

Refusing to ignore people in crisis



REPORT & ACCOUNTS

2016

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# TRUSTEES' REPORT

The trustees present their report, covering the year ended 31 December 2016

## **Our vision, our impact**

Our vision is of a world where everyone gets the help they need in a crisis. Our mission is to mobilise the power of humanity so that individuals and communities can prepare for, deal with and recover from crises.

More than 20,500 volunteers and 4,000 staff work together to fulfil our vision and mission both in the UK and overseas.

We help millions of people cope with all kinds of crises – from natural disasters and conflicts, to individual injuries and other personal challenges. Our work includes emergency response, refugee support, independent living services and first aid and humanitarian education.

The combined effect is to help both individuals and communities prepare for, cope with and recover from a range of crises.

We operate both in our own right and as part of the International Red Cross and Red Crescent Movement, the world's largest humanitarian network, which has more than 17 million volunteers across 190 countries.

Our corporate strategy, 'Refusing to Ignore People in Crisis 2015-19', sets out the framework for our core objectives for the next three years.

From supporting an individual after a stay in hospital, to providing life-saving aid after a natural disaster, the impact of our work can be seen in the UK and overseas.

The following report details our achievements and performance in 2016.





## A close-up portrait of a middle-aged man with short, grey hair. He is wearing a dark suit jacket, a white shirt, and a red tie with white polka dots. He has a slight smile and is looking directly at the camera. The background is blurred, showing some green and red elements, possibly a stage or event backdrop.

While we remain confident in our ability to help people in crisis, we must acknowledge that 2016 was not an easy year for our sector. Charities have come under greater scrutiny and trust levels in the sector have fallen.

For almost 150 years, the British Red Cross has relied on public generosity to support our work. We take the issues of donor consent and privacy very seriously. It is essential the public has confidence in our approach to fundraising.

As such, at the start of 2016 we signed an undertaking with the Information Commissioner's Office underlining our commitment to best practice when telephoning our supporters – going beyond what is required by the law. We also introduced greater monitoring of our telephone fundraising agencies and welcomed the introduction of a new fundraising regulator, which is an important step in rebuilding public trust in the sector.

We continued to modernise our organisation in 2016. As part of this programme, we are reshaping our work in the UK. The aim is to create a more effective and efficient organisation so our teams can deliver better services and respond to the myriad of challenges that come their way. We cannot stand still. We need to move forward and change with the times.

We have also moved to strengthen the board and our governance arrangement following an external evaluation. We now have a smaller board – reduced from 17 to 14 members. We have revised our committee structure to ensure we have effective oversight and assurance on key issues, including our service provision, while external members on our committees bring in additional expertise. Going forward, the board is committed to improving diversity in the organisation and this will be a key area of focus in 2017.

As chairman of the British Red Cross, I have the privilege of serving as a member of the Board of the International Federation of the Red Cross and Red Crescent Societies (IFRC). The British Red Cross plays a prominent role within the Movement. We operate in a challenging environment, given the frequent attacks against health-care facilities, civilians and aid workers.

The Movement is committed to, and bound by, seven fundamental principles – including impartiality and neutrality. In my three years as chairman of the British Red Cross, I have only

ever found an absolute commitment to these. Our emblem transcends political and military divides. It is a sign of hope when all else has failed. It is vital that we continue to ensure it is respected in the field of conflict.

Thank you to all our volunteers and staff for their dedication and commitment. Equally, we are fortunate to have a wonderful array of supporters whose generosity makes our life-saving work possible. I am incredibly proud to be a part of this organisation and I look forward to continuing the journey in 2017.





# Welcome

**Mike Adamson**  
Chief executive



**Last year saw intense human suffering as protracted crises got worse, not better. From a humanitarian perspective, it was one of the toughest years I can remember. We can be proud that, as part of the largest humanitarian network in the world, we are able to help people when they need it most, no matter who they are or where they may be. We have achieved a great deal in 2016, but as ever, we want to do much more to help people in crisis.**

You do not need to travel the world to find people in need of our help. Our innovative partnership with Co-op to tackle social isolation and loneliness in the UK has shown that loneliness can affect anyone at any stage

of their life – a neighbour, a friend, a family member. As such, in 2017 we are introducing brand new services in 39 communities across the UK. These will bring together volunteers and staff to provide direct support for up to 12,500 people over two years.

The health and social care crisis in the UK received significant media coverage in 2016. An ageing population, increasing cost of drugs and some technology means demands on services continue to grow. Add pressures on spending and this is a perfect storm, bound to lead to a plethora of real problems. Last year, our volunteers and staff helped hundreds of thousands of people across our independent living services. We are also influencing the policy debate to secure the right type of investment in health and social care.

Sometimes, however, it does not need huge amounts of money to save lives: the most simple of acts can be life-saving. This was perhaps best demonstrated by our #DontStopAt999 campaign, which highlighted how two simple first aid actions could save someone's life. Similarly, our First Aid App celebrated its fifth birthday last year and has now been downloaded more than 850,000 times in the UK.

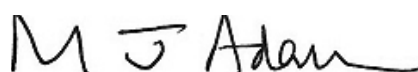
If you had told me a few years ago that I would visit places like Istanbul, Sicily and Lesbos in a humanitarian capacity, I would have been very surprised. Yet, I have travelled to each of these places to meet refugees who have lost everything and to see how the Red Cross Red Crescent Movement is helping them. Global conflicts may appear distant to our shores, but we are intrinsically caught up in them. They manifest themselves along the migration trail and culminate on our doorstep in northern France.

Last year, we worked so hard to highlight the plight of vulnerable unaccompanied children left to fend for themselves in the Calais 'Jungle' camp. When the UK Government began transferring hundreds of children to the UK, our volunteers were there to help resettle more than 600 in the UK. The Red Cross and

Red Crescent is present at every stage of the migration trail and we will continue to be there as long as we are needed.

Further afield, I saw first-hand how our partnership with the Bangladesh Red Crescent has made huge strides in reducing the loss of life when natural disasters strike the country. It has been a four-year joint effort to build resilience in vulnerable communities and now we are seeing the results.

We move forward into 2017 in good shape and ready to meet the challenges that come our way. Thank you to all our donors, stakeholders, volunteers and staff who give so much time, energy and financial support to ensure we can continue our life-saving work.





**94,000** people borrowed a mobility aid from us in 2016



**77,200** people benefitted from our support at home service in 2016



**24,600** people benefitted from our transport support service

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## Support between home and hospital

**Our aim:** Enhanced independence and wellbeing for those facing health crises, reducing hospital stays.

The British Red Cross has been providing health and social care services in hospital and at home since the NHS was first established, almost 70 years ago.

Today, our services continue to help close the gap between home and hospital. Everyone should get the support they need to live independently at home and each year we give that support to thousands of vulnerable people.

In 2016, we helped more than 319,000 people across our independent living services.





## Support at home

We provide more than 180 hospital and community services across the UK. Red Cross volunteers help people to regain their confidence and independence when they return home after a health crisis.

Nearly 77,200 people were helped by our support at home service in 2016.

The aim of our service is to help prevent hospital readmission and improve the individual's health and wellbeing. Simple support such as collecting prescriptions, offering companionship and helping out with shopping can help people to get back on their feet again.

Our support is tailored to the individual. We work with them to set personal goals to help them on their way to recovery and independence.

Over 94 per cent of people who gave us feedback on our support at home service in 2016 said they would recommend the service.

## Transport and A&E support

Last year we helped more than 24,600 people make essential journeys, such as getting to hospital or physiotherapy appointments.

We work in partnership with hospitals to provide practical and emotional support to patients and families at more than 20 accident and emergency departments across the country.

## Mobility aids

We lent nearly 61,000 wheelchairs to people across the UK last year. We are the biggest national provider of wheelchair loans. The NHS provides long-term wheelchair loans, but if you only need one for a few weeks or a couple of months – anything less than six months – you could face a problem.

We believe that everyone should have access to short-term wheelchair loans, and until that is recognised, we will continue to offer short-term loans of mobility aids.

Our wheelchair loan service means patients are discharged from hospital earlier, freeing up much-needed bed space. Our wheelchairs also help people become more independent at home, and to make follow-up medical appointments.



Our partnership with Co-op to raise awareness of and respond to the serious issues of loneliness and social isolation in communities across the UK continues to make progress.

This innovative partnership, launched in 2015, has raised over £4m, surpassing our initial target of £3.5m. The partnership is now aiming even higher, allowing the Red Cross to support more people.

In December last year, the partnership released a study on loneliness and social isolation to help readers understand the issues.

#### It found:

- > Over nine million people in the UK (almost one fifth of the population) report they are always or often lonely.
- > Loneliness does not just affect older people. Many other groups in society, from young mums to those with health or mobility issues, experience the serious impacts of loneliness and social isolation.

loneliness, from retirement to divorce or separation.

- > Without the right support at the right time, loneliness can transition from a temporary situation to a chronic issue and can contribute to poor health and pressure on public services.

Drawing on the money raised and our research, from May 2017 we are introducing brand new services in 39 communities across the UK.

Over the next two years, more than 500 volunteers and 50 staff will provide direct support for up to 12,500 people.

We will use the additional money raised by Co-op members to broaden and strengthen our response, reaching and providing tailored support to even more people who feel they have no one they can turn to.

We are also playing an important role alongside our partners on the Jo Cox Commission to amplify the national conversation about the scale and impact of loneliness in the UK.





**6 million** people around the world have downloaded our First Aid App



**27%** of adults in the UK saw our '*Don't stop at 999*' first aid education campaign



**900,000** people viewed our teaching resources in 2016.

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## First aid and crisis education

**Our aim:** Making sure people know what to do in a crisis.

The British Red Cross provides first aid training so people are equipped with essential skills when an emergency occurs.

We also focus on educating both adults and young people who we know are at a significantly higher risk of experiencing a first aid emergency.





