

ANNUAL REPORT & FINANCIAL STATEMENTS

2016-2017





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CHAIRMAN & CEO MESSAGE



On behalf of my fellow members of the board, and the wonderful volunteers and staff members supporting Ethar's cause, it is my great pleasure to present Ethar Relief's Annual Report for the financial year 2016-2017.

This year represents another chapter of progress, success and consolidation in our story. Ethar Relief continues to grow steadily and tackle challenges with confidence, realising its responsibilities and fulfilling its objectives and commitments to the Forgotten Ones. Last year we reported that for the first time, Ethar Relief's funds exceeded £1million milestone and this year we built on our last year success, to reach £1,493,117.

With these resources, we have steadfastly fulfilled our aim to provide essential aid and services to over 100,000 refugees in East Africa and Yemen, including food packs, hot meals, and Qurbani meat distribution.

Ethar has continued to run a monthly food supply programme to 510 of the poorest families in the refugee camps.

To support the holistic wellbeing of the refugees, Ethar Relief continues to provide health support and medical treatment to a large number of refugees in Yemen and Sudan, with more than 1,500 patients directly benefiting from our health programmes in the past year.

In addition to food, water, sanitation and medication, we have made considerable steps in educational provision to the refugees, addressing the huge existing educational deficit and providing them with further avenues for development and empowerment. Specifically, Ethar is supporting 15 schools with meals, materials, and operational costs, benefiting over 5,000 students including 120 university students. Our orphan sponsorship projects also maintain an educational aspect, with the sponsorship including the in-built provision for orphans to stay in education. A particular highlight of our achievements in education can be seen in the steady growth of the Al-Amal Secondary School compound for orphan girls in eastern Sudan region.

In the coming year, Ethar will also become part of the emergency response to the growing refugee crisis in Djibouti. As the numbers of refugees rise in Djibouti, both from external influx and due to internally displaced people, Ethar is extending basic support to the thousands of desperate individuals and families. The initial focus of our support will be food and education programmes, with the specifics of each project due to be finalised and delivered this year.

It is you, the supporters of Ethar Relief that made all this possible; I extend thanks to all individual contributors and institute partners for this accomplishment.

Furthermore, I would like to specifically mention

three of our partners who have continued to play a significant role in helping us reach many thousands of needy and marginalised people. The roles of Charity Right, Ummah Welfare Trust and Human Appeal in various Ethar Relief projects is clearly evident to anyone following our refugee programmes in both Eastern Sudan and Yemen. I extend our appreciation to these three humanitarian organisations for their support, facilitation and tireless assistance in delivering our food programmes, schools projects, and relief in refugee camps. Without them our work could not have been done, nor would our objectives and outcomes have been realised to their fullest extent. They have helped to expand the charitable work that Ethar Relief is carrying out, and we are optimistic that this cooperation will develop and have long-lasting effects among the refugees.

Similarly, I appreciate the contributions of our other partners in this noble cause, who have helped us in many different ways. We acknowledge that our work is challenging, and therefore we seek to operate collaboratively with many supporting partners to ensure we meet our challenges with strength and conviction. Our gratitude is immense for all the support received; we ask Almighty Allah to shower them all with his rewards and blessings.

The conditions facing Eritrean refugees and other displaced people still remain serious and are getting worse – whether they be physical, social, psychological or economical. In our previous report, I mentioned the dangers of human trafficking that refugees are experiencing, and the unforgivable crimes of humanity they encounter, almost on a daily basis. These are still burning issues and should be addressed by all institutions, humanitarians and peace-loving organisations. We also extend a hand of solidarity to the individuals and organisations that are actively and tirelessly doing their best to highlight these crimes to the rest of the world and raise awareness of the specific threats faced by refugees.

Every step we take in the right direction reminds us of the huge amount of work that is left to be done – in reality, the support Ethar Relief and its partners are providing to the refugees remains a drop in ocean. We reaffirm our commitment to the needs of our people to help them lead better lives, and will continue to encourage and support the efforts of all humanitarian organisations working in this field to collaborate and call with one voice upon international organisations at the United Nations. Ethar Relief is trying to play this role and create awareness as much as possible, but the transmission of this forgotten message from the forgotten refugees is a shared responsibility among everyone concerned.

A special mention must go to our volunteers, who will always be the backbone of Ethar. Without their efforts and engagement nothing could be attained, and our gratitude and appreciation to these individuals is enormous. Our unique members of staff also deserve praise for their commitment, effort and time they put in above and beyond the call of duty to realise the objectives of Ethar.

Finally, our thanks and prayers go out to all benefactors and partners who are stakeholders in this honourable cause. With their support and assistance, we have stepped up and delivered on our commitments, and we will continue do so in the future.

In light and peace,

Abdulqadir A. Naib
Chair of the Board

Sultan Omar
Executive Director

INTRODUCTION

Ethar Relief is a well-established organisation in the field of humanitarian aid, particularly in the East African and Yemeni refugee crises. We are experienced enough to recognise the extent, scope and logistical difficulties we face, and acknowledge the great challenges and work ahead of us. Our experience and network of partners and supporters also makes us well-placed to deliver on our aims and objectives – to alleviate the suffering and bring the plight of refugees to the world's attention.

