of the world.

We provide emergency relief and assistance to people caught up in extraordinary, life-threatening situations. With permanent offices strategically located around the world (Bradford, Amman, Baghdad, Mosul, Islamabad, Erbil, London, Glasgow, Birmingham, Manchester, Lyon and Paris), we actively provide global assistance whenever and wherever it is needed.

Our mission is to achieve lasting improvement in the quality of life of people, regardless of their gender, race, religion, class or political affiliation, by mobilising resources, building partnerships and developing local capacities to:

- Enable individuals, groups and communities to mitigate the effects of disaster and crises, prepare for their occurrence and provide humanitarian relief and recovery;
- Assist the disadvantaged in becoming self-reliant by developing their own solutions to development challenges and creating sustainable livelihoods;
- Promote sustainable development and address the root causes of conflict through programmes that target education, shelter, water and sanitation, health and nutrition and humanitarian dialogue;
- Support the vulnerable, disadvantaged and marginalised and enable them to voice their needs; and
- Build local capacities.

The charity relies heavily on the generous donations it receives from fellow charities, individuals and other organisations.

This annual report details what we have achieved during the year to 31 December 2015.

### **Achievements and performance**

#### **Jordan and Syria**

There are now over 600,000 registered Syrian refugees in Jordan. The largest demographic age group are the under 18's making over 51%. Approximately 100,000 refugees are living in camps whilst over 500,000 are living in urban and rural areas.

Since 2012, Human Relief Foundation (HRF) has been at the forefront assisting refugees in Jordan. Working in partnership with the World Food Programme (WFP), HRF has provided over 85,000 refugees with food vouchers in both the Cyber City and King Abdullah refugee camps.

The vulnerable, such as the disabled and children, have directly benefitted from HRF and its projects in 2015. For example, HRF provided financial assistance and wheelchairs for the disabled in Amman and Ajloun in Jordan, and blankets were distributed to Jordanian and Syrian families.

In the same year, HRF has provided computers to a school in a refugee camp in Jarsh, which have benefitted over 1,200 students in their educational studies. HRF also provided over 200 school bags to students equipping them with all the stationery they needed. HRF also provided

## **Human Relief Foundation**

### **Report of the Trustees for the year ending 31 December 2015 (continued)**

scholarships to bright students to complete their university studies and have the opportunity to gain a brighter future.

Food parcels consisting of a month's supply of food was distributed to over 350 families. In Ramadan, regular meals were also provided to over 250 individuals and for Qurbani, meat was distributed to over 100 families.

Water scarcity, poor water quality and inadequate sanitation negatively impact food security, livelihood choices and educational opportunities for poor families. In 2015, HRF's Water, Sanitation and Hygiene (WASH) programmes continued to strengthen and support the Sustainable Development Goals and WASH items were distributed to over 500 families.

Non-food items such as blankets were distributed to over 100 families as well as wheelchairs for disabled beneficiaries. Emergency financial assistance was provided to over four families in severe hardship and HRF's Orphan Programme supported approximately 50 orphans.

#### **Somalia**

Human Relief Foundation (HRF) has been working with the United Nations Human Settlement Programme (UN-Habitat) as an implementing partner since 2012 across several projects. Beginning with the European Union Funded Sustainable Employment Creation and Improved Livelihoods for Vulnerable Urban Communities in Mogadishu (SECIL) project, this past year has seen a continuation of our partnership and a continuation of HRF's work in Somalia with the wrapping up of the SECIL project in March of 2015 to further collaboration on focalised support in economic infrastructure rehabilitation and implementing youth programming in Somalia.

HRF has worked alongside UN-Habitat to implement the SECIL project from 2012-2015 which saw the improved living conditions of vulnerable communities by addressing five key areas of the urban economy: Economic Infrastructure Rehabilitation, Solid Waste Management, Construction, Water and Sanitation, and Energy and Environment. These intensive support and effort culminated in the equivalent of 4,983 working months through short-term jobs being created in the construction, solid waste, and environment sectors as well as 1,142 long-term jobs spread over the project's five components. The successful close of the SECIL project provided further opportunities to implement focalised projects this past year particularly focusing on economic infrastructure rehabilitation and developing the capacity of youth

In the vibrant Somali economy, markets play a pivotal role as hubs of economic and social activity. HRF has been leading the support in revitalizing markets in Mogadishu through building the capacity of the local administrations to efficiently provide support to the markets they are managing. Targeted support was provided to the local Market Department in the Banadir Regional Association through developing formalised policies and procedures that establish a clear foundation for how the Market Department conducts their daily operations. This support is fundamental in grounding the department's daily activities in a systematic way that allows for them to improve their operations. The development of an operational manual along with capacity development workshops training staff on the roles and responsibilities outlined were essential in guiding the process. Working in close collaboration with the Market Department, the support provided is part of an overarching framework that streamlines functions of the department emphasising operational efficiency. This is integral to the capacity of the local administration to deliver key services to market vendors who pay taxes to the municipality and ultimately, enhances the legitimacy of the local government to the communities they serve and HRF has been at the forefront of cultivating these essential institutional practices.

As Somalia regains its footing, inclusion of youth in development policies has come to the fore of the political agenda in Somalia. Representing nearly 70% of the population, youth are the single greatest resource in the nation but have often been placed on the fringes of society. Recognizing the potential of Somalia's youth as agents of change for economic growth and social development, the Joint UN-Federal Government of Somalia Youth Employment Programme was funded with program implementation commencing in 2015. The youth employment programme aims to expand employment opportunities for young Somalis by focusing on key areas of strengthening economic growth including labour-intensive creation and rehabilitation of infrastructure, vocational and enterprise training and value chain development. As an implementing partner of UN-Habitat in

## **Human Relief Foundation**

### **Report of the Trustees for the year ending 31 December 2015 (continued)**

this current project, HRF has played a significant role in firmly placing youth as beacons of light in their communities by empowering the Somali youth to challenge the normatively held claims that often see them as security threats within the society.

More concretely, this was achieved through; the establishment of a One Stop Youth Centre (OSYC) in the capital city of Mogadishu. The OSYC provides youth with a safe space for youth engagement while also promoting youth employment through vocational skills training targeting market driven sectors of the urban economy. Further support is provided to cultivating and growing youth business initiatives through business development support. Linking initiatives developed through this program to micro-financing opportunities only enhances the sustainability of the small business initiatives youth develop.