## Don't stop at 999

A study commissioned by the British Red Cross and conducted by the University of Manchester in 2016 found that:

- > Up to 59 per cent of deaths from injury may have been prevented if first aid was given before the emergency medical services arrived.
- > First aid was only attempted in around half of all cases (excluding where the person was found dead) despite someone being at the scene of the accident before the arrival of the emergency medical services 96 per cent of the time.

As a result of this study, we launched our #DontStopAt999 campaign to raise awareness of how simple first aid could help to reduce the number of people who die from injury before reaching hospital.

Between dialling 999 and the arrival of the emergency medical services, two simple first aid actions could save someone's life:

- > Turning an unresponsive person who is breathing on their side and tilting their head back to open their airway.
- > Applying pressure to a heavy bleed to help stem the flow of blood.

## First Aid App

Our First Aid App celebrated its fifth birthday in December. Since its launch back in 2011, it has been downloaded over 850,000 times in the UK.

But the app is also a global success. Having been translated into 36 languages and made available in 81 countries, globally it has had over six million downloads to date.

Every month around 15,000 people spend two and a half minutes learning or refreshing their knowledge of first aid.

## Up your game

To coincide with the summer of sport, the British Red Cross launched Up Your Game – a campaign to encourage people to learn first aid.

The number of people in the UK who regularly take part in sport is rising. But research carried out by the British Red Cross found that although almost 90 per cent of those who play sports agree they have a responsibility to look after each other in a first aid emergency, around half of them do not feel confident enough to help.

The campaign encouraged people who play sports, volunteers and coaches to learn first aid skills and gain the confidence to act in an emergency.



Without the first aid skills I learnt, I don't know if I would have been so level headed when this happened.

Tim Connor, who used his British Red Cross first aid training to save a colleague having a heart attack.



## A better way of learning

The International Federation of Red Cross and Red Crescent Societies (IFRC) published new guidelines for first aid education in 2016. For the first time, the guidelines, which are used by first aid education providers globally, reflect evidence for improving educational approaches.

The British Red Cross was a major contributor to these guidelines, providing research that highlighted the importance of putting the learner at the centre of education.

David McKinney, head of education performance and impact, said: “In the past, our approach was to teach in-depth first aid techniques. We found that this often used to scare people because they felt like they needed to be an expert to carry out first aid.

"If people don't feel confident that they can do first aid after attending a course, then this can be a barrier to them acting in a real emergency. The fear of getting it wrong can prevent first aid being given."

“Our research has refocused the emphasis of learning first aid on to the learner, by making sure they have relevant contexts to engage with and that the learning is tailored to the individual.”



Our online educational resources help students learn about humanitarian work, resilience, the laws of war and many other subjects.

There were nearly 900,000 views of our teaching resources online in 2016, including our teacher packs, lesson plans and quick activities – with over 150,000 downloads of our content.





**1,250** people received emergency first aid help from our volunteers



**26,400** people received help from our event first aid teams in 2016



**8,400** people received emotional and practical support provided by Red Cross volunteers

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## UK crisis response

**Our aim:** Reduced distress and enhanced recovery following an emergency.

We help communities in the UK deal with emergencies. This work covers a wide spectrum: from being on-hand to administer first aid at public events, to providing emotional comfort and practical assistance during an emergency.





## Community reserve volunteers

Severe flooding in parts of northern England at the end of 2015 highlighted the need for a coordinated system to enable the general public to help in a safe and managed manner when a major incident strikes their community.

In answer to this, we launched pilot projects in Scotland and Hampshire last year, that sought to recruit and train at least 600 community reserve volunteers, who can be deployed at a moment's notice to support an emergency response.

We have so far registered and trained 650 community reserve volunteers. Their roles focus on manual and logistical services, for example, filling sandbags, clearing debris following a flood, or sorting emergency supplies.

This extra help will enable our emergency response volunteers to better utilise their skills and training in their public-facing roles. Unlike our regular volunteers, community reserve volunteers are not trained to provide any first aid, psychosocial support or any direct help to people being supported by the Red Cross.

We plan to roll out the initiative across the country in 2017.

## Preparing for the worst

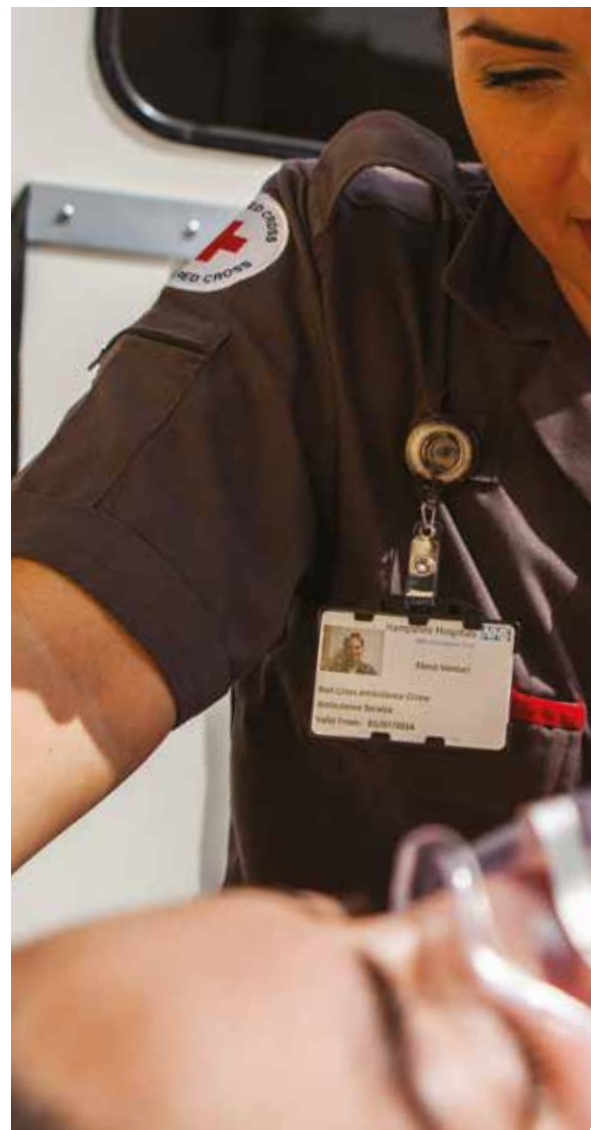
Our emergency response volunteers took part in Exercise Unified Response – Europe's biggest emergency training exercise organised by the London Fire Brigade.

The mocked-up scene at a disused power station in Dartford saw a tower block collapse on a replica of Waterloo station resulting in 1,000 (simulated) casualties.

Across four days, emergency responders from the police, ambulance service, Transport for London, and more than 70 partner agencies worked together to 'save the passengers'. Firefighters from Hungary, Cyprus and Italy also took part.

Cristina Dalton, emergency response manager for London, said: "Our teams are often deployed to provide emergency support in London, as we work in partnership with numerous emergency services, local authorities and utility companies.

"Participating in Exercise Unified Response was a great opportunity to strengthen these partnerships and provide our volunteers with a unique opportunity to utilise their core skills, in incredibly life-like scenarios."



## Anti-trafficking

Our volunteers and staff work alongside police and local authorities to help victims of human trafficking.

In March, we helped people rescued in an anti-trafficking operation in Greater Manchester. Men and women from countries including China, Afghanistan and Italy, were rescued by Greater Manchester Police during a week of action in the region.

Victims of forced labour or sex trafficking attended a rest centre set up and run by Red Cross emergency response volunteers and staff. In total, eight people were helped during the week.



## Event first aid

Red Cross first aid volunteers supported nearly 4,000 events throughout the course of 2016, including high-profile occasions such as Leicester City Football Club's victory parade, the Great North Run, the British Grand Prix at Silverstone and the Greater Manchester Marathon.

We have more than 2,100 trained first aid volunteers. Over the year, they helped more than 26,400 people with emergency first aid at events across the UK.



## Psychosocial support

The British Red Cross works with the Foreign & Commonwealth Office to provide psychosocial support to Britons caught up in emergencies overseas.

In March, a British Red Cross team was sent to Brussels to help injured Britons and their families in the aftermath of an attack on the city. Two specialist team members supported 14 people affected by the bomb blasts by providing emotional support and practical help.

Our trained volunteers also helped people in Entebbe, Uganda, who had been evacuated from South Sudan in July. And between October and December, 46 volunteers helped to escort vulnerable minors from the Calais 'Jungle' refugee camp to the UK.





**8,000** lives were saved by our search and rescue ships in the Mediterranean in four months in 2016



**30,500** people were helped by our refugee services in 2016



**14,900** refugees facing destitution were helped by the British Red Cross in 2016

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## Refugee support and migration

**Our aim:** Reduced destitution and distress for people who are displaced.

An unprecedented number of people are fleeing conflict, violence and persecution across the world.

They are undertaking long, often dangerous journeys to reach safety. Our work to support refugees – both overseas and in the UK – is more important than ever before.







## Europe refugee crisis

Our Europe Refugee Crisis Appeal is now in its second year. The appeal has raised £5.2m in total, and more than £1.4m in 2016. The money is being used to help refugees across the continent. We continue to work closely with the International Red Cross and Red Crescent Movement, particularly in Italy and Greece.

Between October 2015 and September 2016, the Red Cross Movement:

- > Distributed 16 million food parcels and meals.
- > Carried out more than one million health activities, such as medical care, first aid and psychological support.
- > Gave out more than 1.3 million hygiene items.

In October, we launched a Search and Rescue Appeal, raising more than £22,000, to help fund two rescue ships in the Mediterranean. The ships, a partnership between the Red Cross and the Migrant Offshore Aid Station (MOAS), saved nearly 8,000 lives in four months.



## In the UK

We provide refugee services in 58 towns and cities across the UK. Last year, more than 30,500 people made use of our refugee services, compared to nearly 28,000 people in 2015, and 19,000 people in 2014.

We help refugees in a number of different ways, including providing food, clothes or small amounts of cash to those facing severe hardship. We also offer short-term support to help vulnerable and newly-arrived refugees adapt to life in a new country.