As a result of our own development as an organisation, we have branched out beyond food aid and emergency relief. Our strategy to tackle the many problems facing refugees still includes meals, shelter, and medication, but also extends to other important aspects influencing their quality of life. Consequently, Ethar and its partners provide educational opportunities, schools and student support, a range of orphan and family support, and various social services to enhance the lives of refugees in a more comprehensive way.

Many of the refugee communities are in themselves well-established, having been displaced for so many decades. In addition to aid, they need partnership and support from organisations such as Ethar in order to develop themselves and gain empowerment.

Delivering aid and development projects is not easy - our programmes are taking place in a climate of famine, drought, conflict, and social and political unrest. Despite this and against all odds, Ethar continues to deliver hope and positivity among the world's largest refugee populations. We are indebted to countless supporters, partners and volunteers who share our aims and work tirelessly under immensely difficult conditions.

In such a climate, our increasing focus and priority is now on raising awareness. This is being done within the region through various media, but Ethar is now extending this essential aspect to a wider audience, with the aim of gaining recognition and support for the refugee crises in Yemen and East Africa on the world stage. As the crisis spreads to more countries, we believe that awareness and collaboration is the only real solution to stopping the suffering.



REMEMBERING *the* FORGOTTEN



THE FORGOTTEN REFUGEES...

a story of continued suffering

For thousands of children, dreams of a normal life end at the refugee camp. Here is why:

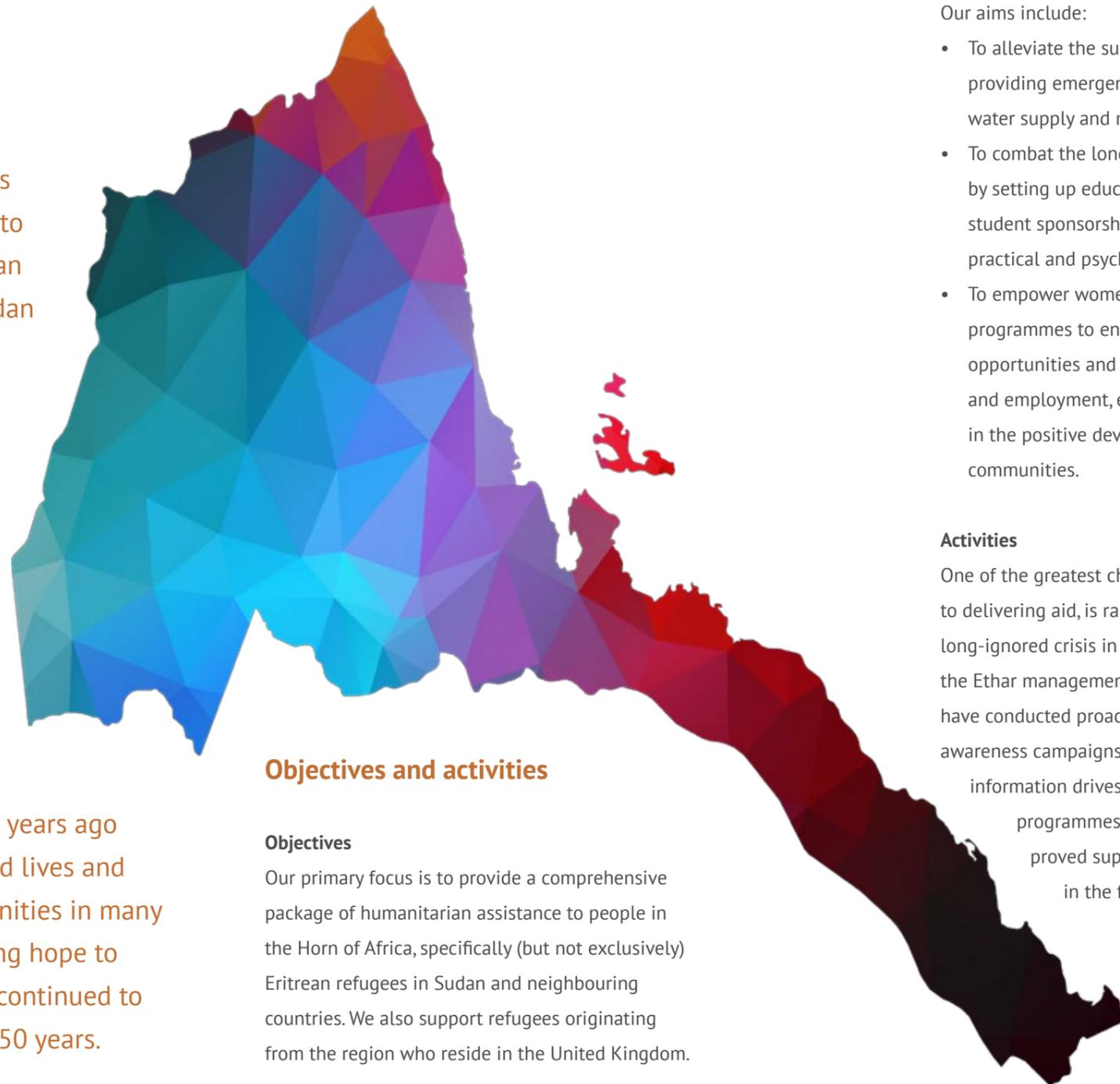
- Eritrean refugees survive on the absolute minimum living standard, with the majority receiving for only enough sustenance to cover 3 days in a week.
- Thousands of families are now entering their third generation of living exclusively in a refugee camp.
- There are over 14 refugee camps in East Sudan, 3 refugee camps in Yemen, more than 6 refugee camps in Ethiopia, and thousands scattered across Djibouti, with the majority receiving little or no support or international aid.
- The UNHCR has significantly reduced its support to these vulnerable refugees, and the subsequent aid vacuum leaves thousands on the brink of starvation, disease and death.
- As they grow up, thousands of desperate young people from these camps risk everything to try and migrate to Europe, Israel, or other nearby stable countries. This leaves them open to extreme danger, trafficking and exploitation, with the majority suffering death, kidnap, torture, rape and slavery.