After two decades of civil war, it is vital to foster the identity of youth and to create a sense of belonging for the youth within society. Capacity building activities delivered by HRF has been essential to meeting this need enabling youth to be in a position to tackle the social, economic and political issues that affect them through direct engagement with the local and federal authorities. Urban Campaigns, a series of youth events that focus on understanding and developing recommendations on the City Youth Need in Somalia, have been held across major urban centres to not only cultivate the ideas and vision youth have for their cities but have also been significant to providing youth with the platform to share their needs globally.

HRF operations in Somalia continue to grow from strength to strength as we expand our activities and operations across various cities in Somalia including recently launched operations in Kismayo. Continuing to support the people of Somalia through the implementation of key development programs has placed HRF at the forefront of aiding in the rebuilding of the nation.

### **Pakistan**

The confluence of ongoing climate changes and concentration of marginal populations in vulnerable areas has been increasing demands for humanitarian response to natural disaster. Human Relief Foundation (HRF) and its Pakistan base provided emergency relief services following the devastating floods in 2015.

30 medical camps were established through HRF's Isakhel Hospital in Isakhel, Punjab; four medical camps were established in Union Councils of Kot Mithan and Marghai, Tehsil and District Rajanpur, Punjab; food packets were distributed to 200 flood affected families struggling with food security needs; clothes were distributed; 400 families benefitted from relief packages to the vulnerable in Isakhel, Mianwali, Punjab; and 35 hand pumps were installed for the flood-affected population in Rajanpur, Punjab.

HRF's Isakhel Hospital also underwent reconstruction and rehabilitation following the floods, rebuilding of boundary wall and operation theatre.

In 2015, the hospital entered its 6th year of operations, providing health services – primary and secondary services – to poverty and disaster struck communities on gratis or subsidised rates. Services offered to vulnerable patients include surgery, gynaecology, C-section surgeries, normal deliveries and eye care.

Food packets containing food essentials have provided communities living below the poverty line with vital food aid. Food packets were distributed to 141 Families in Tehsil, Isakhel, Mianwali, Punjab; to 50 families in Village Dhoong, Tehsil Gujar Khan, Rawalpindi, Punjab; and to 40 more families in Rawalpindi, Taxila and Islamabad.

During the Islamic holy month of Ramadan, cooked meals (iftar) were provided at six separate locations: Isakhel (Mianwali, Punjab), Chak 28 (Mandi Bahauddin, Punjab), Takht Bhai (Mardan, Khyber Pakhtunkhwa), Kot Mithan (Rajanpur, Punjab) and for students studying at International Islamic University Islamabad.

Under the Qurbani Project, meat packets were distributed among the poor, needy and disaster struck families. Approximately 2,445kgs of meat was distributed in Punjab, Khyber Pakhtunkhwa, Balochistan and Azad Jammu and Kashmir. Refugees from Afghanistan also benefited from this project.

## **Human Relief Foundation**

### **Report of the Trustees for the year ending 31 December 2015 (continued)**

Although no official statistics exist, according to rough estimates, millions are left as orphans in Pakistan. HRF's Orphan Sponsorship Program provides monthly stipends to orphans belonging to the vulnerable segment of the society in order to support the child for his/her basic amenities such as education, health, shelter, clothing and food. HRF's Pakistan office monitors and evaluates key indicators that help HRF determine personal and character development.

HRF envisions a world where children are free to live, grow and play in an environment free from poverty, conflict and obstacles. Under its Project Iqra, HRF has been able to help out of school children back to school in order to help Pakistan achieve UN MDG 2 – Universal Primary Education.

To tackle water poverty, HRF continues to install waterpumps in poverty struck and disaster struck areas in order to provide the residents and the displaced population accessibility towards clean drinking water in order to eradicate and/or reduce the incidence of waterborne diseases.

Throughout the year of 2015, HRF installed water waterpumps for flood affected communities in Isakhel and Kot Mithan. HRF also installed water filtration plants which continue to provide clean filtered drinking water to communities deprived of the facility and/or battling with various waterborne diseases.

HRF Pakistan has also provided small grants or interest-free loans to people belonging from the following income groups: abject poverty, living under the poverty line, vulnerable segment of the society and/or disaster struck. The grant/loan provides an economically unstable household the ability to generate an income.

### **Iraq**

Human Relief Foundation (HRF) ensures that its work in Disaster Response supports and strengthens the Sustainable Development Goals. It has been delivering vital emergency aid, including food packs and hygiene kits, to help those in need get the provision and help they seek.

The current refugee crisis has deeply affected the country of Iraq, and HRF has sought to provide emergency support to the most vulnerable refugees and internally displaced persons (IDPs).

In the floods of 2015, over 70,000 displaced people staying in more than 40 sites and camps, mostly in Baghdad and Anbar governorates were affected. HRF was able to reach out to 10,000 families with tents, blankets, beddings, heaters and medical supplies in Baghdad and surrounding areas.

During the battle for Tikrit and the subsequent liberation of Tikrit, many buildings and individual houses were damaged or destroyed.

Debris removal has been highlighted by the authorities as one of the main priorities which will allow people to return to Tikrit and everyday services to resume, including solid waste collection.

As a result, HRF has partnered with the United Nations Development Programme (UNDP) in a project called Cash For The Debris Removal in Tikrit, Iraq. The project was implemented to provide support for the safe return of displaced families through the rehabilitation of affected newly accessible areas.

Rendering the city of Tikrit safe is crucial for the swift recovery and rehabilitation of the city. Coupled with livelihood stabilisation and enterprise recovery, these are the building blocks in long-term recovery and the building of a strong local economy. It is also required to build social cohesion and minimise the impacts of the regional conflict as well as deterring extremism and sectarian-based violence.

Therefore, this project is not just about recovery and rehabilitation but also re-building the city fabric including the social dimensions required for a just and fair society.

Throughout the year, over 5,000 families benefitted from the distribution of food parcels, blankets and beddings in refugee camps in Baghdad and surrounding areas. HRF worked with multiple partners to achieve strengthened and effective implementation of the relief. An additional 60 IDPs were given air coolers in the Al-Khadra Camp in Baghdad.

## **Human Relief Foundation**

### **Report of the Trustees for the year ending 31 December 2015 (continued)**

HRF's Child Protection work strengthens and supports the Sustainable Development Goals, and programmes have been continued to improve the lives of orphaned children in Iraq. Through its Orphans Sponsorship Programme, 900 orphans have benefitted from financial stability and assistance, allowing them to live a brighter life. Orphans in Baghdad were also among 50 vulnerable beneficiaries who were given adequate healthcare.