Refugee destitution remains a huge problem in the UK and demand for our services is increasing. We helped over 14,900 people facing destitution in 2016, up from around 13,500 in 2015. The top four countries of origin for those facing destitution were: Eritrea, Sudan, Iran and Syria.

Whether they are new arrivals, or failed asylum seekers, we offer emergency support and expert advice to help people access whatever limited resources are available to them.

Last year, the government made some changes to how refugees and asylum seekers are supported, following our research and advocacy work. Refused asylum seekers will, in future, no longer have to use the Azure Card, which caused unnecessary suffering to the people forced to live on it.

Instead they will be supported like people claiming asylum, with access to cash. The UK Government is also piloting a new assistance programme for recently recognised refugees, helping them access mainstream benefits following the 28-day 'Move-On' period. This change followed an attempt to amend the law, supported by the British Red Cross.



## **Torn apart**

Refugee parents are legally entitled to bring their children aged under 18 to the UK. Many young people aged 18 and over are living with their parents when they are forced to flee their country.

We believe these young people, in their late teens or early twenties, should be able to join their families in the UK.

Immigration rules mean these young people are left to fend for themselves in some of the most unsafe places in the world. Others choose to take perilous journeys to the UK to be with their families.

Last year we launched our Torn Apart campaign to highlight the plight of refugee families who had become separated due to these rules. With the support of the public, we asked politicians to consider changing the rules.

As a result of the campaign, the Home Office is revising its family reunion policy guidance. The revised guidance explicitly widens the 'exceptional and compassionate circumstances' in which it is permissible to reunite these young people with their families, so it now includes children over the age of 18.

## **Family reunion travel assistance**

Our family reunion travel assistance programme reunited more than 750 families in the UK last year – the largest group being from Syria – including nearly 1,900 children. In 2015, we reunited around 400 families.

Our family reunion work is vital, with the British Red Cross facilitating the transport and arrival of thousands of refugee families who otherwise could not access a safe and legal route to see their loved ones again.

## **Calais transfers**

In October, we published a report into how unaccompanied refugee children with family in the UK were being left to fend for themselves in the Calais 'Jungle' camp as a result of bureaucracy.

The report, 'No Place for Children', found failures at almost every point in the process of reuniting unaccompanied refugee children with their family in the UK under the EU law known as Dublin III.

On average, it takes 10-11 months to bring a child to the UK under Dublin III due to problems ranging from basic administrative errors causing severe delays, to a shortage of staff required to facilitate transfers.

Ahead of the camp's demolition by French authorities at the end of 2016, the Red Cross called on the UK Government to speed up the process of reuniting children with their families.

In mid-October, the government began to transfer vulnerable unaccompanied children from the 'Jungle' to the UK. Working with the Home Office, 215 British Red Cross volunteers helped to resettle more than 600 unaccompanied children.

## **Syrian resettlement programme**

British Red Cross volunteers and staff helped hundreds of Syrian refugees start a new life in the UK in 2016.

The programme, a UK Government initiative, seeks to resettle up to 20,000 Syrians in need of protection. The Red Cross is working with other agencies to provide support to refugees across 15 parts of the UK.

In Northern Ireland, the Red Cross supports a reception centre for newly-arrived Syrian families. The centre helped over 350 people in 2016. Refugees spend one week at the centre where they receive an induction and welcome programme designed to give them the information and support they need to adapt to life in the UK.

Families are supported to recover from their journey, engage with health services, obtain financial support, understand UK laws, and, most importantly, they receive a warm welcome to Northern Ireland.

Our involvement in helping to resettle Syrian refugees varies across the UK. In some cases, Red Cross volunteers or staff greet refugees at the airport and travel with them to their new accommodation. In other cases, we provide a tailored programme of support to help families start a new life. For example, in South Wales we are providing practical and emotional support to ten families.

### International family tracing

Tracing missing family members is a core part of Red Cross work – in the UK and across the world. We help to restore contact between families who have become separated as a result of conflict, migration or natural disaster.

In 2016, we opened more than 1,100 new cases for people looking for their missing loved ones and we found 234 people. The service works with refugees, migrants and British citizens alike – supporting individuals from over 70 nationalities. The top five sources of family tracing cases in 2016 were:

Afghanistan	318
Iraq	124
Eritrea	102
UK	60
Iran	59





**51,900** British Red Cross food parcels were distributed to 192,195 people in Syria



**130,000** people have received help from an eight-year community health programme in Afghanistan



**57** Syrian Arab Red Crescent volunteers and staff have been killed since the start of the conflict

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# International emergency response and recovery

**Our aim:** Reduced distress and enhanced recovery following an emergency.

**Strengthened national humanitarian action overseas.**

The British Red Cross provides emergency support to people affected by a crisis overseas, and we also help them to rebuild their lives.

We share our expertise with the Movement and National Societies to build resilience within communities, helping them to prepare for, withstand and recover from disasters.





## PROTRACTED CRISES

### Syria

The Syria conflict continues to devastate countless lives and poses huge challenges for the humanitarian sector, both in Syria and surrounding countries.

By following our principles of neutrality and impartiality, Red Cross and Red Crescent volunteers are able to cross front lines and reach people cut off by fighting.

This was highlighted in December, when volunteers and staff from our partners, the Syrian Arab Red Crescent and the International Committee of the Red Cross (ICRC), helped to evacuate 35,000 people from eastern Aleppo.

Last year our Syria Crisis Appeal raised £5.3m, taking the appeal total to £18.2m. We are hugely grateful to donors for their support. Money raised from our appeal supports the life-saving work of the Red Cross Movement in Syria, Iraq, Jordan and Lebanon.

Since the onset of hostilities in March 2011, the British Red Cross has supported around 5.2 million people across these four countries.

For example, over 51,900 food parcels, bought by the British Red Cross in 2016, were distributed to families by the end of June, helping around 192,200 people. Families in Aleppo and Homs were among those to receive parcels.

More than 1.4 million emergency relief items – such as blankets, mattresses, sleeping mats and tarpaulins – have been distributed since the crisis began in 2011.



### Yemen

Worsening conflict in Yemen has left nearly 70 per cent of the country's population in need of humanitarian support.

More than 14 million people do not have enough food while more than two million people have been forced to flee their homes.

Towards the end of 2016, the Disasters Emergency Committee (DEC) launched a Yemen Crisis Appeal. The DEC brings together 13 leading UK charities, including the British Red Cross. The DEC appeal raised more than £20m, which will be distributed between the different member agencies.

Our own Yemen Crisis Appeal raised more than £189,000 in 2016. Money from our appeal supports life-saving work in Yemen.

For example, the British Red Cross is supporting an obstetric clinic in Hajjah. More than 4,600 pregnant women have received care at the clinic since May 2016. This obstetric clinic provides the only health services for women during pregnancy and birth in the city.



## A young woman with a bright smile is the central figure, wearing a vibrant red dress and a necklace with a striped tassel. She is carrying a massive stack of folded grey sweaters on her head and shoulders, which frames her face. The sweaters are neatly folded, showing their texture and the way they are layered. The background is slightly blurred, showing other people in a similar setting, suggesting a busy outdoor market or fair. The overall mood is cheerful and lively.

Among the financial contributions made by the British Red Cross in 2016 was a £300,000 pledge to the ICRC. This support provided food for 7,500 households – around 45,200 people – for one month.

## SILENT EMERGENCIES

### Lake Chad

Conflict, acute food shortages, disease and widespread displacement have conspired to leave millions of people in need of help in Africa's Lake Chad region.

In total, more than ten million people across Nigeria, Cameroon, Chad and Niger are in need of help, but without a public profile, it is hard to attract funding to support relief operations.

At the end of October, the British Red Cross launched an emergency appeal to support the work of the ICRC in the region. By the end of 2016, the appeal had raised more than £118,000.

Prior to launching the appeal, the British Red Cross had made several financial pledges to support the work of the ICRC in Nigeria and Cameroon. In total, we gave more than £450,000 in 2016. We have also seconded four cash and logistics delegates to the ICRC.

In 2016, the ICRC provided health care to 500,000 people in Nigeria and treated 12,000 children under the age of five suffering from severe acute malnutrition.

### South Sudan

Three years since conflict began in South Sudan, humanitarian needs in the world's newest nation continue to increase.

More than 1.8 million people have fled their homes due to violence within South Sudan – half are estimated to be children – while more than one million people have fled to neighbouring countries.

Our South Sudan Crisis Appeal raised more than £269,000 in 2016, bringing the appeal total to nearly £616,000 since its launch in March 2014. Money from our appeal supports the work of the Red Cross Movement in South Sudan and neighbouring countries.

In 2016, the ICRC distributed 950,000 food rations to people in need, while nearly 234,000 people received seeds and tools for farming.



### Southern Africa

Throughout last year, large swaths of southern Africa faced the worst drought in 35 years. An estimated 40 million people are facing food shortages.

The governments of Botswana, Lesotho, Malawi, Namibia, Swaziland and Zimbabwe declared national emergencies, as did most provinces in South Africa, while Mozambique activated a red alert to mobilise resources in affected areas.

The British Red Cross has given more than £1.2m to support relief work in Zimbabwe, Lesotho and Namibia.

In addition, we deployed a cash transfer delegate to Namibia to help set up cash distributions for affected families as part of the emergency response.



## Italy earthquake

A 6.2-magnitude earthquake struck Italy in August. Nearly 300 people were killed and thousands were left homeless.

The Italian Red Cross responded immediately by sending search and rescue teams, rescue dogs and ambulances to the affected area. Volunteers also provided first aid and emotional support to survivors.

The British Red Cross launched an emergency appeal to help people affected by the earthquake. Thanks to generous donations, the appeal raised more than £455,000.

More than 4,400 people received help from the Italian Red Cross.

