



International Humanitarian Relief

Annual Report & Financial Statements **for the Year Ended 31 December 2022**

Registered Charity Number: 1162572

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Introduction

The board of trustees are highly satisfied with the commendable efforts and overall performance of IHR in meeting its charitable objectives.

The Board of Trustees acknowledges the charity sector has encountered unprecedented challenges in these times and applauds all members of IHR for continuously showing unfaltering endeavours to help alleviate suffering.

The combination of several factors resulted in the Annual Report being completed late. Most significant of these were personal bereavements experienced by Trustees and volunteers, which resulted in a significant turnover of volunteers upon whom the charity relies for smooth operation. With the easing of covid travel restrictions in the UK, trustees felt, it was necessary to visit several projects abroad before finalising the Annual report. Additionally with the easing of covid restrictions, many professionals whose services we rely upon were undated with prior commitments and were only able to provide a reduced service.

The Board of Trustees would like to extend sincere thanks to its valued members, volunteers and donors for their ongoing dedication and hope to grow as a charitable entity adding value and enhancing the lives of individuals and communities.

International Humanitarian Relief (IHR) Board of Trustees present their annual report incorporating an overview of the organization's activities, achievements and financial statements for the year ended December 2021

Legal and Administrative Information

Charity Name International Humanitarian Relief.

Charity Number 1162572

Registration Date 8 July 2015

Registered Office and
Operational Address Legacy House
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Accountants Virtus Financial Services
Chartered Certified Accountants
Virtus-Financial.Co.Uk

Bankers Barclays Bank,
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Structure, Governance and Management

Formed as a charitable incorporated organization in July 2015, IHR operates per the principles of its trust deed, wherein management of the charity is the incumbent duty of the appointed trustees. There are no restrictions in the governing document on the operation of the charity or on its investment powers, other than those imposed by charity law.

The voting members of the charity are solely its acting trustees, who are appointed on the premise of adding value through guidance, skills and networks. The Authority of commissioning any new trustees is reserved for the board and done so in accordance with the organization's needs.

Newly instated trustees must undergo formal induction and training relevant to the role. All members are invited to attend conferences during which vital information is received, and conveyed and key decisions concerning IHR's finances are decreed.

IHR also recruits a range of credible staff/volunteers dedicated to the growth of the charity upon a voluntary basis. Staff are encouraged and supported to assist in the developmental growth of the charity.

Governance

All trustees take an active role in overseeing the charity to ensure trustees critically and objectively review all proposals and discuss proposals before decisions are made. The trustees are taking steps to ensure the charity is well-governed and run effectively, with the appropriate knowledge and experience. The trustees take advice from and are supported by external advisors as required. All new proposals are first discussed by the trustees. The only operational decisions that are delegated to staff, relate to elements such as initiating fundraising and publicity for cyclic campaigns like Ramadan and Qurbani campaigns since these are rolling programs which trustees approve on a multiyear basis.

Recruitment and Appointment of Trustees

IHR will consider the recruitment of additional trustees as appropriate to manage the charity. The process involves determining the optimum skills, knowledge and experience mix for the current operational climate and needs, identifying potential members, and promoting and explaining the activities of the Board to potential members. Quality, characteristics and qualifications are decided upon when selecting members of the Board of Trustees. All potential new trustees are invited to volunteer with the charity, before being formally asked to consider joining the charity.

Induction and Training of Trustees

The founding trustees have received the necessary training and advice. Any new trustees will receive a training pack and a one to one session with a governance expert on appointment. The induction of new Trustees would include an explanation of the function of the Board of Trustees and appointing a mentor for the new member to the Board of Trustees. An overview of the organization and its activities is provided. On-going appropriate training is recommended.

Relationships between the Charity and Related Parties:

There is no provision in the governing document that entitles an external body to appoint any charity trustees. IHR does not have any corporate trustees and IHR does not have any subsidiary organisations. IHR is not part of a larger umbrella group of charities, that would impact on the operating policies adopted by the charity.