During the Islamic holy month of Ramadan, HRF provided 1,500 families with meals (iftar), food baskets, as well as Eid gifts in Baghdad, Kut, Samara, Deyalah. An additional 200 orphans in Baghdad were provided with Eid gifts.

Under the Qurbani project, HRF provided over 5,500 hungry families with meat portions. These were distributed in Baghdad, Samara, Salah Eldeen, Tajee, Kut, Anbar, Erbil and Khanaqeen.

#### **Qurbani**

In 2015, Human Relief Foundation (HRF) distributed Qurbani meat to families living under the poverty line in countries across the world.

Working with partners, HRF implemented Qurbani in Afghanistan, Bangladesh, Burma, Djibouti, Ethiopia, Ghana, India, Iraq, Kashmir, Pakistan, Palestinian Territories, Somalia, Sri Lanka, and Syrian refugees in Jordan.

A total of 132 sheep and 212 cows were sacrificed as part of the Islamic holy festival, with meat being distributed to those most in need.

Approximately 13,750 families benefitted from the project, which continues to expand across the world every year.

#### **Waterpumps**

According to statistics, over 800 million people do not have access to clean drinking water. Human Relief Foundation (HRF) has been committed to providing communities with clean, safe water to drink, by installing waterpumps in Pakistan, Sri Lanka and Ghana.

In 2015, HRF continued to install waterpumps in the most needy communities and areas and villages which lack proper drinking water and sanitation facilities.

HRF provided clean drinking water to over 12,000 beneficiaries in 2015.

Estimates show that anywhere from about a quarter to a third of Pakistan's population lacks access to safe drinking water. HRF provided 52 waterpumps to communities living in needy communities in 2015. 8,000 people benefitted from clean safe drinking water.

In Sri Lanka, a large population does not have access to safe drinking water. In 2015, 11 waterpumps installed in Sri Lanka benefitted 1,500 people.

More than 80% of people in Ghana have access to safe water, but only 13% of people have access to improved sanitation. In 2015, 11 waterpumps provided water for over 3,000 individuals.

HRF continues to expand its work and is now also installing waterpumps in villages in India.

#### **Our volunteers**

The charity gratefully accepts the help of its 25 volunteers who help the charity to raise funds by working in its shops. Without the commitment of these individuals the contribution made by the sale of donated goods could not be achieved.

Volunteers undertake a variety of roles within retail fundraising including collecting donated goods, sorting and merchandising as well as staffing our 6 retail outlets. The time donated by volunteers amounts to the equivalent of 20 (2014: 20) full time equivalent staff.

# **Human Relief Foundation**

## **Financial review**

The Trustees are pleased with the financial performance of the Charitable Group for the year ended 31 December 2015.

The results on the Consolidated Statement of Financial Activities show an overall deficit of £385,836, compared to a surplus of £395,390 in the previous financial year. The current year deficit emphasises the Trustees intention to maximise charitable activities.

In 2014, the Charitable Group reported a loss on revaluation of the investment property of £175,000.

Voluntary income was largely comparable to the previous financial year, with the Charitable Group benefiting from receiving an increased number of donations from smaller donors. Consequently, the Trustees are pleased with the performance of fundraising activities. Grant income levels have increased following the increase in grant funded projects carried out by the Group.

The trading subsidiary company, Delta One Investments Limited, continues to sell donated goods and the Trustees are pleased with its contribution to the funding of the Charity.

The Trustees are satisfied that the Group's assets are available and adequate to fulfil its obligations for the foreseeable future.

Throughout the year, the Charitable Group suffered from restrictions imposed by financial institutions, resulting in difficulties in transferring funds to certain overseas countries. These restrictions contributed to the high level of year end creditors reported, as expenditure that would have been made in the year without these restrictions, has been accrued. The Trustees however are pleased to report that in 2016, these restrictions have been lifted and the Charitable Group has been able to transfer almost all of the accrued expenditure to its beneficiaries.

## **Reserves policy**

In assessing the appropriate level of reserves to be maintained by the Group, the Trustees take historic and forecast levels of income and expenditure and their volatility into account. This has resulted in a current policy of maintaining the level of free reserves in the range of 4 to 6 months forward expenditure. The Board reviews the policy on reserves annually.

The current level of funds held by the charity at the year-end amounted to £1,901,305 (2014 - £2,287,141) and included restricted funds of £43,126 (2014 - £131,592). After deducting restricted funds, the Group had free reserves of £1,167,494 (2014 - £1,461,774). This represents 3.1 months forward expenditure which is a decrease of 2.4 months compared to last year end.

## **Plans for future periods**

The Trustees hope to expand their humanitarian relief work and would like to increase the support of income generation and livelihood sustainability projects for beneficiaries. The Trustees also intend to expand the projects in Kenya and Ghana in the coming year and hope to increase the overall number of beneficiaries benefiting from our projects.

## Human Relief Foundation

### Report of the Trustees for the year ending 31 December 2015 (continued)

#### Reference and administrative Details

England and Wales Charity Number: 1126281  
Company Number: 06195282  
Scottish Charity Number : SC 038671  
Registered Office: 2 – 4 Claremont, Bradford, BD7 1BQ

#### Our advisors

Auditors	Garbutt & Elliott Audit Limited	Arabesque House, Monks Cross Drive, York, YO32 9GW
Bankers	HSBC Bank PLC	47 Market Street, Bradford, BD1 1LW
	National Westminster Bank PLC	699 Wilmslow Road, Manchester, M20 1YW
	Al Rayan Bank PLC	44 Hans Crescent, Knightsbridge, London, SW1X 0LZ
Solicitors	Fieldings Porter Solicitors	Silverwell House, Bolton, BL1 1PT

#### Structure, Governance and Management

The Directors of the Charitable Company are its Trustees for the purposes of charity law. The Trustees and Officers serving during the year and since the year end were as follows:

Dr Haytham Al-Khaffaf (Chairman)  
Dr Haitham Al-Rawi  
Dr Nooh Al-Kaddo (Resigned 10 October 2015)  
Mr Wael Musabbeh  
Mr Mohammed Rahman

Company Secretary - Mr Kasim Tokan

The Senior Management Team takes day to day responsibility for operational management of the Charity. During the year the Senior Management Team comprised the following key individuals:

Dr Nabeel Ramadhani – Chief Executive Officer/President  
Mr Kassim Tokan - Deputy Chief Executive Officer  
Mr Mohammed Rahman – Finance and Compliance Manager

#### Constitution

Human Relief Foundation is a company limited by guarantee, governed by its articles of association which have not been amended since incorporation on 30 March 2007. The liability of members is limited to £1 per member.