Ethar Relief constantly campaigns for the international community to take urgent action to save the lives and dignity of these forgotten people.

ABOUT US

Ethar Relief provides humanitarian relief to the forgotten Eritrean refugees in East Sudan and Yemen through projects supporting Education, Water & Sanitation, Shelter, Health and Orphan Sponsorship, as well as offering Emergency Food Provision.

Since our launch 10 years ago we have transformed lives and empowered communities in many refugee camps, giving hope to refugees who have continued to struggle for almost 50 years.



Objectives and activities

Objectives

Our primary focus is to provide a comprehensive package of humanitarian assistance to people in the Horn of Africa, specifically (but not exclusively) Eritrean refugees in Sudan and neighbouring countries. We also support refugees originating from the region who reside in the United Kingdom.

Our aims include:

- To alleviate the suffering of refugees by providing emergency aid such as food, clean water supply and medical provisions.
- To combat the long-term effects of poverty by setting up educational institutions and student sponsorship which develop academic, practical and psychological skills.
- To empower women, designing our programmes to ensure they have greater opportunities and choices through education and employment, enabling them to participate in the positive development of their communities.

Activities

One of the greatest challenges, in addition to delivering aid, is raising awareness of the long-ignored crisis in the region. To this end, the Ethar management team and volunteers have conducted proactive media and public awareness campaigns through TV interviews, information drives, fundraising, and awareness programmes. These initiatives have proved supportive of our programmes in the field.

Programmes

Ethar Relief has continued to implement humanitarian programmes and fund charitable activities in conjunction with its partners in Sudan & Yemen. Highlights of these include:

- Distributing food during the month of Ramadan and providing Qurbani
- Establishing a local mosque and secondary school for boys in Um-Ghargoor
- Supporting displaced individuals and families in Yemen in the form of food parcels
- Providing orphan sponsorship to over 500 children in Yemen

Fundraising

In order to sustain ongoing projects and create new programmes in response to developing challenges, Ethar has several active concurrent strategies to raise funds. Over the course of this year, major fundraising campaigns were carried out, raising a considerable amount of income during the Ramadan and Qurbani period. The Executive Team continued to promote the cause of Eritrean refugees in Sudan on various TV programmes, and in other forums and networks globally.



As the Middle East becomes increasingly more unstable with war and hunger affecting more countries in the region, aid from the international community to our forgotten Eritrean refugees in Sudan and Yemen continues to diminish even further, increasing the level of hunger, poor nutrition, disease and famine. With hundreds of thousands trapped in these refugee camps which lack the basic necessities of life, Ethar has made every effort to reach out to maximum number of these unfortunate refugees.

Eritrea; is the second largest refugee producing country in the world after Syria.

Ethar is supporting over 100,000 refugees in Sudan & Yemen.

OUR PROJECTS

EMERGENCY AID



Our emergency response to the various humanitarian situations has been efficient and focused, with over £613,000 of food aid distributed to the most vulnerable and needy people in the refugee camps in East Sudan and Yemen. As hundreds of thousands of people continue to suffer from lack of food, nutrition and basic supplies, Ethar is working with number of partners to ensure that children and vulnerable people in particular are given basic food supplies such as milk, bread, flour, cooking oil, lentils and rice. Ethar has provided thousands of food packs in 18 refugee camps, 5 towns and a number of villages in East Sudan and Yemen. Our family feeding program has been supporting over 500 families for the past 12 months, ensuring that the most vulnerable people continue to receive monthly food packs.

Overall, in total this year more than 100,000 refugees and needy people have benefited from our emergency food aid.

RAMADAN



Ramadan is always a significant turning point for Ethar and thousands of charitable organisations across the world, in which our team alongwith funders and supporters were inspired once again to raise much needed resources to provide essential support to tens of thousands of refugees and vulnerable people. Over 42% of our funds were donated during the month of Ramadan and during our Ramadan season campaigns (May to July 2017). These wonderful donations and grants helped us reach out to a wider and broader range of people in the refugee camps, and also extend our reach to rural areas. Ethar was able to provide hot meals (Iftar Sayem) and food packs in 18 refugee camps as we distributed Zakat and Sadaqa (cash grants) to over 75,000 refugees, orphans and needy people.