The contribution of volunteers:

IHR has been dependent on volunteer support in order to establish IHR and set the foundations for its future success. We have volunteers who are involved in our activities who willingly give their time freely. The Trustees would like to thank all those who have volunteered their time to IHR.

IHR has a social media policy that describes the rules governing use IHR branding on social media. IHR sets out how staff, volunteers must behave when using the charity's social media accounts. It also explains the rules about using personal social media accounts at work and describes what staff may say about the charity on their personal accounts.

Partners in Delivering Aid

In recognition of the fact, that it can be more cost effective in working in collaboration with local NGO's in the countries we provide aid. Because of successful monitoring of the delivery of Aid from previous years, the Trustees have continued to utilise the services of the following local charities/NGO's.

IHR prefers this approach since utilising local expertise helps reduce our operational costs, contributes towards alleviating local poverty by creating local employment in distributing our aid and increases the skills of local labour force.

Only after the Trustees or IHT volunteers have vetted the independence of local charities/NGO's will a local NGO be accepted as a partner in delivering aid. During Covid19, IHR made arrangements for live video calls at key stages of the process of delivering aid, (assessment of needs, purchase of goods, delivery of aid and monitoring).

The following is a list of those charities / NGO's IHR utilised delivery partners to assist with its relief efforts in meeting its charitable objectives. (alphabetical order):

1. AHSAS Disabled People Organisation – Pakistan
2. Amikab Community Centre
3. Families Relief
4. Global Rahma
5. Hope Disability Kashmir (Jammu Kashmir India)
6. Human Relief Mission (Afghanistan)
7. Sawaed Association for Relief and Development
8. Saba Relief
9. Tayyab Trust India

Risk Management:

IHR is constantly updating its' risk management into day-to-day behaviour and culture across the global operation. Trustees are constantly evaluating the adequacy of mitigating actions in order to ensure that potential risks are identified and steps are put in place to mitigate potential risks. IHR recognises working in certain environments can be high risk, and trustees regularly evaluate if continued operations in a particular high risk environment is placing the whole charity at risk.

Risk management is an integral part of day to day and strategic decision making given that IHR works across the globe where there are humanitarian needs with inherent high-risk factors to content with.

The Trustees are responsible for ensuring that there is an appropriate process and culture in place for risk management. IHR overall approach to risk management is to recognise and accept an appropriate level of risk working in the humanitarian response environment, which can often be volatile. A level of tolerance to risk is necessary in ensuring that risk mitigation strategies do not impede our work to an extent that we are unable to meet our charitable activities in supporting beneficiaries. Any risks identified are graded by potential adverse effect and strategies are developed to overcome any barriers. We endeavour to ensure the safety of the charity and beneficiaries.

Previously trustees would manage these kind of high-risk activities, by reducing the scope and value of work undertaken in high risk environments. Going forward the trustees have decided the criteria used to assess risk will also include how much effort will need to be exerted by the trustees to mitigate the risk and compare this with the monetary value of aid being delivered. This additional criteria has resulted in trustees deciding they will cease working in certain high risk environments. Consequently existing projects are being concluded as quickly as possible and there will be no multi-year commitments for high-risk projects.

COVID Pandemic

Covid19 and the corresponding travel restrictions resulted in an increase in remote monitoring, utilising live video-feeds. These operational changes have been very beneficial and IHR continues to utilise remote monitoring, which has enabled an increase in transparency and a reduction in costs.

In terms of income, IHR is blessed that we have a core donor base of grass root supporters that give endlessly to our campaigns, our donors are primarily from within our local community. The increased use of live video calls, enabled IHR to generate more social media content, which increased the level of transparency we were able to share with our donors. This resulted in greater donor confidence in how their donations impact on the lives of the people donors are contributing towards.

In every country of operations IHR has adhered to government advice and directives. Global operations have been affected during the lockdown, while some of programmes have adapted to support vulnerable, and often marginalised communities through the crisis.

The biggest impact was the loss of our income stream from mosque collections during this holy month, however our donors responded to our online fundraising activity positively and some of these losses were offset by increased online donations.