The Charity registered with the Charity Commission on 14 October 2008 after receiving a gift in kind upon the dissolution of its predecessor charity also named Human Relief Foundation. If upon winding up or dissolution of the Charity there remain any assets, after satisfying all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having objects similar to the Charity.

## **Human Relief Foundation**

### **Report of the Trustees for the year ending 31 December 2015 (continued)**

The Charity has a trading subsidiary, Delta One Investments Limited, a company limited by shares, registered company number 07461733.

#### **Appointment of trustees**

The Board of Trustees consists of local people that collectively have the skills, expertise and experience to ensure that the Charity is managed effectively.

Where a vacancy arises a new trustee is appointed only by the passing of a resolution of the Board of Trustees.

#### **Trustee induction and training**

Trustees are inducted by the Board approving their applications, having regard to their potential contribution towards the Charity's objectives and the need for a broad range of experience amongst Trustees. Once appointed, new Trustees are briefed and given a training handbook. In some cases it may be mutually agreed that a formal course will be beneficial; the Charity will arrange formal tuition with NCVO or other provider as appropriate.

#### **Organisation**

The Board of Trustees administers the Group. The Board normally meets 4 times per year. The Board of Trustees cover matters pertaining to finance, investment, governance, human resources, fundraising, public relations and retail.

The Board of Trustees includes a range of individuals with the appropriate knowledge and experience, external advisors may be engaged, be they paid or voluntary, where the Board deem it necessary to support them in their role.

A President and Senior Management Team are appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations the President and the Senior Management Team under the direction of the President have delegated authority for operational matters.

#### **Related parties and co-operation with other organisations**

None of our Trustees receive remuneration or other benefit from their work with the Group. Any connection between a Trustee or member of the Senior Management Team, a supplier, funder, supporter, organisation working collaboratively with or beneficiary of the Group must be disclosed to the Board of Trustees in the same way as any other contractual relationship with a related party.

The work of the Group is internationally recognised and in April 2003 Special Consultative Status with the Economic and Social Council of the United Nations was granted. HRF is a signatory of the Code of Conduct for the International Red Cross and Red Crescent Societies and has a partnership agreement with the European Commission Humanitarian Aid (ECHO). It is also a member of the British Overseas National Development Forum (BOND).

The Charity's wholly-owned subsidiary company, Delta One Investments Limited, trades on the Charity's behalf to generate income from the sale of donated goods in its charity shops.

#### **Pay policy for senior staff**

The pay of the President and Senior Management Team is reviewed annually and is normally increased in line with inflation and comparable roles within the sector.

## **Human Relief Foundation**

### **Report of the Trustees for the year ending 31 December 2015 (continued)**

#### **Principal risks and uncertainties**

The Trustees have identified resources and established review systems to manage organisational risk.

The Trustees maintain a risk register of the risks faced by the Charity and its subsidiary that is reviewed at least annually. The risk register records the risks that may arise in each area of the Charity's operations, along with the policies, systems and procedures in place to mitigate them. Risks are identified, assessed, and scored according to their likelihood and impact. Appropriate steps are then taken to mitigate them in day to day operations.

The principal risks and uncertainties faced by the Group at the time of writing are as follows:

- Increase in competition where a growing number of charities are seeking funds from the same donors.
- Foreign exchange risk.
- Safeguarding assets against unauthorised use.
- Compliance requirements with relevant laws and regulations.
- The continued ability to transfer funds to certain jurisdictions.

#### **Statement as to disclosure to our auditors**

In so far as the Trustees are aware at the time of approving our trustees' annual report:

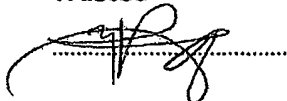
- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Auditors**

The auditors, Garbutt & Elliott Audit Limited, are deemed to be re-appointed annually under section 487(2) of the Companies Act 2006.

The Trustees' Report was approved by the Board of Trustees and signed on its behalf by:

Mr Mohammed Rahman  
Trustee



18 September 2016

## **Human Relief Foundation**

### **Trustees' responsibilities in relation to the financial statements**

The Group's Trustees are responsible for preparing a Trustees' Annual Report and Financial Statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Company law requires the Group Trustees to prepare financial statements for each year which 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 the income and expenditure, of the charitable group for that period. In preparing the financial statements; the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information, and to establish that the Group's auditors were aware of that information, and as far as each of the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Human Relief Foundation**

### **Independent Auditors' Report to the Members of Human Relief Foundation**

We have audited the group and parent charitable company financial statements of Human Relief Foundation for the year ended 31 December 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its Trustees as a body, 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 in the Trustees Report, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

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

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

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

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

## Human Relief Foundation

### Independent Auditors' Report to the Members of Human Relief Foundation (continued)

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

*Garbutt & Elliott Audit Ltd.*

**Alan Sidebottom**  
**Senior Statutory Auditor**

**For and on behalf of Garbutt & Elliott Audit Limited**  
**Statutory Auditor**

*23.9.16.*

Arabesque House  
Monks Cross Drive  
York  
YO32 9GW

## Human Relief Foundation

### Consolidated Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) for the year ended 31 December 2015

	Notes	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
<b>Income</b>					
<b>Donations</b>					
Donations and grants	3	1,110,945	2,082,500	3,193,445	3,236,722
<b>Other trading activities</b>					
Retail income from subsidiary		384,413	-	384,413	385,204
<b>Income from investments</b>	3	218	-	218	91
<b>Income from charitable activities</b>					
Grants receivable	3	-	504,210	504,210	216,807
Other income		7,355	-	7,355	-
<b>Total income</b>		1,502,931	2,586,710	4,089,641	3,838,824
<b>Expenditure</b>					
Expenditure on raising funds	4	952,816	-	952,816	719,818
Expenditure on charitable activities	4	847,300	2,675,176	3,522,476	2,562,412
<b>Total expenditure</b>		1,800,116	2,675,176	4,475,292	3,282,230
<b>Net (expenditure)/income before other recognised gains and losses</b>	5	(297,185)	(88,466)	(385,651)	556,594
<b>Other recognised losses</b>					
Losses on revaluation of investment property	8	-	-	-	(175,000)
<b>Net income before taxation</b>		(297,185)	(88,466)	(385,651)	381,594
Taxation (charge)/credit	7	(185)	-	(185)	13,796
<b>Net movement in funds</b>		(297,370)	(88,466)	(385,836)	395,390
Total funds brought forward at 1 January 2015		2,155,549	131,592	2,287,141	1,891,751
<b>Total funds carried forward at 31 December 2015</b>	<b>13, 14</b>	1,858,179	43,126	1,901,305	2,287,141

The Statement of Financial Activities includes all gains and losses recognised in the year.