QURBANI



Over 40,000 orphans, children and elderly people benefited from our Qurbani Projects. The consumption of meat is very rare in the refugee camps and for hundreds this is often the only opportunity to enjoy meat and its nutritional benefits. The safe distribution of meat is a logistical challenge which Ethar found important to meet.

Led by our COO Saeed Abdelrahman, the Ethar team was present during the distribution of meat and other provisions across the refugee camps, ensuring that donations were delivered in a timely manner and with maximum effect.

FAMILY FEEDING



In partnership with Charity Right, Ethar has been delivering door-to-door food packs directly to over 500 particularly needy families, every month for the past 15 months. This project continues to grow year-on-year, and has ensured that many vulnerable families are guaranteed food on a daily basis throughout the year. Thanks to continuous funding from our partners and generous donors, this project has preserved the dignity of hundreds of particularly marginalised families.

"Life is hard in the refugee camps, I used to struggle a lot with my kids due to lack of food and clean water, thanks to Ethar and its donors, I am receiving regular support now"

Beneficiary
East Sudan Refugee Camp

OUR PROJECTS

SCHOOL MEALS



Thousands of children were deprived from attending school simply due lack of food and clean water, as neither schools nor parents were able to provide the necessary breakfast or lunch for children, and as a result the dropout rates from school were very high. Our School Meals project has made a huge impact by providing children at risk of dropping out with regular school meals, which resulted in positive outcomes of the attendance levels of students as well as their academic achievements showing significant improvement. Funded by Charity Right & Ummah Welfare Trust, this project is ensuring that students regularly receive at least one daily meal in day-schools and 3 meals in boarding schools. Attendance in some schools has improved by 20% to reach 98%, and schools witnessed returns of tens of students who left in the past due to lack of food and the opportunity costs of education.

EDUCATION



Education is the best gift we can give to the children in the refugee camps; it is their way out of poverty and their hope of a better future for themselves and for their communities. At Ethar, we recognise that the long-term stability and development of the region as a whole will be achieved through the education of its inhabitants, and the widening of development opportunities on an individual and community scale. We have taken a lead in bringing long-term hope and benefits to marginalised children by supporting 16 schools through the provision of meals, teachers' salaries, books and building maintenance. The medium-term aim is to increase attendance to 95% through these measures. Ethar continues to support students in higher education and Hifz programmes, and is committed to the ongoing sustainability of all projects.

HEALTH



Health, hygiene and medication remain among the biggest challenges in the refugee camps, with many camps lacking the basic health care, clinic, medical team and ambulances. Ethar is committed to making difference and ensuring that the international community is fulfilling its obligations towards humanity. We continue to provide essential health programmes and medical aid distributions in a number of locations across the refugee camps. This includes the Al-Rahma Health Clinic in Karakora which is now serving over 7,000 refugees and needy local people. In Yemen, 5 medical camps were set up benefiting over 5000 refugees and internally displaced people.

WATER



Our Water project has continued to grow year after year; water quality is not only an important factor for drinking and to sustain life, it also has other crucial implications for health, sanitation and wellbeing in general. Therefore, providing clean and safe water along with improving hygiene remains a top priority for Ethar. We have invested in a campaign to raise awareness about the risks posed to thousands of children without clean water, and the dangers involved in children abandoning their education to hunt for water. Lack of water also has a limiting effect on the development of the refugee community as a whole. Furthermore, Ethar commits to build four mega-wells in four refugee camps over the next 2 years at a cost of £40k - £45k per well, with the capacity to benefit over 60,000 refugees. This year 3 mega water projects were completed and 3 small water wells. We also commit to supporting the construction of another 3 water stations in an additional four refugee camps

ORPHANS

Despite the great efforts made to highlight the desperate need to support orphan projects in East Africa, there are still over 3,000 orphans in urgent need of sponsorship in East Sudan, Yemen and the Horn of Africa. Their childhood has been snatched away from them as they lost beloved fathers to war, death in prisons and periodic waves of disease which sweep through refugee camps taking hundreds of lives.

Most of these orphans experience an extremely difficult childhood, having made the dangerous journey to neighbouring countries and adapting to a new life in isolated camps lacking basic necessities such as water, food and security.

Ethar, with generous funding from hundreds of individuals and many organisations, is sponsoring over 500 orphans. These sponsorships enable the orphans to gain a good education, feel secure, have healthy nutrition, cover basic medical care and sustain their social activities. Our focus is to enrich the lives of these orphans and give them a route out of poverty, instilling hope and dignity back in their lives.





OTHER PROJECTS

Through generous donations, more sophisticated project designs, and suggestions from our supporters and well-wishers, Ethar has delivered a wide range of support to various groups of refugees which are outside the usual categories. These special projects include:

- Eid gifts
- Zakat distribution
- Sadaqah distribution
- Aqiqah sponsorship
- Fidya distribution
- Medical treatment
- Construction of shelters
- Repairing homes
- Building and maintaining mosques
- Installing drinking water fountains for schools
- Assisting hundreds of refugees by responding to their individual needs

These gifts have not only made a huge difference to the quality of life for thousands of refugees, but have also boosted their morale and trust in the aid that Ethar provides. Taking an interest in the individual needs of our beneficiaries is an important step in upholding their humanity and dignity, and in keeping them central to our processes and focus.