Furthermore, our expenditure costs are tightly controlled we don't use large expensive campaigns to promote our work; instead, we focus on showing our impact via various freely available Social media platforms and live video monitoring enabled us to reduce our admin costs.

Finally whilst our reserves have reduced over the past few years, this is because we are delivering more than ever, utilising our volunteer base we believe we have sufficient funds to meet our beneficiaries needs including those based here in the UK that are suffering due to this global pandemic.

Objectives and Activities

Registered in the year 2015 International Humanitarian Relief (IHR) is an international charitable organisation. The Aims and Objectives of IHR are to alleviate the suffering of the neediest individuals and communities across the globe, through providing short-term relief and assistance in cases of natural or other forms of disasters including war, poverty and diseases.

The Objects of the Charity as cited in its' Governing Document are:

“The relief and assistance of people in any part of the world who are the victims of war or natural disaster, trouble, or catastrophe in particular by the supply of food/clothing medical aid to such persons the relief of financial need and suffering among victims of natural or other kinds of disaster in the form of money for persons, bodies, organisations and/ or countries affected including the provisions of medical, food, clothes aid. to prevent or relieve poverty, financial hardship and suffering of the poor and needy. to preserve life and promote the health of the poor and needy including by protecting the poor and needy who have suffered harm or whose lives are at risk. to advance the education of the poor and needy.”

Since its establishment, through its essential relief efforts, IHR has proven to be a source of great benefit and comfort to the lives of many. Providing relief and support including and not limited to emergency care packs, shelter, food and water aid. These efforts have been crucial in saving hundreds of lives in some of the poorest regions of the world.

Adhering effectively to its policies and procedures, IHR meets its aims and objectives through active strategic utilization of its established partner and volunteer network.

Where we Work

Over the past year, IHR has extended its reach to support the most vulnerable in the following countries (alphabetical order):

1. Afghanistan
2. Gambia
3. India - Jammu Kashmir
4. Lebanon
5. Pakistan
6. Palestine
7. Sri Lanka
8. Syria
9. Uganda
10. Yemen

In the coming year, IHR hopes to maintain its excellent standard of work in these countries alongside developing a key service of support for vulnerable elderly within the UK.

Summary of Activities through the Year

In the period covered by this report, with the help of its donors, volunteers and team members, IHR has been able to extend its support and relief aid thus preserving and improving the lives of thousands beneficiaries in great need.

Delivery activities can be described in two broad categories, Annual Multi-Country Campaigns (AMCC) like, Eid, Qurbani, Providing Water, Ramadan and Winter Aid in the countries listed above. In addition to country specific campaigns, based on specific incidents like disasters or fundraising to meet specific needs identified by local delivery partners.

Achievements and performance

Qurbani and Eid Gifts

One of the busiest periods of the year for IHR is the period of Qurbani, or udḥiyah as referred to in Islamic law. It is the ritual animal sacrifice of a livestock animal during Eid al-Adha. Most of these communities are completely dependent on charities, distributing Qurbani meat once a year for their source of fresh animal protein, which is essential to reduce malnutrition in these areas.

IHR have been at the forefront in reducing local poverty, by sourcing Qurbani meat from local farmers, contributing towards economic development for those assisting in purchasing, slaughtering and preparing meat for distribution of Qurbani meat to communities in the most effective and hygienic manner.

This year IHR provided Syrian refugees in Lebanon, Palestinians living in Gaza strip and Internally Displaced People in Yemen with fresh Qurbani meat. The main focus of Qurbani this year was in these 3 countries, in which approximately 2100 families were provided with Qurbani meat. In addition to providing Qurbani meat, Eid gifts were also distributed to the children in these countries.

Additional arrangements were made to distribute Qurbani to other countries, where donors had specified a different country for their Qurbani.

Providing Water,

Water is the source of life yet millions of marginalised people have no access to suitable drinking water. As part of its mission to provide safe consumable water to the world's poorest communities, IHR continues to provide clean drinking water by mean of building new wells or refurbishing, repairing existing wells. Areas where we focus on providing water aid include digging wells in remote villages in Somalia, refurbishing unused water facilities in Uganda hand pumps in rural India.