The results for the year all relate to continuing operations.

A fully detailed Statement of Financial Activities for the year ending 31 December 2014 is shown in note 21.

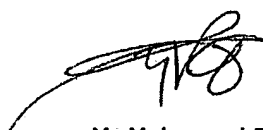
# Human Relief Foundation

## Balance Sheets as at 31 December 2015

	Notes	Group		Charity	
		2015	2014	2015	2014
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8	565,685	568,775	552,371	549,847
Investment properties	9	125,000	125,000	125,000	125,000
Investments	9	-	-	1	1
		690,685	693,775	677,372	674,848
<b>Current assets</b>					
Debtors	10	542,898	361,119	582,013	395,255
Cash at bank and in hand		2,010,790	1,452,486	1,976,159	1,435,361
		2,553,688	1,813,605	2,558,172	1,830,616
<b>Creditors: Amounts falling due within one year</b>	11	(1,343,068)	(220,239)	(1,334,257)	(218,341)
<b>Net current assets</b>		1,210,620	1,593,366	1,223,915	1,612,275
<b>Total assets less current liabilities</b>		<b>1,901,305</b>	<b>2,287,141</b>	<b>1,901,287</b>	<b>2,287,123</b>
<b>Reserves</b>					
Unrestricted funds		1,858,179	2,155,549	1,858,161	2,155,531
Restricted funds	13	43,126	131,592	43,126	131,592
<b>Total funds</b>	14	<b>1,901,305</b>	<b>2,287,141</b>	<b>1,901,287</b>	<b>2,287,123</b>

The notes on pages 17-32 form part of these financial statements.

The financial statements were approved by the board on 18th September 2016 and signed on their behalf by:



Mr Mohammed Rahman  
Trustee

Company registration number: 06195282

## Human Relief Foundation

### Consolidated Statement of Cash Flows for the year ending 31 December 2015

	Notes	2015 £	2014 £
<b>Cash flows from operating activities</b>			
Cash generated from operating activities	20	568,248	458,015
Income taxes paid/(refunded)		-	13,796
<b>Net cash inflow from operating activities</b>		<b>568,248</b>	<b>471,811</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(10,162)	(11,967)
Bank interest received		218	91
<b>Net cash used in investing activities</b>		<b>(9,944)</b>	<b>(11,876)</b>
Increase in cash and cash equivalents in the year		558,304	459,935
Cash and cash equivalents at the beginning of the year		1,452,486	992,551
<b>Total cash and cash equivalents at the end of the year</b>		<b>2,010,790</b>	<b>1,452,486</b>
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		2,010,790	1,452,486

# Human Relief Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2015

### 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### Company information

The Charity is limited by guarantee, with the liability of members limited to £1 per member. The charity is registered in England and Wales with the Charity Commission and in Scotland with the Scottish Charity Regulator. The registered office is 2-4 Claremont, Bradford, BD7 1BQ.

If upon winding up or dissolution of the charity there remain any assets, after satisfying all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having objectives similar to the Charity.

### 1.1 Accounting convention

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) ("Charities SORP (FRS102)"), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Human Relief Foundation meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS102 as follows:

- Exemption from disclosing the carrying amounts of each category of financial assets and financial liabilities at the reporting date as required by section 11.41 of FRS 102.
- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

### 1.2 Reconciliation with previous Generally Accepted Accounting Practice

These Financial Statements for the year ended 31 December 2015 are the first financial statements prepared in accordance with FRS102 and the Charities SORP (FRS102). The date of transition was 1 January 2014.

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS102 and Charities SORP (FRS102) the restatement of comparative items was required.

At the date of transition the Trustees have reviewed carefully the requirements of FRS102 and Charities SORP (FRS102) and are of the opinion that no restatements were required on the basis that there are no material differences in valuation and recognition criteria which apply to the activities of Human Relief Foundation.

The Trustees have however fully applied the disclosure requirements of both FRS102 and Charities SORP (FRS102) and restated the comparative disclosure accordingly:

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 1.3 Going concern

The Trustees have at the time of approving the financial statements a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. In addition, the Trustees have no intention to wind the company up in the foreseeable future. It is considered that there are currently no material uncertainties which impact on the charity being able to continue in its current form. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Basis of consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Delta One Investments Limited, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The amount of the surplus for the year dealt with within the charity's Financial Statements is disclosed in note 18.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary company. The results of the subsidiary are consolidated on a line by line basis.

#### 1.5 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attaching to the item(s) have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. Where grant income has been received, but the charity has not matched the conditions to become entitled to the income, an income deferral is made.

#### Donated goods and services

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from use of the item is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102), the value of volunteer time is not recognised in the financial statements.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is recognised in expenditure in the period of receipt.

Income from goods donated for sale in the charity's shops is recognised at the point of sale. As a result of the high volume of low value donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the accounts.

#### Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of interest paid or payable by the Bank.

Rents from investment properties are included when they are receivable by the charity.

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 1.5 Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for a particular purpose. Where no on-going restriction remains and all original conditions and restrictions have been met in relation to the original grant or donation, funds are transferred to general funds. The purpose and use of the restricted funds is set out in note 13.

#### 1.6 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been apportioned on a basis consistent with the use of the resources.

The cost of raising funds includes fundraising event costs, direct campaigns, general information and public relation costs and their associated support costs.

Expenditure on charitable activities relates to grants awarded and associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which expenditure was incurred.

##### Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, finance, human resources, information systems and governance costs which support the services providing care to patients and families.

These costs have been allocated between the costs of raising funds and expenditure on charitable activities on the basis set out in note 4.

#### 1.7 Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the term of the lease.

#### 1.8 Staff costs

The costs of short term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

Employee severance pay is recognised within the accounts, on an accruals basis, in the year in which the employee left the organisation.