## Disaster Fund

Our Disaster Fund enables us to give financial support without delay when disaster strikes overseas. In 2016, we gave £1.8m from our Disaster Fund to help the Red Cross Movement respond to crises that do not necessarily make headlines in the UK. For example:

- > February: £140,000 to help people facing food shortages in Ethiopia
- > April: £100,000 to help communities facing severe drought in Somalia
- > May: £140,000 to help in the aftermath of the Ecuador earthquake
- > June: £75,000 to help people hit by drought in Timor-Leste
- > September: £125,000 to help respond to a yellow fever outbreak in Angola

## EMERGENCY RESPONSE

### Hurricane Matthew

The British Red Cross launched an emergency appeal to help people affected by Hurricane Matthew. The category-four storm caused significant damage across the Caribbean in early October, with Haiti feeling the full force of the hurricane.

More than two million people were affected and 200,000 houses were destroyed or damaged. The British Red Cross launched an emergency appeal to help people affected by the hurricane, raising £1.1m. Money from our appeal supported the emergency response and ensuing recovery operation.

The Red Cross Movement will help 147,500 people for 18 months. As of January 2017, more than 41,800 families had been reached with emergency relief items such as blankets, tarpaulins and shelter kits.

## Cash programmes

Cash-based assistance is one form of humanitarian response that can be used in an emergency response, recovery operation or to build resilience. Cash distributions are not new, but they are increasingly used by humanitarian agencies as they bring several advantages:

- > Recipients can obtain goods or services from local markets according to their own need, which gives them dignity and independence.
- > Cash can often be delivered quicker and more cost-effectively than more traditional in-kind relief items.
- > Recipients spend cash in local markets, which helps boost the local economy.

The British Red Cross is able to draw upon significant expertise to establish effective cash programmes. In 2016, our cash delegates worked with our partners to set up cash programmes in 20 countries in a number of different contexts. For example:

- > Supporting the market assessment of key goods and services available to crisis-affected populations in Syria.
- > Providing people with the means to meet their basic needs in response to drought and food insecurity in Africa.
- > Supporting local Red Crescent cash-based assistance during emergencies in Pakistan
- > Empowering National Society partners to carry out cash programmes.

We are working with the Movement to increase the scale and speed of cash programming to better meet humanitarian needs over the coming years.

## Supporting the Movement

The British Red Cross has a number of long-standing partnerships with Red Cross and Red Crescent societies across the world. By working together, we can share knowledge and resources across the Movement.

### Developments in 2016 included:

- > In Guinea, we started a new disaster preparedness and response programme, and a health programme, working in a consortium with the Guinea Red Cross, Danish Red Cross and Swiss Red Cross as part of the post-Ebola work.
- > In East Africa, we developed our existing partnership with the Red Crescent Society of Djibouti to enhance their ability to respond to emergencies in the country.
- > In Asia, we completed our three-year Typhoon Haiyan recovery programme in the Philippines. In Afghanistan, an eight-year community health programme, supported by the British Red Cross with Movement partners, came to an end. It has helped over 130,000 people.
- > In the Middle East, we have developed our relationship with the International Federation of the Red Cross and Red Crescent Societies (IFRC) in order to better respond to the crisis in Yemen and build the capacity of the Yemeni Red Crescent.

## Protection for aid workers

In a year when attacks against civilians, health-care facilities and aid workers became all too frequent, we continued to support the Movement's call for respect of the Red Cross and Red Crescent emblems and the protection of aid workers.

In December, a Syrian Arab Red Crescent (SARC) volunteer was killed while on duty. In September, a SARC staff member was killed, along with 20 civilians, when an aid convoy was attacked. During the past six years, 57 SARC staff and volunteers have been killed. Since March 2015, 10 Movement staff and volunteers have been killed in Yemen, including three last year.

In Afghanistan more than 90 aid workers were abducted in 2016, including three from the Afghanistan Red Crescent Society and one from the ICRC.

The British Red Cross condemns all attacks on aid workers. The safety and security of humanitarian personnel, relief supplies and essential logistics infrastructure is indispensable for the delivery of humanitarian relief to populations in desperate need.

## International aid from DFID

Within the Movement, the British Red Cross has responsibility for co-ordinating the relationship with the UK Government's Department for International Development (DFID) on behalf of the International Federation and its National Societies on policy, operational and financial issues.

In 2016, DFID gave a grant of £1.2m to the British Red Cross as part of a Programme Partnership Arrangement (PPA), £9m to the IFRC as part of an Institutional Strategy, a number of long-term grants totalling £1.4m to National Societies, and around £4.7m in contributions to emergency appeals.

## International humanitarian law and policy

The British Red Cross' long-standing work towards UK ratification of the Hague Cultural Property Convention, and its two Protocols, reached a significant milestone in 2016 with the introduction of the ratification legislation in the House of Lords and its passage through several stages in the parliamentary process. We will continue to provide substantive support to the ratification and implementation of these international humanitarian law (IHL) treaties.

We maintain our efforts and partnerships to influence the field of IHL. The British Red Cross has participated in several international IHL meetings and conferences, including in relation to the Swiss/ICRC initiative on improving compliance with IHL, making a joint contribution with the ICRC to two important Commonwealth legal meetings and hosting a seminar on IHL and Disaster Laws with the Commonwealth Secretariat.

As an auxiliary to the UK Government in the humanitarian field we have increased the provision of IHL training to relevant government departments and the UK armed forces. In 2016, we delivered bespoke training to the Foreign and Commonwealth Office and the Department for International Development, and hosted our biennial summer school on international humanitarian law.

We have continued to support National Red Cross and Red Crescent Societies in their own recognised role in IHL, as well as in other legal areas relevant to the Movement. This included the delivery of a workshop on the Movement's special features for legal advisers from 22 African National Societies.



# Our plans for 2017

The support we deliver to people in crisis, both in the UK and overseas, remains of critical importance. 2017 will see us scale up our work in response to greater need, to help more people in new ways and through new partnerships.

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## Emergencies overseas

We will maintain a focus on emergencies that are out of the public eye, particularly supporting the Movement to respond to those affected by crises in Mongolia, Yemen and the Sahel. We will develop a new cash-based assistance programme with the wider Movement. This will support people in crisis through direct cash payments that will give them greater control over their own recovery and boost local economies.

## Refugees and asylum seekers

We will continue to scale up the support we give to refugees and asylum seekers as large numbers of migrants look to Europe in search of a new life. We will help refugees in the UK to reunite with their families, and we will give bespoke support for victims of trafficking and modern-day slavery.

## National humanitarian action

We will invest in the capacity and sustainability of other Red Cross and Red Crescent Societies as pillars of local humanitarian action. In 2017, our resources will focus on Africa to boost the capacity of National Societies to function as effective and sustainable organisations and to respond better to the needs of their own communities. We will continue to work with the Kenya and Bangladesh National Societies through our water, sanitation and hygiene programmes, and with the Nepal Red Cross in a new urban risk reduction and resilience programme.

## Support between home and hospital

We will continue to support people to live independently and safely in their own homes, growing our reach by a further ten per cent in 2017. As our population ages, and pressures on the National Health Service increase, we will grow our support in the space between hospital and home to enable people to return to their homes following a stay in hospital, get people back on their feet, and free up hospital beds. In partnership with Co-op, we are introducing nearly 40 new schemes across the UK aimed at tackling social isolation and loneliness across the UK.

## Advocacy

We will continue to advocate where we feel there are gaps in the provision of support for people in crisis, focussing in 2017 on:

- > the fulfilment of the duty of local authorities to provide low level preventative health care, as set out in the 2014 Care Act;
- > securing statutory provision of short-term wheelchair loans as part of keeping people independent when facing a health crisis;
- > ensuring refugees and asylum seekers can easily access the support they are entitled to in a timely way, protecting their right to family reunification, and working to secure safe and legal routes to safety;
- > securing a commitment for first aid to be taught in schools so that we can build a nation of life-savers.

## 2017 delivery pledges

### Enhanced independence and wellbeing

We will support ten per cent more people in the space between hospital and home and develop ways to tackle social isolation and loneliness.

### Reduced destitution and distress for refugees and asylum seekers

We will develop bespoke support for victims of trafficking and modern day slavery, and support 20 per cent more families to reunite.

### Reduced distress and enhanced recovery through cash assistance in an emergency overseas

We will develop a Movement cash-based assistance programme that will see 20 per cent of assistance delivered through cash.

### Strengthened national humanitarian action

We will strengthen National Society capacity in countries from which populations are flowing, with a focus on Syria, Yemen and Nigeria.

### Designing services with our users

We will develop ways to co-produce our services with users to ensure they are relevant and accessible.

### Supporting our people

We will develop our frontline staff and volunteers to strengthen leadership, and put new pathways in place to recruit and train our volunteers.

### Fundraising and innovation

We will develop new ways of raising funds, growing our restricted funding so we can deliver more for people in crisis.

### Harness technology

We will rebuild our website so that people understand us better, can access our services and can support us in multiple ways.

### Understanding the difference we make

We will embed tools into the way we work so we can measure the difference we make and tell our story, and develop our first impact report.

### Time, Talent, Treasure

We will encourage and develop lasting, meaningful relationships with our supporters, whether they donate time, expertise or money, doubling our President and VP Network.

# 8

## Principal risks and uncertainties

Responding to the needs of people in crisis entails taking risks. The board of trustees is ultimately responsible for overseeing the management of risks within the British Red Cross, ensuring that appropriate internal controls and processes are in place.

The trustees consider that the following framework provides the British Red Cross with adequate measures to reduce the impact of identified risks.

- > **The board of trustees reviews the effectiveness of British Red Cross internal risk, audit and assurance functions.** The board ensures that risks to the successful operation of the organisation are identified by the executive leadership team and reviewed at least annually by the board, with effective mitigating actions in place.
- > **The board of trustees oversees major corporate risks to the delivery of strategy. The committees of the board, along with other internal steering groups, provide oversight of specific risks to the core business of the organisation, and assurance to the board that those risks are being appropriately managed.** Each committee supports the identification of risks relating to strategic change, ethical fundraising, investment, security, health and safety, remuneration, information governance and clinical and practice governance. The finance and audit committee reviews the effectiveness of the British Red Cross' internal controls and risk management framework as well as focussing particularly on financial risks. In 2016, a review of our risk management was conducted with a new framework and revised processes put in place to ensure robust and effective risk management.