PARTNERS



Our partnership with UWT is growing year on year, with both organisations focusing on delivering immediate relief to refugees in Yemen & East Sudan. UWT have provided us with funds to address emergency needs in Yemen, in addition to supporting our Education, Orphan Sponsorship and seasonal projects.



Charity Right are at the heart of providing food security for the poorest families, and also support school meals projects. Our strong partnership with Charity Right helped us provide daily meals for 6 Schools and monthly food parcels for 144 families. Looking forward, they aim to increase their support to 500 families and 10 schools in 2016 in partnership with Ethar.



Human Appeal International was one the first organisations to work with Ethar in Sudan, providing essential funding for our Orphan projects as well as our seasonal programmes.



Idris Foundation's partnership with Ethar is making positive impact on the education and health of thousands of children and desperate families. The Foundation has contributed to a number of successful projects including teacher training and school refurbishment.



UKIM is working with Ethar to benefit our refugees through a range of programmes, including the Hifz Project and seasonal programmes.



Wafa Relief continues to support our Orphans project year after year, giving many orphans hope and inspiration through a variety of programmes.



Global Ehsan from Singapore continues to support our seasonal orphan and educational projects in the refugee camps in East Sudan.

COMMUNICATING WITH STAFF & VOLUNTEERS

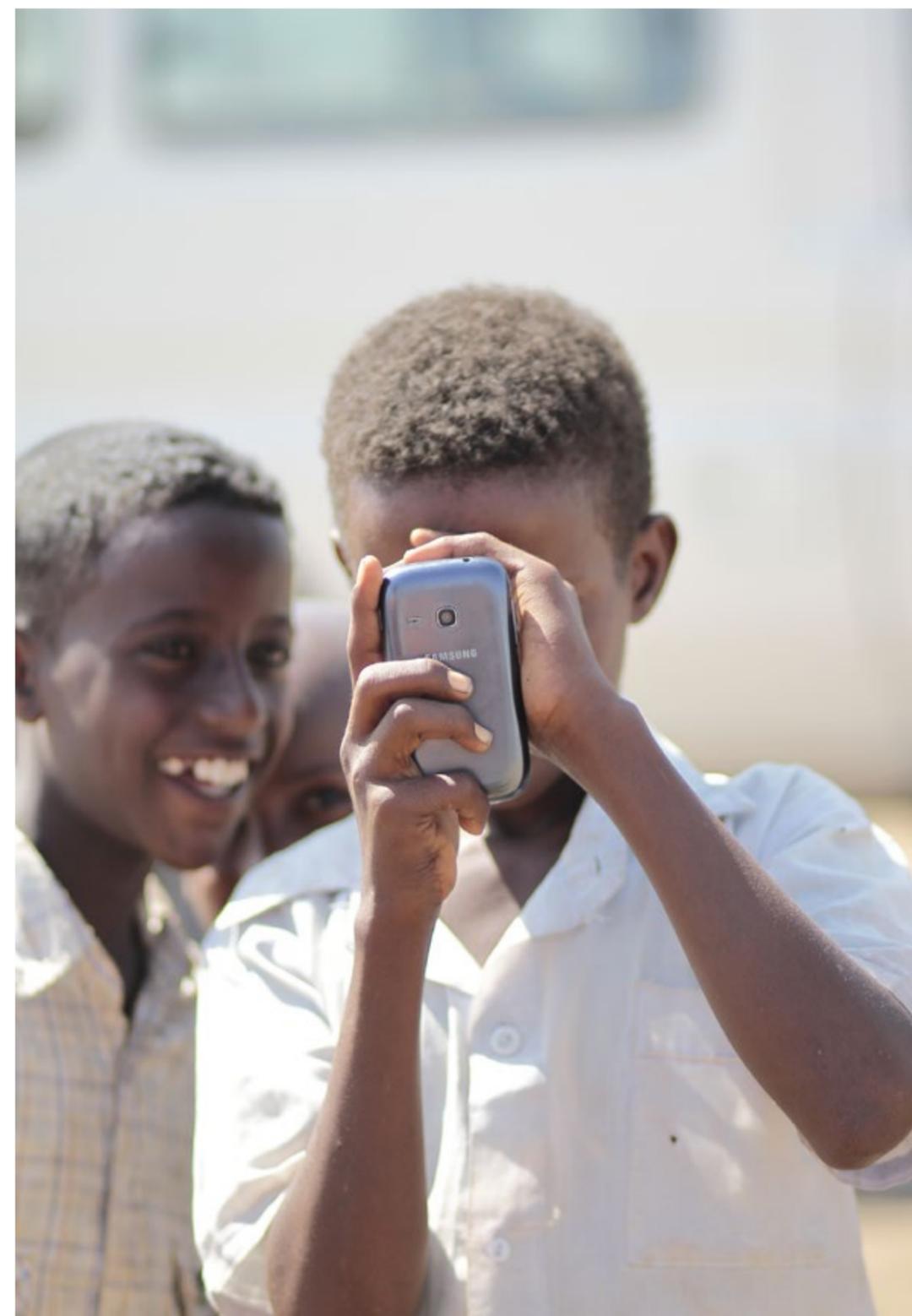
Volunteers founded Ethar and have always been its backbone. Ethar continues to benefit from a vast and committed network of volunteers who support its activities, further its causes, raise funds and contribute to essential work. Most volunteers make a regular commitment ranging from a few hours to a full working week. They come from a diverse range of backgrounds and contribute a wide variety of experience and expertise - some with professional skills, and others through generally donating portions of time and effort. Ethar is dedicated to developing, supporting and motivating its volunteers, and the trustees are grateful for their ongoing tireless support.