For Palestine and Yemen, we arrange delivery of water tankers for the internally displaced and cannot get to previous sources of water.

Thirst relief is an area of great importance, having access to clean water not only saves lives, but is imperative to continued good health, but is essential for agriculture and economic development. IHR will continue to bring hope to communities through its much-needed thirst relief program.

Providing water in remote rural villages reduces migration of the poor herders / famers from remote villages to cities in developing countries. Such migration results in reduction in food production in those countries, which pushes up food prices for all.

Ramadan

Committed to help alleviating hunger, IHR facilitated the distribution of food to impoverished communities, sending containers of life saving food items such as baby milk powders, lentils, dry pasta, oils and more.

IHR provided food parcels distribution this year, in addition to the main Ramadan campaigns listed above in the countries where we work. IHR's family food parcels were designed to last a month and consisted of staple food including flour, oil, lentils, spices, sugar and other varied items depending on the geographical location.

Alongside this IHR continued its yearly Ramadan food program by providing two hot cooked meals a day, in Gaza, Lebanon and Yemen to those who otherwise would be forced to go without a meal for many days.

Winter Aid

Hundreds of our beneficiaries live in dwellings with poor thermal insulation, like tents, or makeshift shelters and some have no place to reside at all. With little or no means to protect themselves from the harsh winter weather families are forced to endure icy winds, rains and snows. To alleviate this desperate situation, IHR's teams have distributed hundreds of life saving winter items ranging from family food packs, winter clothing, winter blankets and heaters in the regions of rural Pakistan, Yemen.

This year IHR focused its' winter aid campaign in Lebanon, assisting approximately 3000 Syrian and Palestinian Refugees in Lebanon by providing them with winter aid. The winter aid packs consisted of winter blankets, heaters, thermal clothing (children, women and men) and food parcels.

Palestine (Gaza Strip)

In addition to Annual Multi-Country Campaigns, listed above. Additional funds were raised for the Gaza strip, these included providing 700 families with food packs. Whilst preparing beneficiary lists, 150 families were identified for whom the standard food packs were deemed insufficient and these were provided with additional foods packs. 97 families were provided with small amounts of cash assistance to meet non-food essential.

IHR fundraised to provide a full equipped emergency ambulance for Hayfa medical hospital, which serves over 10,000 patients a month. Total cost of the ambulance was £30,000. A local Palestinian hospital was also provided with medical aid.

IHR completed the installation of 10 small desalination plants with a capacity of 24 cubic meters per day in the Gaza strip, to help provide clean drinking water. The desalination project was started in June 2021 and completed by December 2021.

Lebanon

Responding to a request from local delivery partner, IHR fundraised for specific aid, this included provided hearing aids (medical equipment) for one particularly deserving family and committing to provide family support for 12 months. This project will continue into 2022.

Plans for Future Periods

Policies on Reserves:

The trustees have resolved to establish reserves to provide for future activities, and to provide funding for the expected expenditure for six months ahead. The policy on reserves is that the existing assets are retained to produce income which is fully utilized to support existing activities. There is no intention in the long term to either increase or reduce the capital significantly. This policy is justified in that it is necessary to preserve income at the present levels in order to maintain the activities of the charity.

The principal funding sources was voluntarily donations and magnitude of planned activity is adjusted based on funds raised for a given project. The board of trustees are satisfied that the charity's assets are available and adequate to fulfil its obligations in respect of each fund.

Availability and adequacy of assets and each of the funds:

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Reserves and future funds – why reserves are needed

The Trustees have decided to continue helping beneficiaries fleeing conflict, which is where the trustees consider the charity can have most impact and help most people in need. IHR wish to continue to oversee deliveries of goods. IHR aims to ensure the flexibility to support other charitable humanitarian relief projects, within their objects, should such matters arise unexpectedly.

IHR can best advance their objects in this manner.

IHR may require some investment into its activities, such as to develop local offices and to hire staff in the UK. This will enable the charity to operate more effectively and better serve its beneficiaries.