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- > **The executive leadership team reviews any significant organisational risks and ensures that the internal controls framework within which we operate is effective.** They consider new and emerging risks to the organisation and delivery of the strategy, and the impact of mitigating actions against existing risks on a quarterly basis, reporting to the board on the latest position.
  - > **Established policies and procedures are in place that set out how we operate as an organisation. Specific policies on risk management, incident reporting, management of complaints and grievances, and raising concerns (whistleblowing) are in place.** These policies ensure that where incidents give rise to risks, these are identified and acted on, and reported according to our regulatory responsibilities. Our policies ensure that any member of staff or volunteer who suspects wrongdoing, risk or malpractice within the organisation can report this within a supportive environment through clearly identified channels. Harassment or victimisation of anyone raising a concern is not tolerated.
  - > **An anti-fraud, bribery and corruption policy confirms that the Red Cross has a zero tolerance approach to fraud, bribery and corruption.** The board approved an updated version of this policy in December 2016. Suspicions or incidents can be reported internally through a range of mechanisms, as well as externally via the website. Response plans are in place to manage risks associated with such incidents. All serious incidents of fraud or corruption are investigated and reported to the executive leadership team, the finance and audit committee and the board of trustees.

# Principal risks and uncertainties faced by the British Red Cross, and mitigating actions

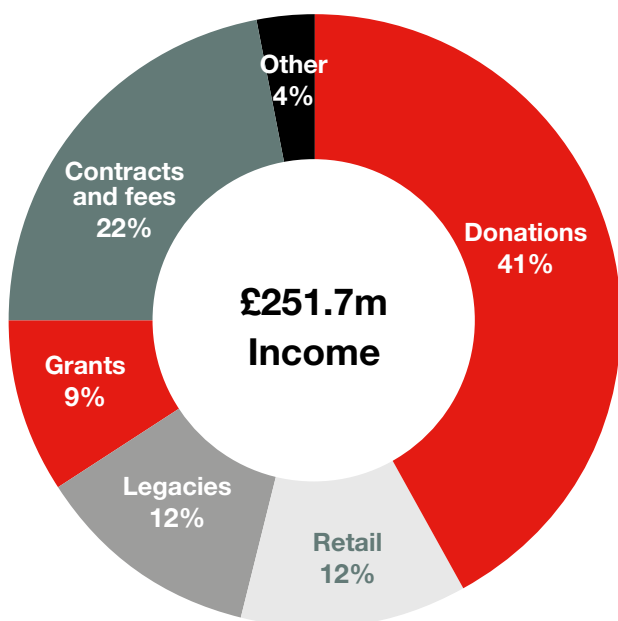
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Risk theme	Risk	Mitigating action
Funding	<b>Fundraising restrictions:</b> New fundraising regulations and standards may impact on our capacity to raise sufficient funds to deliver current strategic objectives and future planned and emergency activities.	<p>Over 2016, new fundraising practices and procedures were put in place to ensure full compliance with new fundraising regulations and standards. Although we are fully compliant with the current regulatory framework, we will continue to need to invest in our quality control framework to ensure our practices remain compliant with new requirements.</p> <p>We continue to proactively engage with the sector, including the Institute of Fundraising, the Fundraising Regulator, the Charity Commission, the government and peers on further changes to the fundraising environment.</p> <p>Our 2017 plans acknowledge continued uncertainty in our fundraising environment by investing in fundraising innovation and developing deeper engagement with our supporters. Our reserves policy provides sufficient contingency to ensure we remain able to deliver our commitment to people in crisis in 2017 and beyond.</p>
Outcomes	<b>Delivering for people in crisis in the UK:</b> Without the right balance of staff and volunteers in place, equipped with appropriate skills and support, we may not be able to provide our UK services users with the person-centred care and support required for us to realise the outcomes we seek to bring about for people in crisis, within the context of our regulatory and contractual environment.	<p>New UK operations service structures have been put in place to ensure our resources are focused on the front line.</p> <p>In 2017, clear and robust workforce planning will be undertaken for our UK services in the context of the new service structures to ensure we have the right staff and volunteers in place to deliver against our commitments.</p> <p>2017 plans provide investment for improved service specific training and management and leadership capacity building, with support to ensure the health and wellbeing of our workforce.</p>

Risk theme	Risk	Mitigating action
Operational	<p><b>Delivering for people in crisis overseas:</b> The limited capacity of partner National Societies in the Red Cross Red Crescent Movement (including capacity to meet quality and accountability requirements) impacts on the scale and speed at which we can respond to the needs of people in crisis overseas.</p>	<p>A rigorous process for selecting those National Societies we work with is in place, with clear procedures for taking action in the event of serious concerns in relation to financial transparency and accountability.</p> <p>We have a range of operating models in place that enable us to make choices about how best to respond to the needs of people in crisis overseas in the context of our wider Movement.</p> <p>Our 2017 plans will see us continuing to support National Society organisational development where need is great, to improve National Society effectiveness and capacity to respond to the needs of people in crisis. This includes the development of a new approach to measuring organisational effectiveness that will enable us to understand better the impact of our interventions.</p>
	<p><b>Health, safety and security:</b> Working in volatile conflict zones overseas, where there is disregard for international humanitarian law, gives rise to considerable challenges in keeping those staff and volunteers deployed in the field safe and secure.</p>	<p>Robust health, safety and security measures are in place to protect all staff and volunteers working both in the UK and overseas, with quality assurance frameworks embedded in our UK services to ensure the safety and wellbeing of service users.</p> <p>A security framework and travel security procedures are in place for those working overseas, with risks and implementation of standards overseen by a security focus group. Improved mechanisms for overseas incident reporting are being introduced.</p> <p>Travel security procedures are regularly rolled out to those who travel and their managers, with staff and volunteers deployed undergoing rigorous training in minimum security requirements.</p> <p>The security of staff and volunteers in the field is coordinated with the IFRC/ICRC based on clear security policies and procedures.</p>

Risk theme	Risk	Mitigating action
	<p><b>Business continuity:</b> As we transition to new structures and property arrangements for our UK operations, our business continuity is more at risk while teams are reformed and ways of working, procedures and responsibilities are embedded, leaving us more exposed in the event of a major disaster, particularly in London, e.g. a terrorist attack.</p>	<p>A comprehensive review of our business continuity arrangements and existing policy for our UK Office will be undertaken in 2017.</p> <p>With the new service structures now in place in our UK operations, our business continuity arrangements across the UK will be tested and regular and coordinated checks and balances will be established in 2017 to ensure that arrangements are reviewed and kept up-to-date.</p>
	<p><b>Data governance:</b> Failure to maintain up-to-date data protection and information governance arrangements, in line with legislative, regulatory and contractual requirements, may result in a mishandling of data.</p>	<p>Data protection and information governance policies are in place and are reviewed to ensure our internal processes are robust and comply with any new legislative, regulatory or contractual requirements.</p> <p>Information governance training is compulsory for all volunteers and staff. The training has been designed to ensure awareness of our duty to protect data and support implementation of our internal policies and procedures on data protection and information governance.</p>
	<p><b>Cyber security:</b> Failure to ensure and maintain appropriate information security results in a cyber-attack.</p>	<p>In 2016, improvements were made to the general stability and security of our IT systems to ensure secure access. Transfer of our IT servers to an external site is underway to further guarantee security.</p> <p>Our cyber security will be reviewed again in the first half of 2017, and action will be taken based on recommendations that arise from the review.</p>

Risk theme	Risk	Mitigating action
<b>Reputation</b>	<p><b>Trust and relevance:</b> Increasing scrutiny and criticism of charities threatens to erode public trust and perceptions of the relevance of the work we do, undermining people's willingness to support us.</p>	<p>A more nuanced and in-depth understanding of our supporters is being developed that will enable us to engage with our supporters more effectively and according to their preferences, including through digital technology, which will improve our transparency and openness.</p> <p>2017 will see increased investment in understanding the impact we have on the lives of people in crisis, which will inform the choices we make about what we deliver to ensure what we do is relevant and has sufficient impact for the resources we invest.</p>
<b>External</b>	<p><b>Brexit:</b> The process of the UK exiting from the EU could impact on our income and regulatory environment. Failure to be sufficiently up-to-date with the latest developments could prevent us from preparing for a post-Brexit era.</p>	<p>A review of the implications of Brexit for the British Red Cross and the wider sector has been undertaken, setting out the possible impact exiting the EU might have on our funding base, workforce, legal environment, and on the nature of crises and vulnerability in the UK.</p> <p>Measures to ensure the safety and security of our staff, volunteers, service users and those visiting our retail outlets were strengthened immediately following the referendum in response to a spike in racially-motivated violence.</p> <p>As the Brexit process and outcomes become clearer, further assessments will be undertaken to inform how we need to respond.</p>



Overall the British Red Cross is in a stable financial position at the year-end, despite the challenging economic context. We focus our resources on quality in terms of delivering our strategic objectives, and we are well placed to continue our work towards our vision of a world where everyone gets the help they need in a crisis.

## Income

Our total income decreased by £23.4m in the year to £251.7m.

Our work is mainly funded by a mixture of donations, income from our shops, legacies, earned income from service delivery and grants.

In total, donations fell £15.7m to £104.5m, including a reduction in donations from regular givers of £4.9m to £47.7m.

We suspended a number of areas of our fundraising marketing activity at the start of 2016, to ensure our fundraising practices complied with revised regulatory requirements. These activities restarted later in 2016. In addition, the markets for certain other fundraising activities, such as face to face fundraising, were subdued during the year. This meant our income and opportunities to invest fell in the year compared with 2015. We expect these operating circumstances to continue for the medium term.

Retail income from our shops fell £0.5m to £29.4m and our retail net income fell £1m to £3.9m. High street trading conditions remained challenging throughout the year and our retail efforts were focussed on consolidating our retail income generation and maximising cost efficiencies. It was pleasing to see income from our shops and associated retail activities holding up relatively well compared to the charity retail sector in general.