#### 1.9 Investments

Investment properties are included in the balance sheet at their open market value. Depreciation is not provided on investment properties. Although this accounting policy is in accordance with the Charities SORP (FRS 102) it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the Trustees, compliance with the standard is necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 1.10 Tangible fixed assets

Fixed assets are included on a historical cost basis. It is a policy of the trustees that individual items with a cost below £500 are not capitalised.

Depreciation is provided at the following rates and bases to write off the cost of tangible fixed assets over their estimated useful lives by annual instalments, with a full year's charge in the acquisition year and no charge in the year of disposal:

Fixtures and fittings	20% straight line
Motor vehicles	20% reducing balance
Computer equipment	25% straight line

No depreciation is provided on freehold land. Additionally, no depreciation is provided on freehold buildings currently held by the Charity as their residual values are considered to approximate to or exceed cost.

#### 1.11 Stock

It is impractical to estimate the fair value of goods donated for sale in the charity's shops due to the high volume of these items and to include it on the balance sheet. The value of these goods to the charity is instead recognised when they are sold in the shops.

#### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

##### Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

##### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset. Impairment losses are recognised in the income and expenditure account.

##### Creditors, loans and provisions

Creditors, loans and provisions are recognised where the group 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, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 1.13 Taxation

Human Relief Foundation is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

The trading subsidiary is liable to corporation tax on their chargeable profits. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

#### 1.14 Foreign currency

The Charity undertakes transactions in foreign currencies. Exchange gains and losses arising due to translation into sterling are recognised by applying an average rate of exchange for the year and year end rate for assets and liabilities.

#### 2. Critical accounting estimates and judgements

In the application of the group's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

##### Critical estimates and judgements

###### Valuation of investment property

It is a requirement of FRS 102 that investment properties are held at fair value. To adhere to this policy, the charity obtained an independent professional valuation in June 2015 which valued the property at its current market value. The loss on this revaluation was recognised in the Statement of Financial Activities. When the Trustees believe there has been a material change in the property's fair value, a further revaluation will be performed.

###### Non depreciation of freehold buildings

Accounting standards state that assets with a finite life, are depreciated over the expected useful life of the asset. The directors have however opted not to depreciate freehold buildings on the belief that the current fair value of the building exceeds the net book value of the building.

###### Allocation of support costs

Support costs are allocated between the various activities of the charity based on an estimate by management of time spent by employees on each activity. Some employees have roles which support more than one activity. The allocation of these costs are considered to be critical to the accounts because they have the ability to materially alter the allocation of costs between expenditure on raising funds and expenditure on charitable activities.

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 3. Income

	Unrestricted income £	Restricted income £	2015 Total £	2014 Total £
<b><i>Donations and non-performance grants</i></b>				
Qatar Charity	-	624,305	624,305	594,364
NAMA	-	176,931	176,931	527,038
Al Eslah Society	-	20,943	20,943	91,475
Sharjah Charitable House	-	41,994	41,994	63,220
Islamic Development Bank	-	113,991	113,991	47,564
Sahara Hands	-	-	-	39,000
Islamic Help	-	-	-	38,804
Donations from individuals and charitable organisations	890,062	1,104,336	1,994,398	1,718,902
Gift Aid on donations from individuals	180,352	-	180,352	74,086
Google advertising – gift in kind	25,531	-	25,531	27,269
Property rental – gift in kind	15,000	-	15,000	15,000
	1,110,945	2,082,500	3,193,445	3,236,722
<b><i>Income from investments</i></b>				
Bank deposit interest	218	-	218	91
<b><i>Income from charitable activities</i></b>				
Performance related grants receivable:				
UN Habitat – waste management	-	102,051	102,051	204,810
UN Habitat – capacity building for economic management	-	84,069	84,069	-
UNDP – cash for work for Tikrit, Al Door and Mekeshefah	-	305,228	305,228	-
CSPPI EU project	-	-	-	12,862
National Endowment for Democracy	-	-	-	11,997
	-	504,210	504,210	216,807

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 4. Analysis of expenditure

	Direct costs £	Allocated costs £	Total 2015 £	Total 2014 £
<b><i>Expenditure on raising funds:</i></b>				
Donations campaign	21,404	149,342	170,746	134,211
Donations - Fundraising activities	161,942	323,572	485,514	204,442
Shops - retail	246,775	49,781	296,556	381,165
	430,121	522,695	952,816	719,818
<b><i>Expenditure on charitable activities:</i></b>				
Health, education and skills development	677,073	99,561	776,634	433,567
Widows and orphans support	1,203,281	136,896	1,340,177	1,241,501
Qurbani	57,952	99,561	157,513	157,507
Emergency and natural disasters	372,263	298,683	670,946	157,605
Sadaqa and Zakat	-	-	-	52,660
Grant funded programmes	490,090	87,116	577,206	316,526
Donations given	-	-	-	203,046
	2,800,659	721,817	3,522,476	2,562,412
<b>Total expenditure</b>	<b>3,230,780</b>	<b>1,244,512</b>	<b>4,475,292</b>	<b>3,282,230</b>

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 4. Analysis of expenditure (continued)

##### Support costs

Support costs in the current year have been allocated based on an estimate, by management, of time spent by employees contributing to each activity. In the previous year, support costs were allocated to each activity on a pro-rata basis of direct costs incurred on that activity. The change in method adopted is considered to be a fairer reflection of how costs are incurred, however it has contributed to some of the variances reported. Support costs have been allocated as follows:

	Employment costs £	Premises costs £	Administration costs £	Total 2015 £	Total 2014 £
Donations campaign	71,078	9,631	68,633	149,342	39,938
Donations - Fundraising activities	154,002	20,867	148,703	323,572	60,837
Shops	23,693	3,210	22,878	49,781	113,424
Health, education and skills development	47,385	6,421	45,755	99,561	129,018
Widows and orphans support	65,155	8,828	62,913	136,896	369,437
Qurbani	47,385	6,421	45,755	99,561	46,870
Emergency and natural disasters	142,156	19,261	137,265	298,682	46,899
Sadaqa and Zakat	-	-	-	-	15,670
Grant funded programmes	41,462	5,618	40,037	87,117	94,190
Donations made	-	-	-	-	60,421
	592,316	80,257	571,939	1,244,512	976,704

#### 5. Net (expenditure)/income for the year

Net (expenditure)/income for the year is stated after charging:

	2015 £	2014 £
Depreciation of owned assets	13,252	11,810
Foreign exchange (gain)/loss	(11,361)	6,053
Auditors' remuneration:		
For the audit of the annual accounts (company - £5,500)	6,900	6,500
For the provision of other services	4,080	4,500
Rentals under operating leases	61,699	150,885

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 6. Information regarding trustees and employees

	2015 £	2014 £
<b>Staff costs comprise</b>		
Wages and salaries	639,899	594,285
Social security costs	44,141	36,491
<b>Total employment costs</b>	<b>684,040</b>	<b>630,776</b>

During the year, the Charity employed an average of 41 staff (2014 - 38).