In light of this, at the present time, the Trustees consider that it is appropriate to continue to build up the charity's reserves so that they are prepared to: (i) carry out major deliveries into neighbouring countries, particularly should needs change or worsen in what is a temperamental and difficult situation, or should other humanitarian causes which they wish to support arise; (ii) meet any initial upfront costs to invest into the charity's operations.

Required reserves

The Trustees would like to continue to build up the charity's reserves until the charity is holding £50,000 of unrestricted reserves. [All fundraising is now carried out on the basis that funds are unrestricted; this has been clarified on the charity's website and fundraising materials].

Banking and investment arrangements

The charity does not currently intend to invest its reserves in long-term investments, as the IHR will retain short- to medium-term access to them.

What steps the charity is going to take to establish this agreed level or range

The Trustees are overseeing an active fundraising programme in order to build reserves to that level. The Trustees have adopted a separate Fundraising Policy, with which such fundraising shall comply.

Arrangements for monitoring and reviewing the policy

The Trustees shall next review this policy no later than: 31st October each year.

Funds Held as Custodian Trustee on Behalf of Others

IHR does not hold funds as a custodian Trustee on behalf of others Organisations.

Financial Review

The financial statements 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 Statement of Recommended Practice and Section 1A of FRS102 the trustees consider the financial performance by the charity during the year to have been satisfactory.

The Statement of Financial Activities show incoming resources for the year of a net outflow of (£5,293), (£26,859) (2020) a majority of the expenditure is spent on delivering the charitable activities as stated in the Charity's aims and objectives.

Trustees' Responsibilities:

The trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008.

Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the Statement of Recommended Practice and Section 1A of FRS102.

In particular, charity law requires the Trustees, if they prepare accounts on an accruals basis, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Trustees are required to: -

To prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with regulations made under the charity legislation. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are also responsible for the contents of the Trustees' report, and the accountant preparing the accounts has no responsibilities in relation to the Trustees' report.

Audit Exemption

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 and Charities Act 2011.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006 and Charities Act 2011.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to the accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions Charity Commission Statement of Recommended Practice.

This report was approved by the board of trustees on 24th December 2022

Y Baz

Trustee

Report of the Independent Examiner to the trustees

On the accounts of the Charity for the year ended 31st December 2021

We report on the financial statements of the charity on pages 15 to 23

Respective responsibilities of directors and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income did not exceed £1,000,000 and I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the general Directions given by the Charities Commission under section 145(5)(b) of the 2011 Act
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set in the next statement.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect of the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006 and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.

The Examiner's relevant professional qualification is: Chartered Certified Accountant

Virtus Financial Services

Chartered Certified Accountants

Birmingham

The date upon which this report was completed is: 24th December 2022

International Humanitarian Relief
Statement of Financial Activities
for the year ended 31st December 2021

		Unrestricted	Restricted	Total	Last Year Total Funds
		Funds	Funds	Funds	
	Notes	2021 £	2021 £	2021 £	2020 £
<i>Income and Endowments:</i>					
Donations	4	199,596	136,944	336,539	386,511
Total Income		199,596	136,944	336,539	386,511
<i>Expenditure</i>					
Raising Funds		122	-	122	53
Charitable activities	5	32,675	309,035	341,711	413,317
Total Expenditure		32,797	309,035	341,832	413,370
Net Income/(Expenditure)		166,798	(172,092)	(5,293)	(26,859)
Transfers of funds		(159,723)	159,723	-	-
Net movement in funds		7,075	(12,369)	(5,293)	(26,859)
Reconciliation of funds					
<i>Total funds brought forward</i>		8,864	33,988	42,853	69,712
Total Funds carried forward	8	15,940	21,620	37,559	42,852

All activities derive from continuing operations

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

The notes on pages 18 to 24 form an integral part of these accounts.