While our income from legacies was down in the year by £1.7m to £30.9m, this was still higher than our expectations for the year.

We received £22.3m in grant income in the year (2015: £32.5m), primarily for our international programmes. This included £16.3m (2015: £26.9m) from the Department for International Development (DFID). The reduction in grant income reflects the decreased level of large-scale emergencies.

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# Financial review

## Overview

**Our income and expenditure have decreased 9% compared to last year. Our income and expenditure can vary significantly year to year depending on the level of large-scale international emergencies and the decrease is partially due to a lower level of such emergencies in 2016 compared to 2015.**

The decline in our fundraising income and associated expenditure due to changes in regulation, as well as our own quality assurance framework, have also been a factor in the overall decrease in the year.

Our net income was £16.8m (2015: £15.4m) including net gains on disposals of fixed assets of £5.6m.

Our work in the UK is funded through a mixture of donations and income generated from service delivery. To be able to provide services to support people in crisis, we have local contracts with statutory services, such as the NHS.

Our contract and fee income grew £1.0m in the year to £55.5m. This is largely made up of income from our first aid training £16.8m (2015: £16.5m) and support between home and hospital comprising our health and social care activities £28.7m (2015: £28.6m).

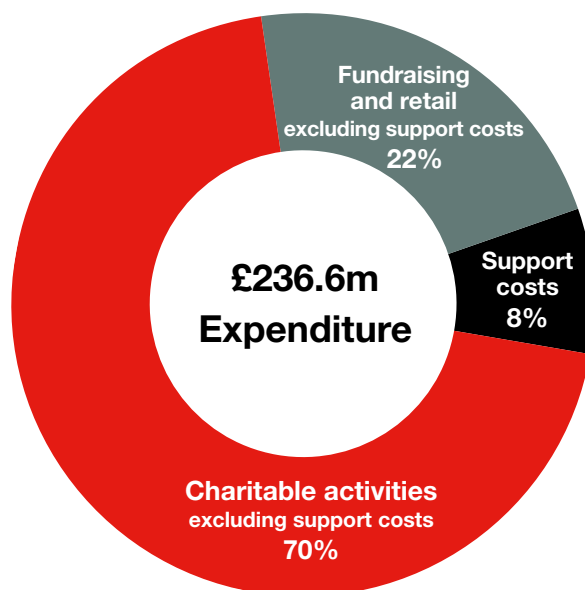
## Expenditure

Our total expenditure decreased by £23.1m in the year to £236.6m.

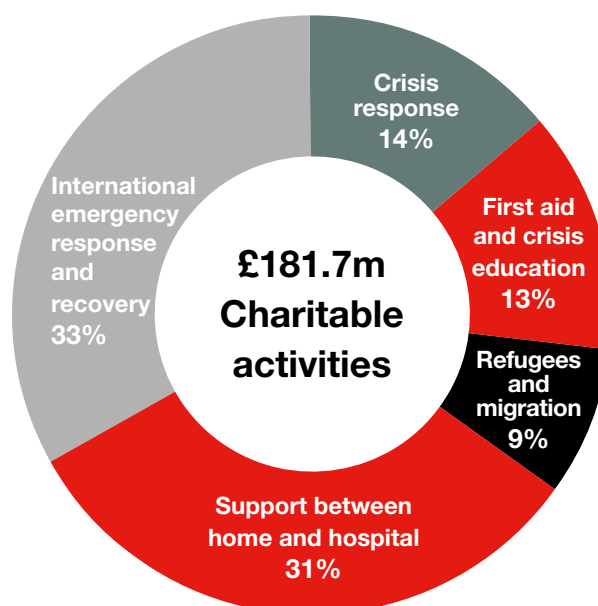
We spent £181.7m on our charitable activities in the year (2015: £195.0m). Our spend on international activities was £59.2m, a decrease of £17.5m from the previous year reflecting the reduced level of large-scale emergencies. Our charitable expenditure in the UK has increased 4% and this included a 27% increase in expenditure to £15.7m spent on refugee support and associated services. You can read more about our charitable activities elsewhere in the report.

The return on fundraising expenditure is under frequent review to ensure effective returns are achieved.

During 2016 there was a significant drop of £10.3m in our fundraising costs reducing our total spend on fundraising to £29.4m. As described above, we suspended elements of our fundraising marketing activity during the year. Changes to certain fundraising activities are being rolled out in the sector and will impact upon our fundraising income in the next few years. We are however confident that our operating model is robust and can accommodate such change.

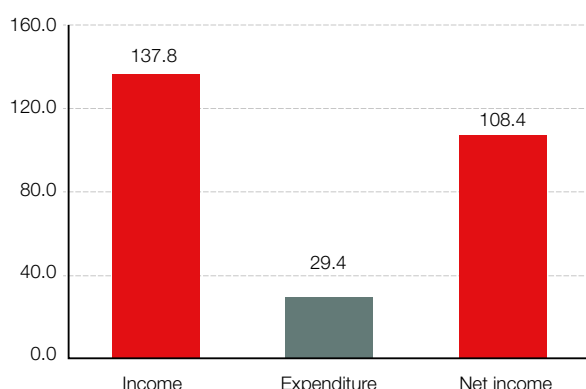


92p in every pound is spent on direct charitable activities and raising funds.

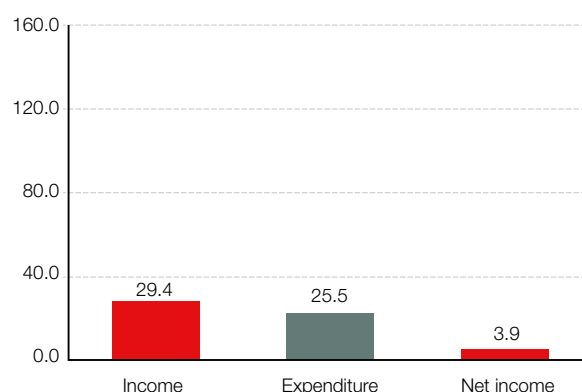


Including allocation of support costs.

## Fundraising (£m)



## Retail (£m)



## Reserves

Our reserves policy ensures our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring we do not retain income for longer than required. The reserves policy is kept under periodic review and reserves levels are adjusted as perceptions of risk and other factors change.

During the year, the board of trustees agreed to increase the reserves range from £30m-40m to £40m-50m to recognise the increased perception of risk, particularly around our income streams as well as the increased uncertainty in the wider economic environment. Key areas considered by the trustees in determining reserves levels include the financial impact of risk, levels of non-cash working capital and commitments and longer term plans.

Our free available reserves at the year-end were £45.0m (2015: £40.1m). This represents slightly less than three months' worth of general funds expenditure.

We are currently undertaking a project to review our property portfolio and optimise our space utilisation. This project is releasing one-off property disposal funds which we are choosing to invest in strategic initiatives to improve our operating effectiveness and efficiency. During the year, the board of trustees allocated £7.6m of free reserves to designated funds for these strategic initiatives.

## Investments

If funds are not immediately required, we invest them in low risk funds and deposits. Our overall investment objective is to generate a return, whilst maintaining the capital value of the investments in real terms over the medium term.

The British Red Cross does not directly or indirectly invest in companies with a significant interest in trading in and manufacture of arms or in the manufacture of tobacco products.

An investment sub-committee of the finance and audit committee regularly reviews our investment portfolio and investment policy.

The total investment gains and income for the year was £2.0m (2015: £0.3m).

Our £30m fixed asset investment portfolio generated a total annual return for the year of 6%, with the year-end value of the investments standing at £31.8m. The funds in which we are invested aim to achieve 2nd quartile performance over a rolling 12-month period and top quartile performance over a rolling 36-month period.

The investment sub-committee is satisfied with the performance of the investment portfolio with regard to the overall investment objective and against the agreed performance benchmarks which applied during the year.

## Carbon emissions

We were previously awarded the Carbon Trust Standard Award in recognition of our achievements in managing the reduction of carbon emissions from our properties. During 2016, we received confirmation that our systems had reached the ISO 14001 environmental management system standard. The certification applies to the whole of the organisation and is valid until May 2025, providing we maintain and where possible improve upon the standards already achieved.

Continuing our commitment to reducing our carbon emissions, we have now installed 942 solar panels on seven properties, thereby generating electricity and an income of £61,000. We also moved 152 of our properties on to a Green Energy contract. These properties are now carbon neutral with regard to electricity, equating to an annual saving of 750 tonnes of carbon emissions.

Since the start of the programme we have reduced our carbon emissions from heat and power by 3,343 tonnes (40%), equating to a total saving of £492,000.

## Going concern

The board of trustees has reviewed the British Red Cross' financial position and consequently believes there are sufficient resources to manage any foreseeable operational or financial risks. The board therefore considers there is a reasonable expectation that the British Red Cross has adequate resources to continue in operational existence for the foreseeable future.

For this reason the board of trustees continues to adopt the going concern basis of accounting in preparing the accounts.

# Governance

## Introduction

**The British Red Cross was founded in 1870 and incorporated by Royal Charter in 1908. A supplemental Royal Charter took effect on 1 January 1998, which was revised by HM The Queen in Council on 17 July 2003.**

The governing instruments under which we operate comprise this revised charter, the Standing Orders and other policies agreed from time to time by our governing body, the board of trustees.

Our legal objects, as laid out in the Royal Charter, are to provide assistance to victims of armed conflict and to work for the improvement of health, the prevention of disease and the prevention and alleviation of human suffering in the UK and throughout the world.

## Board of trustees

The board of trustees has ultimate legal responsibility for our organisation and works to ensure good governance, with the help of its committees. The board agrees the overall strategic direction and is our highest decision-making body. Its members are volunteers. They work alongside the executive leadership team, who are responsible for the implementation of policy and for the management of the day-to-day running of the organisation.