The management has worked hard to improve communication between staff and volunteers at all levels in order to create a smooth and efficient operating environment. As the charity's programmes and commitments develop, a formal communications policy and channels will be established to ensure best practice. This will create greater stakeholder ownership and eliminate incidences of miscommunication or inconvenience to staff, volunteers, supporters and beneficiaries.

| Risk | Management | Action |
|---|---|-------------------------------|
| Poor results against agreed objectives | Regular reports by the Executive Director to the Trustees, Annual review prior to annual planning process | Executive Director & Trustees |
| Inadequate revenue funding in the short, medium and long term | Fundraising strategy is being planned | Trustees & Executive Director |
| Inadequate funds to meet the high demand for support and aid to target groups | Fundraising strategy will be developed to include widening sources of income | Executive Director |
| Shortage of Human Resources | Funding strategy to include funds for employing paid staff and volunteers | Executive Director |



FINANCIAL STATEMENTS



The trustees present their report with the financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of 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) (effective 1 January 2015).

Objectives and aims

The main objective of the Charity is to provide humanitarian assistance to people in the Horn of Africa.

Financial Review

Reserves policy

The Charity has a reserves policy of £15,000.

Structure, Governance and Management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity. The Charity is governed by a Trust Deed dated 6 February 2005.

The Board of Trustees comprises 6 members, who appoint, appraise and dismiss an Executive Director, who runs the Charity on a daily basis.

Recruitment and appointment of new trustees

New trustees are appointed as necessary by the existing trustees.

Registered Charity number

1115371

Principal address

467 Coventry Road
Birmingham
West Midlands
B10 0TJ

Trustees

| | |
|-----------------------------|-----------|
| Mr Abdulkadir A. Naib | Chairman |
| Miss Hanan Basher | Secretary |
| Mr Idriss Sayed Abdulkader | Treasurer |
| Mr Abdelsalam Mohamed Ali | |
| Mr Mohammed Juma Bakhit | |
| Mr Abdulrahman Saleh Mahmud | |

| | |
|----------------------|-----|
| Mr Sultan Omar | CEO |
| Mr Saeed Abdelrahman | COO |

Consultants

Mr Nesredin Haghamed
(IRW-CEO)
Dr Souad Mohammed
(Senior Lecturer University of Westminster)

Accountant

Abdullah Mohamud ACMA,CGMA
Chartered Management Accountant
Almanaar
244 Acklam Road
London
W10 5YG

Auditors

Shareef & Co Statutory Auditors
18 - 22 Stoney Lane
Yardley
Birmingham
West Midlands
B25 8YP

Bankers

NatWest Bank
308 Harborne Road
Birmingham
B15 3AA

Al-Rayyan Bank
394 Coventry Road
Birmingham
B10 0UF

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 27 January 2018 and signed on its behalf by:



Mr Abdulkader A. Naib - Chairman / Trustee

Date: 28-01-2018

We have audited the financial statements of Eritrea and the Horn of Africa Relief for the year ended 31 March 2017 on pages five to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors
As explained more fully in the Statement of Trustees Responsibilities set out on page two, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's

circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Shareef & Co Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006 18 - 22 Stoney Lane
Yardley Birmingham West Midlands B25 8YP

27 January 2018

ERITREA AND THE HORN OF AFRICA RELIEF

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017

| | Notes | Unrestricted fund £ | Restricted fund £ | Endowment fund £ | 2017 Total funds £ | 2016 Total funds £ |
|------------------------------------|-------|------------------------|----------------------|---------------------|--------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | | |
| Donations and legacies | 2 | 274,333 | 1,218,785 | - | 1,493,118 | 1,239,970 |
| Total | | 274,333 | 1,218,785 | - | 1,493,118 | 1,239,970 |
| EXPENDITURE ON | | | | | | |
| Raising funds | 3 | 110,421 | - | - | 110,421 | 72,588 |
| Charitable activities | 4 | - | 1,396,323 | - | 1,396,323 | 1,060,507 |
| Grants payable | | - | - | - | - | - |
| Other | | 3,000 | - | - | 3,000 | 3,000 |
| Total | | 113,421 | 1,396,323 | - | 1,509,744 | 1,136,095 |
| NET INCOME/(EXPENDITURE) | | | | | | |
| | | 160,912 | (177,538) | - | (16,626) | 103,875 |
| Transfers between funds | 12 | (20,000) | 20,000 | - | - | - |
| Net movement in funds | | 140,912 | (157,538) | - | (16,626) | 103,875 |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | 207,058 | 158,669 | 549 | 366,276 | 262,401 |
| TOTAL FUNDS CARRIED FORWARD | | 347,970 | 1,131 | 549 | 349,650 | 366,276 |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