Charity Balance Sheet
International Humanitarian Relief
Balance Sheet as at 31st December 2021

	Notes	2021 £	2020 £
<i>The assets and liabilities of the charity :</i>			
Fixed assets			
Tangible assets		-	-
Current assets			
Debtors		-	-
Cash at bank and in hand		38,809	45,352
Total current assets		<u>38,809</u>	<u>45,352</u>
Liabilities:-			
Creditors falling due within one year	7	(1,250)	(2,500)
Net current assets		37,559	42,852
Total assets less current liabilities		<u>37,559</u>	<u>42,852</u>
Net assets including pension asset / liability		<u>37,559</u>	<u>42,852</u>
<i>The funds of the charity :</i>			
Unrestricted income funds		15,940	8,864
Restricted income funds		<u>21,620</u>	<u>33,988</u>
Total charity funds	8	<u>37,559</u>	<u>42,852</u>

Y Baz
Trustee

Approved by the board of trustees on 24th December 2022

The notes on pages 17 to 23 form an integral part of these accounts.

Notes to the accounts

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:

a) Basis of preparation of the accounts

The financial statements 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 Section 1A of FRS102 and Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The charity has taken advantage of the exemption from the requirement to produce a cash flow statement.

The financial statements have been prepared on an ongoing basis as discussed in the trustees' report. There is no material uncertainties about the charity's ability to continue as a going concern.

b) Key areas of material uncertainty

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

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

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting the assets and liabilities at the balance sheet are likely to result in material adjustment to the carrying amounts in the next financial year.

c) Going Concern

The charity can meet its obligations as they come due as such it's a going concern. Financial sustainability is much more than income and costs, the charity has assessed its financial communication, understanding and organisational impact.

d) Funds Accounting

Funds held by the charity are:

Restricted funds – these are funds which are subject to specific conditions imposed by the donors or when funds are raised for a particular restricted purpose.

Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Zakat funds – these are funds which can be used in accordance with the Islamic religious conditions and parameters set in the Qur'an. The charity's policy defines the criteria for the fundraising, allocation and distribution of Zakat. The charity is required to record its justification as to how projects matches the criteria of Zakat.

e) Income

- Income, including donations and gifts, gifts in kind and grants are recognised where there is entitlement, there is probability of receipt and the amount is measurable.
- Tax recovered from income received under gift aid is recognised when the related income is recognised and allocated to unrestricted funds in line with the communication with donors to allocate the funds towards the core costs of the charity and its humanitarian programmes to save and transform more lives.
- Gift in kind for use by the charity and donated services are included in the accounts at their approximate market value at the receipt. No amount has been included in the financial statements for services donated by volunteers.
- Gifts in kind for distribution are included in the accounts at the fair value to the charity ((in the case of clothes, food and medicines, at the lowest value of the generic equivalent) when the good are received and under the control of the charity. Amounts are recognised in inventory until distributed at which point the relevant cost is released to the statement of financial activities.
- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

f) Expenditure

Expenditure is recognised when a liability is incurred, irrecoverable VAT is included within the expense item to which it relates.

- Expenditure on charitable activities is reported as a thematic analysis of the work undertaken by the charity, against our thematic themes of humanitarian response. Under these headings are included grants payable and the costs of activities performed directly by the charity or its country offices, together with associated direct and indirect support costs. The costs include salaries and associated employment costs including pensions and termination payments.
- Expenditure on raising funds comprises salaries, direct expenditure and overhead costs of UK based staff who promote fundraising from all sources including major donors, corporates and individuals. The expenditure on third party agencies that promote fundraising on social media and other platforms is included.
- Indirect support costs include support costs that are essential for the charity to delivery its projects of humanitarian response. Not to incur these costs would severely impair the quality of work and sustainability of the charity.
- Indirect support costs have been allocated to cost categories on a basis consistent with the level of activity.

g) Foreign currencies

The functional currency of the charity is considered to be pounds sterling that is the currency of the primary economic environment it operates in the UK.

Transactions in foreign currencies are translated at the rate of exchange at the time of the transaction.

Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date.