As per our Standing Orders, the board can comprise up to nine elected members (chosen from our active volunteer base) and up to eight co-opted members appointed by the board (which includes the roles of chair and treasurer). The board of trustees is committed to ensuring that governance arrangements are effective and relevant, as well as ensuring that the board members reflect the breadth of the services we provide and the communities in which we operate. The current board comprises six co-opted and eight elected trustees. Trustees can serve up to two terms of four years each.

A governance and nominations committee oversees trustee recruitment. The recruitment for elected trustees is conducted via a national electoral college of volunteer council chairs. The governance and nominations committee is also responsible for the nomination of new co-opted trustees for board consideration. All new trustees are provided with a structured induction programme. Trustees also undertake a range of development activities during the year to ensure their skills are relevant and up to date.

## Structure

The British Red Cross operates in eight British Overseas Territories. Included in the British Red Cross group accounts are the accounts of the three overseas entities, which are locally incorporated, which are the Bermuda Red Cross, the Cayman Islands Red Cross and the Turks and Caicos Islands Red Cross, and one related trust, the Bermuda Red Cross Charitable Trust. These are accounted for as subsidiaries, in accordance with the SORP<sup>1</sup>. The Anguilla Red Cross, The British Virgin Islands Red Cross, the Falklands Islands Red Cross, the Gibraltar Red Cross and the Montserrat Red Cross are accounted for as

branches, in line with the SORP.

Also included in the group accounts are the accounts of Britcross Limited, a wholly owned trading subsidiary which donates its trading profits to the British Red Cross.

The British Red Cross is a prominent member of the International Red Cross and Red Crescent Movement, with volunteers and staff contributing to a number of initiatives within both the International Federation of Red Cross and Red Crescent Societies (IFRC), the International Committee of the Red Cross (ICRC) and 190 member Red Cross and Red Crescent Societies.

The British Red Cross is also a member of the Disasters Emergency Committee, an umbrella organisation that brings together 13 leading UK aid charities in times of crisis.

## Trustees' responsibilities

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

The law applicable to charities in England, Wales and Scotland 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

- > select suitable accounting policies and then apply them consistently;
- > observe the methods and principles in the Charities SORP;
- > make judgments and estimates that are reasonable and prudent;
- > state whether applicable accounting standards have been followed; and
- > 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

Financial statements are published on the organisation's website ([redcross.org.uk](http://redcross.org.uk)) in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The trustees' responsibilities also extend to the ongoing integrity of the financial statements.

## Remuneration policy

The British Red Cross has an annual income of over £250m and employs over 4,000 people working in the UK and overseas. The aim of our remuneration policy, which applies to all employees, is to offer remuneration that is fair and appropriate for the roles they perform and the responsibilities they undertake to deliver our charitable aim of refusing to ignore people in crisis.

We employ people whose skills and competences are in demand in a variety of sectors including the health service, local government and other charities. They require the same levels of professional and occupational qualifications and experience as staff working in these sectors. In setting remuneration levels we have regard to pay in organisations which employ individuals with similar skills, competences and qualifications. The British Red Cross generally expects to pay at a level comparable to that in the public sector and the charity sector. At senior levels this results in remuneration levels that are below those for similar sized organisations in the private sector

1. SORP = Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

and some areas of the public sector.

A new grading and reward system was introduced with effect from April 2016 with the objective of ensuring that our salaries are fair, competitive and sustainable and support our broader organisational strategy.

To underpin our values and our commitment to internal fairness in remuneration, all employees' roles are reviewed and fitted into one of eight bands. Salary progression within bands is linked to performance.

The new scales reflect our commitment to ensure that all staff will have the ability to earn, as a minimum, the UK Living Wage within three years, subject to a good level of performance.

The transition to the new arrangements in 2016 involved raising the salaries of those staff who were below the minimum of their scale. This, together with the implementation of the National Living Wage regulations, increased the annual cost of salaries by approximately 1.5%. Staff whose salaries were already above the minimum of their new scale received a non-consolidated bonus based on their assessed performance.

The British Red Cross operates a defined contribution pension scheme, to which all eligible employees are auto-enrolled. Anyone who does not qualify automatically in this way may opt to join. The minimum contribution level is one per cent of qualifying earnings for an employee which is matched by the organisation. Staff may opt to make higher contributions which we will match to a maximum of 6% of pensionable salary.

The British Red Cross Pension Fund is a defined benefit pension scheme which is closed to new members.

Information on the grading structure, maximum and minimum remuneration levels for each grade, and all benefits (including pension) are available to all employees. The levels of salary available in the structure, together with other benefits such as annual leave and pensions, are generally reviewed annually. Inputs to the review include the financial performance of the British Red Cross, information on staff turnover and the pay and benefits in organisations employing comparable workers, organisation budgets and annual plans.

The board of trustees has a remuneration committee with the following responsibilities:

- > to recommend to the board for adoption the broad salary policy, pay structure and changes to terms and conditions for the organisation.
- > to receive and agree recommendations from the chief executive, for salary and other benefit changes, for all members of the executive leadership team, where market forces and other matters dictate the need.

The chair of the board of trustees determines salary and other benefit changes for the chief executive, where market forces and other matters dictate the need, in consultation with the remuneration committee.

During the financial year, membership of the remuneration committee was:

- > Paul Taylor (vice chair, board of trustees) chair of remuneration committee
- > John Dauth (vice-chair, board of trustees)
- > Hilary Douglas (vice-chair, board of trustees)
- > David Howell (treasurer) (until 28 March 2016)
- > Steve John (trustee)
- > Vicky Wright (external adviser)

The chairman of the board of trustees and the chief executive officer attend all meetings. The chief executive officer withdraws when his own remuneration is discussed.

The following details relate to the executive leadership team as at 31 December 2016:

Job title	Key areas of responsibility	Annual pay		Pension entitlement
		2016	2015	
Chief executive	Leading the organisation, which has an annual income of over £250m and employs over 4,000 staff and 20,500 volunteers, delivering services and programmes in the UK and globally.	£173,000	£173,000	GPP**
Chief finance officer*	Financial systems and processes; financial planning and performance management; organisational planning and strategy development; procurement; legal; audit and risk management; property; treasury management; banking.	£137,000	n/a	GPP**
Executive director of fundraising	Responsible for a staff team of over 800, some 9,000 volunteers and over one million supporters along with millions of shoppers in our 300 plus shops throughout the UK, delivering income of around £165m.	£121,800	£120,000	GPP**
Executive director of people, learning and strategic change	UK and international HR for over 4,000 staff; volunteer management for 21,500 volunteers; learning and development; youth education and engagement; health, safety and security; occupational health and project management office and oversight of strategic change programme.	£111,650	£110,000	Final salary***
Executive director of UK operations	All service delivery and leadership of large-scale change in the UK through both area operations teams and nationally led functions including over 2,000 staff and 11,000 volunteers with an expenditure of £100m; support in emergencies in the UK; education; relationships with commissioning bodies and UK-focussed government bodies; vehicles and other resources in UK operations.	£107,575	£105,000	Final salary***
Executive director of international	All international strategy; programming; national society partnership development; support in capacity building; emblem advice and support; relationship with DFID and Movement relations.	£106,575	£105,000	GPP**
Chief information officer	Information and IT strategy and systems; digital strategy; business continuity; information governance and IT security.	£101,125	£100,000	GPP**
Executive director of communications and engagement	PR and public affairs; brand management and marketing; internal communications; advocacy; research; and engagement.	£100,000	£100,000	GPP**

Chief finance officer\* – commenced employment with the British Red Cross on 24 October 2016.

GPP\*\* – Group Personal Pension Plan. The British Red Cross matches an employee's contributions to their personal pension fund, to a maximum of 6% of basic salary. This can be achieved through salary sacrifice and the British Red Cross pays half of the employer's national insurance contribution saved as a result to the individual's fund.

Final salary\*\*\* – the defined benefit British Red Cross Pension Fund was closed to new entrants with effect from 1 September 1997. Employer contributions of 27.5% of basic salary are made on behalf of each serving member, who also contributes 16%.

## Public benefit

The British Red Cross constitutes a public benefit entity as defined by FRS 102.

The board of trustees has given regard to the legislative and regulatory requirements for disclosing how our charitable objectives (as set out in our Royal Charter) have provided benefit to the public. The board of trustees has complied with the duty set out in section 17 of the Charities act 2011 and that set out by the Office of the Scottish Charity Regulator in the Charities and Trustee Investment (Scotland) Act 2005. This report outlines how our achievements during 2016 have benefited the public, either directly or indirectly.

On behalf of the trustees



**David Bernstein CBE**, Chair of the board of trustees

20 April 2017

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BRITISH RED CROSS

We have audited the financial statements of the British Red Cross for the year ended 31 December 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 23. 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 FRS 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, regulations made under section 154 of that Act, 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 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 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 auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial

statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

### In our opinion the financial statements:

- > give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2016 and of the group's incoming resources and application of resources, 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 requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## 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 and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- > the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- > proper accounting records have not been kept by the parent charity; or
- > the parent charity 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.



### Deloitte LLP

Chartered Accountants and Statutory Auditor  
London, UK

### 20 April 2017

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.