The Trustees received no remuneration or benefits during either year. 4 trustees (2014 - 5) received a total of £481 (2014 - £328) in respect of out of pocket expenses incurred during the year.

No employee earned over £60,000 in the year (2014 - nil).

During the year the brother of Mr M Rahman, a Trustee, was employed by the Charity on a full time basis as the Finance and Compliance Manager. The employee, Mr M Rahman, received gross remuneration of £24,176 (2014 - £24,000) during the year.

The key management personnel of the charity (and group) comprise the trustees and the senior management team. The total employee benefits of the key management personnel employed by the charity (and group), which encompasses 3 individuals, were £86,961 (2014 - £85,000).

#### 7. Taxation

In respect of Delta One Investments Limited only:

	2015 £	2014 £
UK Corporation tax	185	-
Adjustment for prior years	-	(13,796)
<b>Total current tax</b>	<b>185</b>	<b>(13,796)</b>

The charitable activities of Human Relief Foundation are exempt from taxation under Chapter 3 of part 11 of the Corporation Tax Act 2010.

The charge for the year can be reconciled to the profit per the profit and loss account in Delta One accounts as follows:

	2015 £	2014 £
Expected tax charge based on the standard rate of corporation tax in the UK of 20% (2014 - 20%)	37	969
Capital allowances in excess of depreciation charged	758	(1,177)
Losses carried forward/(used in the year)	(610)	208
Adjustment for prior years	-	(13,796)
<b>Tax expense/(income) for the year</b>	<b>185</b>	<b>(13,796)</b>

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 8. Fixed assets

Group	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
1 January 2015	534,519	49,036	8,993	31,714	624,262
Additions	-	8,735	-	1,427	10,162
31 December 2015	534,519	57,771	8,993	33,141	634,424
<b>Depreciation</b>					
1 January 2015	-	25,674	7,220	22,593	55,487
Charge for the year	-	8,098	355	4,799	13,252
31 December 2015	-	33,772	7,575	27,392	68,739
<b>Net book value</b>					
31 December 2015	534,519	23,999	1,418	5,749	565,685
31 December 2014	534,519	23,362	1,773	9,121	568,775

Freehold land and buildings are not depreciated as disclosed in note 1 to the accounts.

Charity	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
1 January 2015	534,519	15,776	8,993	31,714	591,002
Additions	-	8,735	-	1,427	10,162
31 December 2015	534,519	24,511	8,993	33,141	601,164
<b>Depreciation</b>					
1 January 2015	-	11,342	7,220	22,593	41,155
Charge for the year	-	2,484	355	4,799	7,638
31 December 2015	-	13,826	7,575	27,392	48,793
<b>Net book value</b>					
31 December 2015	534,519	10,685	1,418	5,749	552,371
31 December 2014	534,519	4,434	1,773	9,121	549,847

All tangible assets were used for charitable purposes.

Freehold land and buildings are not depreciated as disclosed in note 1 to the accounts.

# Human Relief Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

### 9. Investments

#### The Charity and the Group

	2015 £	2014 £
<b>UK Investment Property</b>		
Value at 1 January 2015	125,000	-
Transfer from Fixed Assets	-	300,000
Revaluation	-	(175,000)
Market Value at 31 December 2015	125,000	125,000

In 2014, a transfer was made between fixed assets and investment properties in respect of a property to reflect a change in use. The property has an original cost of £300,000 and was independently valued by A J Idle MRICS of Andrew Idle Commercial Property Limited on 10 June 2015 on the basis of open market value. The Trustees believe that the valuation still materially represents fair value at the balance sheet date.

#### Charity

	2015 £	2014 £
<b>Shares in subsidiary undertaking</b>		
Delta One Investments Limited	1	1

The Charity owns 100% of the ordinary share capital of Delta One Investments Limited, a company registered in England and Wales. Delta One Investments Limited's principal activity is the sale of donated goods.

The income and expenditure of Delta One Investments Limited, which have been included in these consolidated accounts, for the year ended 31 December 2015 is summarised below:

	2015 £	2014 £
Turnover – sale of donated goods	383,156	385,204
Administrative expenses	(246,775)	(267,741)
Profit on ordinary activities for the financial year	136,381	117,463
Gift aid payment to Human Relief Foundation	(136,196)	(112,616)
Profit on ordinary activities before taxation	185	4,847
Tax on profit on ordinary activities	(185)	13,796
Profit retained for the financial year	-	18,643

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 9. Investments (continued)

The aggregate of the assets, liabilities and funds was:

	2015 £	2014 £
Assets	54,292	46,941
Liabilities	(54,273)	(46,922)
	19	19
Represented by:		
Called up share capital	1	1
Profit and loss account	18	18
	19	19

#### 10. Debtors

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	184,969	4,799	184,969	4,799
Amount owed by subsidiary	-	-	45,462	45,024
Prepayments	28,141	68,573	21,794	59,785
Accrued income	319,400	269,083	319,400	269,083
Other debtors	10,388	18,664	10,388	16,564
	542,898	361,119	582,013	395,255

At the balance sheet date, the amount owed by Delta One Investments Limited was interest free and had no fixed date for repayment.

#### 11. Creditors – Amounts falling due within one year

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Trade creditors	25,844	37,070	23,062	37,070
Taxes & social security costs	14,640	505	11,396	-
Corporation tax	185	-	-	-
Accruals and grant commitments	1,281,525	182,664	1,278,925	181,271
Deferred income	20,874	-	20,874	-
	1,343,068	220,239	1,334,257	218,341

#### 12. Financial instruments

	2015 £	2014 £
<b>Carrying value of financial assets</b>		
Financial assets carried at amortised cost	2,525,547	1,742,932
<b>Carrying value of financial liabilities</b>		
Financial liabilities carried at amortised cost	1,328,243	219,734

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 13. Movements in restricted funds

##### The Charity and the Group

	1 January 2015 £	Income £	Expenditure £	31 December 2015 £
Health, education and skills development	-	527,661	(527,661)	-
Widow and orphan support	-	940,167	(940,167)	-
Qurbani	-	32,192	(32,192)	-
Emergency appeals	131,592	582,480	(670,946)	43,126
UN Habitat – waste management	-	102,051	(102,051)	-
UN Habitat – capacity building for economic management	-	84,069	(84,069)	-
UNDP – cash for work for Tikrit, Al Door and Mekeshefah	-	305,228	(305,228)	-
CSPPI EU project	-	12,862	(12,862)	-
	131,592	2,586,710	(2,675,176)	43,126

Restricted funds as at 31 December 2015 consist of unspent restricted grants and donations.