Foreign currency gains and losses are recognised through the Statement of Financial Activities for the period in which they are incurred. All exchange differences are recognised through the statement of financial activities.

h) Operating leases

Rental payments under operating leases are charged as expenditure incurred evenly over the term of the lease. The benefit of any reverse premium received is also spread evenly over the term of the lease.

i) Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as

Leasehold properties	Straight line over the life of the lease
Freehold properties	5% straight line
Other assets	25% straight line

Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstance indicate.

j) Taxation

The charity meets the criteria and tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK taxation purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within the categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992. No corporation tax liability arises in the accounts.

Notes to the accounts (continued)**2. Surplus for the financial year**

	2021	2020
	£	£
This is stated after crediting:		
Donations	(5,293)	(26,859)

3. Expenses paid to trustees

	2021	2021
	£	£
Travel and Accommodation	-	-
Telephone (Charity Business related)	-	-
Total	Nil	Nil

4. Income

	Humanitarian Relief	2021 Total	2020 Total
	£	£	£
Income			
Donations	313,221	313,221	322,086
Gift Aid	23,318	23,318	29,424
Council Covid Grant	-	-	10,000
In Kind donated Goods	-	-	25,000
Total Income	336,539	336,539	386,511

Notes to the accounts (continued)**Expenditure**

<i>Raising funds</i>	122	122	53
<i>Charitable activities</i>	341,711	341,711	413,317
Total Expenditure	341,832	341,832	413,370
Net Income by activity	(5,293)	(5,293)	(26,859)

5. Analysis of charitable expenditure by activity

	Humanitarian Relief	Total 2021	Total 2020
Nature of charitable expenditure	£	£	£
Activities undertaken directly			
Afghanistan	12,855		41,169
Bangladesh	-		11,000
Burma (Myanmar)	-		14,500
Gambia	10,980		-
India (including Jammu Kashmir)	33,815		91,384
Lebanon	25,280		31,202
Nepal	-		5,519
Pakistan	36,787		36,472
Palestine - Gaza	110,303		46,105
Somalia	-		31,790
Sri Lanka	3,000		-
Syria	31,834		22,199
Uganda	17,500		10,094
Yemen	26,804		33,577
		309,158	375,010
Support costs of charitable activities (see Note 6)		32,553	38,307
Total charitable expenditure analysed by activity	309,158	341,711	413,317

An explanation of the main features of charitable expenditure is given in note 1 to the accounts

6. Analysis of Total Support Costs by Activity

	General Support	Total 2021	Total 2020
Nature of support costs	£	£	£
Project Implementation Support	31,303	31,303	37,057
Governance Costs	1,250	1,250	1,250
Total support costs analysed by activity	32,553	32,553	38,307

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,250	2,500

Notes to the accounts (continued)

8. Analysis of assets and liabilities representing funds

At 31 December 2021	Unrestricted funds	Restricted Funds	Total Funds
	£	£	£
Tangible Fixed Assets	-	-	-
Current Assets	17,190	21,619	38,809
Current Liabilities	(1,250)	-	(1,250)
	<u>15,940</u>	<u>21,619</u>	<u>37,559</u>

The individual funds included above are :-

	Funds at 2020	Movements in Funds as below	Transfers Between Funds	Funds at 2021
	£	£	£	£
Humanitarian Relief	42,852	(5,293)	-	37,559
	<u>42,852</u>	<u>(5,293)</u>	<u>-</u>	<u>37,559</u>

Analysis of movements in funds as shown in the table above

Incoming Resources	Outgoing Resources	Gains & Losses	Movement In funds
£	£	£	£
336,539	341,832	, -	(5,293)
<u>336,539</u>	<u>341,832</u>	<u>-</u>	<u>(5,293)</u>

- 9. Endowment Funds** The charity had no endowment funds in the year ended 2021 or in the year ended 2020

10. Commitments

	2021	2019
	£	£
Operating Leases Other than Plant & Machinery		
Less than One Year	12,000	12,000
Between 2-5 Years	24,000	36,000
More than 5 Years		
Total	36,000	48,000

Future Commitments:

The charity has a rental agreement of £1,000 per calendar month for a for its Killinghall Road donation point and admin office

The charity also has rental agreement of £800 per calendar month for warehouse and storage