ERITREA AND THE HORN OF AFRICA RELIEF

BALANCE SHEET
AT 31 MARCH 2017

| | Notes | Unrestricted fund £ | Restricted fund £ | Endowment fund £ | 2017 Total funds £ | 2016 Total funds £ |
|--|-------|------------------------|----------------------|---------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | | | |
| Tangible assets | 10 | 1,134 | - | - | 1,134 | 1,512 |
| CURRENT ASSETS | | | | | | |
| Cash at bank | | 371,923 | 1,131 | 549 | 373,603 | 369,495 |
| CREDITORS | | | | | | |
| Amounts falling due within one year | 11 | (25,087) | - | - | (25,087) | (4,731) |
| NET CURRENT ASSETS | | 346,836 | 1,131 | 549 | 348,516 | 364,764 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | | |
| | | 347,970 | 1,131 | 549 | 349,650 | 366,276 |
| NET ASSETS | | | | | | |
| | | 347,970 | 1,131 | 549 | 349,650 | 366,276 |
| FUNDS | | | | | | |
| Unrestricted funds | 12 | | | | 347,970 | 207,058 |
| Restricted funds | | | | | 1,131 | 158,669 |
| Endowment funds | | | | | 549 | 549 |
| TOTAL FUNDS | | | | | 349,650 | 366,276 |

The financial statements were approved by the Board of Trustees on 27 January 2018 and were signed on its behalf by:


Mr Abdulkader A Naib – Chairman / Trustee
Date: 28-01-2018

ERITREA AND THE HORN OF AFRICA RELIEF

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

| | Notes | 2017 £ | 2016 £ |
|---|-------|-----------------------|-----------------------|
| Cash flows from operating activities: | | | |
| Cash generated from operations | 1 | <u>4,108</u> | <u>108,710</u> |
| Net cash provided by (used in) operating activities | | <u>4,108</u> | <u>108,710</u> |
| Change in cash and cash equivalents in the reporting period | | 4,108 | 108,710 |
| Cash and cash equivalents at the beginning of the reporting period | | <u>369,495</u> | <u>260,785</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>373,603</u> | <u>369,495</u> |

ERITREA AND THE HORN OF AFRICA RELIEF

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

| 1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES | 2017 £ | 2016 £ |
|--|---------------------|-----------------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (16,626) | 103,875 |
| Adjustments for: | | |
| Depreciation charges | 378 | 504 |
| Increase in creditors | <u>20,356</u> | <u>4,331</u> |
| Net cash provided by (used in) operating activities | <u>4,108</u> | <u>108,710</u> |

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 25% on cost

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds are donations received for specific projects and donors specify that the donations can only be used for those projects.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2. DONATIONS AND LEGACIES

| | 2017 | 2016 |
|------------------|-------------------------|-------------------------|
| | £ | £ |
| Donations | <u>1,493,118</u> | <u>1,239,970</u> |

3. RAISING FUNDS

Raising donations and legacies

| | 2017 | 2016 |
|-------------------------|-----------------------|----------------------|
| | £ | £ |
| Staff costs | 52,612 | 19,007 |
| Office and venue rents | 5,147 | 12,123 |
| Telephone | 2,141 | 2,717 |
| Marketing & PR | 16,274 | 7,098 |
| Bank and other fees | 5,340 | 4,639 |
| Fees for raising funds | 14,941 | 7,900 |
| Building maintenance | 940 | - |
| Professional fees | 900 | - |
| Accounts fees | 2,618 | 368 |
| Printing and stationery | 7,110 | 17,509 |
| Travel expenses | 2,020 | 500 |
| Voluntary expenses | - | 223 |
| Depreciation | 378 | 504 |
| | <u>110,421</u> | <u>72,588</u> |

4. CHARITABLE ACTIVITIES COSTS

| | Grant funding of activities (See note 5) | Totals |
|-----------------------|--|-------------------------|
| | £ | £ |
| Grants payable | <u>1,396,323</u> | <u>1,396,323</u> |

5. GRANTS PAYABLE

| | 2017 | 2016 |
|-----------------------|-------------------------|-------------------------|
| | £ | £ |
| Grants payable | <u>1,396,323</u> | <u>1,060,507</u> |

The total grants paid to institutions during the year was as follows:

| | 2017 | 2016 |
|--------------------------|-------------------------|-------------------------|
| | £ | £ |
| Charitable grants | <u>1,396,323</u> | <u>1,060,507</u> |

6. SUPPORT COSTS

| | Governance costs £ |
|---------------------------------|--------------------------|
| Other resources expended | <u>3,000</u> |

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

8. STAFF COSTS

| | 2017 £ | 2016 £ |
|---------------------------|----------------------|----------------------|
| Wages and salaries | <u>52,612</u> | <u>19,007</u> |

The average monthly number of employees during the year was as follows:

| | 2017 | 2016 |
|-----------------|----------|----------|
| Full time staff | 3 | 1 |
| Part time staff | <u>5</u> | <u>1</u> |
| | <u>8</u> | <u>2</u> |