Fund	Nature and application
Health, education and skills development	This fund provides support to beneficiaries in health care such as immunisations. It also provides beneficiaries with sponsorship in educational and skills courses to help them become self-reliant.
Widow and orphan support	This fund provides orphans and vulnerable families with food, water, shelter, education and accommodation.
Qurbani	This fund facilitates the requirements of the donors where it is obligatory to perform Qurbani. The beneficiaries of this fund are in the poorer countries who will benefit the most.
Emergency appeals	This is intended to aid those beneficiaries who urgently require assistance such as victims of earthquakes, internally displaced people as a result of conflict etc.
UN Habitat – waste management	This fund is provided by UN Habitat and is to support the solid and liquid waste management activities in Somalia. Activities include assessments, providing technical assistance and capacity building to ongoing interventions as well as outlining approaches and strategies for future engagement.
UN Habitat – capacity building for economic management	Working in partnership with UN-Habitat to support the development of key sectors of the urban economy, in particular on economic infrastructure rehabilitation as well as working on developing the capacity of youth.
UNDP – cash for work for Tikrit, Al Door and Mekeshefah	Partnering with the UNDP, this project will provide support for the safe return of displaced families through the rehabilitation of affected newly accessible areas whilst improving the local economy at the same time.

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 14. Analysis of assets and liabilities between funds

Group	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	565,685	-	565,685
Investments	125,000	-	125,000
Current assets	1,273,754	1,279,934	2,553,688
Current liabilities	(106,260)	(1,236,808)	(1,343,068)
Total net assets	1,858,179	43,126	1,901,305

Charity	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	552,371	-	552,371
Investments	125,001	-	125,001
Current assets	1,278,238	1,279,934	2,558,172
Current liabilities	(97,449)	(1,236,808)	(1,334,257)
Total net assets	1,858,161	43,126	1,901,287

Throughout the year, both the Group and the Charity have been unable to transmit funds into Iraq due to restrictions placed on such transfers by the banks and other financial institutions. This has resulted in high levels of expenditure relating to committed funds, being accrued at the year end. After the year end, the Group and the Charity have been able to make these transfers, and almost all accrued expenditure has been transferred and paid to beneficiaries.

#### 15. Operating commitments

At 31 December 2015, the charity and the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:-

	The Charity and the Group	
	2015 £	2014 £
Due within 1 year	39,833	62,848
Due between 2 and 5 years	16,500	56,333
	56,333	119,181

#### 16. Post balance sheet events

There are no post balance sheet events to report.

#### 17. Capital commitments

At 31 December 2015, the charity and group had no (2014 - £nil) capital commitments.

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 18. Charity results

No separate Statement of Financial Activities or Income and Expenditure Account have been reported for the Charity alone as permitted by section 408 of the Companies Act and Paragraph 397 of Charities SORP (FRS102). The income of the Charity for the year was £3,843,938 (including a Gift Aid Donation from the subsidiary). Expenditure and other recognised losses amounted to £4,229,774. The net decrease in funds was £385,836.

#### 19. Related party transactions

##### The Charity and the Group

During the year, a gift in kind was made by Mr N Ramadhani, an employee and the President of Human Relief Foundation, for the rent free use of a property occupied by Human Relief Foundation. The gift has been recognised at a market value of £15,000 per annum (2014 - £15,000).

##### The Charity

The charity has taken advantage of the exemptions conferred by section 33.1A of FRS 102 which permit it to not present details of its transactions with members of the group headed by Human Relief Foundation where relevant group companies are all wholly owned. Details of outstanding balances as at the year end are given in notes 10 and 11.

#### 20. Reconciliation of net movement in funds to net cash flow from operating activities

	2015 £	2014 £
Net movement in funds	(385,836)	395,390
Adjustments for:		
Depreciation charges	13,252	11,810
Interest received	(218)	(91)
Tax paid/(received)	-	(13,796)
Losses on revaluation of investment property	-	175,000
Decrease/(increase) in debtors	(181,779)	(266,880)
Increase/(decrease) in creditors	1,122,829	156,582
Net cash provided by/(used in) operating activities	568,248	458,015

## Human Relief Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2015 (continued)

#### 21. Comparative Statement of Financial Activities (Including Income and Expenditure Account) for the year ending 31 December 2014

	Unrestricted funds £	Restricted funds £	2014 Total £
<b>Income</b>			
<b>Donations</b>			
Donations and grants	1,964,284	1,272,438	3,236,722
<b>Other trading activities</b>			
Retail income from subsidiary	385,204	-	385,204
<b>Income from investments</b>	91	-	91
<b>Income from charitable activities</b>			
Grants receivable	-	216,807	216,807
<b>Total income</b>	<b>2,349,579</b>	<b>1,489,245</b>	<b>3,838,824</b>
<b>Expenditure</b>			
Expenditure on raising funds	719,818	-	719,818
Expenditure on charitable activities	1,204,759	1,357,653	2,562,412
<b>Total expenditure</b>	<b>1,924,577</b>	<b>1,357,653</b>	<b>3,282,230</b>
<b>Net income/(expenditure) before other recognised gains and losses</b>	<b>425,002</b>	<b>131,592</b>	<b>556,594</b>
<b>Other recognised losses</b>			
Losses on revaluation of investment property	(175,000)	-	(175,000)
<b>Net income before taxation</b>	<b>250,002</b>	<b>131,592</b>	<b>381,594</b>
Taxation credit/(charge)	13,796	-	13,796
<b>Net movement in funds</b>	<b>263,798</b>	<b>131,592</b>	<b>395,390</b>
Total funds brought forward at 1 January 2014	1,891,751	-	1,891,751
<b>Total funds carried forward at 31 December 2014</b>	<b>2,155,549</b>	<b>131,592</b>	<b>2,287,141</b>