No employees received emoluments in excess of £60,000.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted fund £ | Endowment fund £ | Total funds £ |
|---------------------------------|------------------------|-------------------------|---------------------|-------------------------|
| INCOME AND ENDOWMENTS FROM | | | | |
| Donations and legacies | <u>226,230</u> | <u>1,013,740</u> | <u>-</u> | <u>1,239,970</u> |
| Total | 226,230 | 1,013,740 | - | 1,239,970 |
| EXPENDITURE ON | | | | |
| Raising funds | 72,588 | - | - | 72,588 |
| Charitable activities | - | 1,060,507 | - | 1,060,507 |
| Grants payable | - | - | - | - |
| Other | <u>3,000</u> | <u>-</u> | <u>-</u> | <u>3,000</u> |
| Total | <u>75,588</u> | <u>1,060,507</u> | <u>-</u> | <u>1,136,095</u> |
| NET INCOME/(EXPENDITURE) | <u>150,642</u> | <u>(46,767)</u> | <u>-</u> | <u>103,875</u> |

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

| | Unrestricted fund £ | Restricted fund £ | Endowment fund £ | Total funds £ |
|------------------------------------|------------------------|-----------------------|---------------------|-----------------------|
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | 56,416 | 205,436 | 549 | 262,401 |
| TOTAL FUNDS CARRIED FORWARD | <u>207,058</u> | <u>158,669</u> | <u>549</u> | <u>366,276</u> |

10. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ |
|-----------------------------------|----------------------------|
| COST | |
| At 1 April 2016 and 31 March 2017 | <u>2,831</u> |
| DEPRECIATION | |
| At 1 April 2016 | 1,319 |
| Charge for year | <u>378</u> |
| At 31 March 2017 | <u>1,697</u> |
| NET BOOK VALUE | |
| At 31 March 2017 | <u>1,134</u> |
| At 31 March 2016 | <u>1,512</u> |

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 £ | 2016 £ |
|------------------------------|----------------------|---------------------|
| Taxation and social security | 7,570 | 1,331 |
| Other creditors | <u>17,517</u> | <u>3,400</u> |
| | <u>25,087</u> | <u>4,731</u> |

12. MOVEMENT IN FUNDS

| | At 1.4.16 £ | Net movement in funds £ | Transfers between funds £ | At 31.3.17 £ |
|--------------------|----------------|-------------------------------|---------------------------------|-----------------|
| Unrestricted funds | | | | |
| General fund | 207,058 | 160,912 | (20,000) | 347,970 |
| Restricted funds | | | | |
| Restricted | 158,669 | (177,538) | 20,000 | 1,131 |
| Endowment funds | | | | |
| Endowment | 549 | - | - | 549 |
| TOTAL FUNDS | 366,276 | (16,626) | - | 349,650 |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|--------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 274,333 | (113,421) | 160,912 |
| Restricted funds | | | |
| Restricted | 1,218,785 | (1,396,323) | (177,538) |
| TOTAL FUNDS | 1,493,118 | (1,509,744) | (16,626) |

Transfers between funds

The transfer of £20,000 in the year represents work carried out on specific projects in addition to that claimed from donor organisations and arises where additional needs are identified once a project has been commenced but additional donations are not available.

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2017.

| | 2017 £ | 2016 £ |
|---------------------------------|-----------------|----------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | 1,493,118 | 1,239,970 |
| Total incoming resources | 1,493,118 | 1,239,970 |
| EXPENDITURE | | |
| Raising donations and legacies | | |
| Wages | 52,612 | 19,007 |
| Office and venue rents | 5,147 | 12,123 |
| Telephone | 2,141 | 2,717 |
| Marketing & PR | 16,274 | 7,098 |
| Bank and other fees | 5,340 | 4,639 |
| Fees for raising funds | 14,941 | 7,900 |
| Building maintenance | 940 | - |
| Professional fees | 900 | - |
| Accounts fees | 2,618 | 368 |
| Printing and stationery | 7,110 | 17,509 |
| Travel expenses | 2,020 | 500 |
| Voluntary expenses | - | 223 |
| Fixtures and fittings | 378 | 504 |
| | 110,421 | 72,588 |
| Charitable activities | | |
| Charitable grants | 1,396,323 | 1,060,507 |
| Support costs | | |
| Governance costs | | |
| Auditors' remuneration | 3,000 | 3,000 |
| Total resources expended | 1,509,744 | 1,136,095 |
| Net (expenditure)/income | (16,626) | 103,875 |

ACKNOWLEDGMENTS

Ethar's achievements and success has been possible with the help and support of individuals and organisations. We therefore extend our appreciation to our many donors whose generosity has enabled us to come this far, our dedicated volunteers whom give to Ethar without limits despite their work commitments, education and family life and to the organisations whom have stood by us and continue to support our humanitarian work.

We especially thank the following organisations;



A special thank you to the Sudan Refugee Affairs Commissioner, all Mosques and Community Centres which supported Ethar.

Last but not least, we acknowledge our partners in the field, without whom our work would not be possible. We thank the management, volunteers and the trustees of Islamic Social and Welfare Organisation (ISWO) in Sudan and Ard Assidiq in Yemen for their cooperation and dedication to our shared mission and goals.





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