# Accounts for the year ended 31 December 2016

## Consolidated statement of financial activities

For the year ended 31 December 2016

	Notes	Unrestricted £m	Restricted £m	2016 Total £m	Unrestricted £m	Restricted £m	2015 Total £m
<b>Income from:</b>							
<b>Donations and legacies</b>	2	104.2	31.2	<b>135.4</b>	113.9	38.9	152.8
<b>Charitable activities</b>							
<b>UK</b>							
Crisis response		8.1	0.2	<b>8.3</b>	8.5	0.1	8.6
Refugee support and migration		0.4	1.8	<b>2.2</b>	0.1	1.1	1.2
First aid and crisis education		16.8	0.2	<b>17.0</b>	16.5	0.2	16.7
Support between home and hospital		29.6	1.4	<b>31.0</b>	29.0	2.1	31.1
<b>International emergency response and recovery</b>		0.7	18.6	<b>19.3</b>	0.4	29.0	29.4
<b>Total income from charitable activities</b>	3	55.6	22.2	<b>77.8</b>	54.5	32.5	87.0
<b>Other trading activities</b>							
Retail		29.4	-	<b>29.4</b>	23.4	6.5	29.9
Other fundraising activities		2.3	0.1	<b>2.4</b>	2.2	0.1	2.3
Rent		0.2	-	<b>0.2</b>	0.2	-	0.2
<b>Total income from other trading activities</b>		31.9	0.1	<b>32.0</b>	25.8	6.6	32.4
<b>Investments</b>		0.2	0.1	<b>0.3</b>	-	0.3	0.3
<b>Other</b>							
Miscellaneous income		0.4	0.2	<b>0.6</b>	0.5	0.4	0.9
Net gains / (losses) on disposal of tangible fixed assets		5.8	(0.2)	<b>5.6</b>	1.7	-	1.7
<b>Total income</b>		198.1	53.6	251.7	196.4	78.7	275.1
<b>Expenditure on:</b>							
<b>Raising funds</b>							
Fundraising		27.9	1.5	<b>29.4</b>	37.8	1.9	39.7
Retail		25.5	-	<b>25.5</b>	25.0	-	25.0
<b>Total expenditure on raising funds</b>		53.4	1.5	<b>54.9</b>	62.8	1.9	64.7
<b>Charitable activities</b>							
<b>UK</b>							
Crisis response		24.0	1.5	<b>25.5</b>	23.6	2.0	25.6
Refugee support and migration		12.0	3.7	<b>15.7</b>	10.4	2.0	12.4
First aid and crisis education		23.0	0.8	<b>23.8</b>	23.4	1.1	24.5
Support between home and hospital		53.4	4.1	<b>57.5</b>	50.7	5.1	55.8
<b>International emergency response and recovery</b>		21.6	37.6	<b>59.2</b>	11.7	65.0	76.7
<b>Total expenditure on charitable activities</b>		134.0	47.7	<b>181.7</b>	119.8	75.2	195.0
<b>Total expenditure</b>	4	187.4	49.2	<b>236.6</b>	182.6	77.1	259.7
Net gains on investments	10	0.5	1.2	<b>1.7</b>	-	-	-
<b>Net income</b>		11.2	5.6	<b>16.8</b>	13.8	1.6	15.4
Transfers between funds	7, 8	-	-	-	0.3	(0.3)	-
<b>Other recognised losses:</b>							
Actuarial losses on defined benefit pension schemes	16	(0.4)	-	<b>(0.4)</b>	(0.4)	-	(0.4)
<b>Net movement in funds</b>		10.8	5.6	<b>16.4</b>	13.7	1.3	15.0
<b>Total funds at 1 January</b>		104.7	45.7	<b>150.4</b>	91.0	44.4	135.4
<b>Total funds at 31 December</b>	7, 8	115.5	51.3	<b>166.8</b>	104.7	45.7	150.4

All the activities relate to continuing operations.

For the parent charity, total income for the year is £248.6m (2015: £273.2m), total expenditure is £234.4m (2015: £257.8m) and net movement in funds is a surplus of £15.5m (2015: £15.0m).

## Consolidated and charity balance sheets

As at 31 December 2016

	Notes	2016 Group £m	2015 Group £m	2016 Charity £m	2015 Charity £m
<b>Fixed assets</b>					
Tangible fixed assets	9	62.2	63.9	59.5	61.7
Investments	10	31.8	30.0	31.8	30.0
		94.0	93.9	91.3	91.7
<b>Current assets</b>					
Stocks	11	5.4	4.9	5.2	4.8
Debtors	12	38.5	35.0	38.9	35.7
Investments	10	37.7	19.2	37.7	19.2
Cash at bank and in hand		4.7	11.6	3.4	10.3
		86.3	70.7	85.2	70.0
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(13.7)	(15.1)	(13.5)	(14.9)
<b>Net current assets</b>		72.6	55.6	71.7	55.1
<b>Total assets less current liabilities</b>		166.6	149.5	163.0	146.8
Creditors: amounts falling due in more than one year		-	(0.3)	-	(0.3)
Provision for liabilities and charges	14	(5.9)	(4.4)	(5.9)	(4.4)
<b>Net assets before pension scheme surplus</b>		160.7	144.8	157.1	142.1
Defined benefit pension scheme surplus	16	6.1	5.6	6.1	5.6
<b>Net assets</b>		166.8	150.4	163.2	147.7
<b>Funds:</b>					
<b>Restricted funds</b>	7	51.3	45.7	47.7	43.0
Unrestricted funds held as tangible fixed assets	8	55.7	57.5	55.7	57.5
Defined benefit pension scheme fund	8	6.1	5.6	6.1	5.6
Designated funds	8	8.7	1.5	8.7	1.5
Free reserves	8	45.0	40.1	45.0	40.1
<b>Unrestricted funds</b>		115.5	104.7	115.5	104.7
<b>Total funds</b>		166.8	150.4	163.2	147.7

Approved by the board of trustees on 20 April 2017 and signed on its behalf by



**David Bernstein CBE**, Chair, board of trustees  
20 April 2017



**Liz Hazell FCA**, Treasurer  
20 April 2017

## Consolidated cash flow statement

For the year ended 31 December 2016

Reconciliation of net income to net cash flow from operating activities	2016 £m	2015 £m
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>16.8</b>	15.4
<b>Adjustments for:</b>		
Depreciation charges	5.6	5.3
Net gains on investments	(1.7)	-
Net gains on disposal of tangible fixed assets	(5.6)	(1.7)
Increase in stocks	(0.5)	(0.9)
Increase in debtors	(3.5)	(0.4)
Decrease in creditors: amounts falling due within one year	(1.4)	(2.2)
Decrease in creditors: amounts falling due in more than one year	(0.3)	-
Increase / (decrease) in provisions for liabilities and charges	1.5	(0.1)
Net charges for defined benefit pension scheme	(0.9)	(0.6)
Foreign currency gain on the fixed assets of overseas subsidiaries	(0.5)	-
<b>Net cash provided by operating activities</b>	<b>9.5</b>	14.8

Statement of cash flows	Notes	2016 £m	2015 £m
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities		9.5	14.8
<b>Cash flows from investing activities:</b>			
Proceeds from sale of fixed asset investments		1.0	19.7
Purchase of fixed asset investments		(1.1)	(30.0)
Proceeds from sale of tangible fixed assets		7.6	2.1
Purchase of tangible fixed assets		(5.4)	(8.5)
<b>Net cash provided by / (used in) investing activities</b>		<b>2.1</b>	(16.7)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>11.6</b>	(1.9)
Cash and cash equivalents at the beginning of the reporting period		30.5	32.4
<b>Cash and cash equivalents at the end of the reporting period</b>	18	<b>42.1</b>	30.5



# Consolidated statement of financial activities

## For the year ended 31 December 2016

### 1. Accounting policies

#### (a) Scope and basis of the financial statements

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and are in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('the SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared on a going concern basis. This is discussed in the Trustees' report at page 47 under the heading 'going concern'.

The British Red Cross constitutes a public benefit entity as defined by FRS 102.

The consolidated financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

The preparation of the financial statements in accordance with FRS 102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement, or areas where assumptions or estimates were significant to the financial statements are described at (o) below.

The financial statements incorporate the results of all material activities overseas where the British Red Cross has operational responsibility. The results and net assets of Red Cross operations in five British overseas branches have been included in the financial statements.

The results and balance sheets of the British Red Cross' subsidiary undertakings, Britcross Limited, the Bermuda Red Cross Charitable Trust, Bermuda Red Cross, Cayman Islands Red Cross and the Turks and Caicos Islands Red Cross have been consolidated on a line by line basis. All subsidiary undertakings prepare accounts to 31 December.

A separate statement of financial activities has not been presented for the charity alone as this is not considered to be materially different from the consolidated statement of financial activities (SOFA).

#### (b) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general charitable objectives. A pension reserve is included within unrestricted funds to reflect the pension surplus. Designated funds are a portion of the unrestricted funds that have been set aside for a particular purpose by the trustees.

Restricted funds are donated for either a particular geographical area or purpose, the use of which is restricted to that area or purpose. Such donations are principally for international purposes.

#### (c) Incoming resources

All income is accounted for when the British Red Cross has entitlement to the funds, the amount can be quantified and receipt of the funds is probable. Where income is received in advance of providing goods and/or services, it is deferred until the British Red Cross becomes entitled to that income.

Unless there is evidence of uncertainty of receipt, residuary legacies are recognised from the date of probate where a reliable estimate of income can be made. Income from will or reversionary trusts is not recognised until the life interest has passed away. Income from pecuniary legacies is recognised upon notification.

Disasters Emergency Committee (DEC) appeal income is recognised to the extent that resources have been committed on programmes funded through the DEC appeals.

Gifts donated for resale are included as income when they are sold. Donated assets and services are included at the value to the British Red Cross where this can be reliably quantified. Donated services from our volunteers are not included within the financial statements.

#### (d) **Resources expended and basis of allocation of cost**

All expenditure is accounted for on an accruals basis.

Direct costs are those specifically related to producing the output of an activity, for example the costs incurred in direct contact with beneficiaries.

Support costs are those which provide indirect support to front-line output provision – examples are central finance, human resources, governance costs and information and digital technology. Support costs not attributable to a single activity have been allocated on a basis consistent with identified cost drivers for that cost category such as staff head count, floor space and expenditure.

#### (e) **Tangible fixed assets and depreciation**

All tangible fixed assets costing more than £1,000 are capitalised and included at cost, including any incidental expenses of acquisition and irrecoverable VAT. Depreciation is provided on a straight-line basis over their useful economic lives as follows:

Freehold properties	50 years
Leasehold properties	the shorter of the term of the lease and 50 years
Freehold premises improvements	ten years
Leasehold premises improvements	the shorter of the term of the lease and ten years
Ambulances	the shorter of useful life and seven years
Other vehicles	the shorter of useful life and five years
Equipment and furniture	five years
Computer equipment and software	between two and five years
Freehold land	nil
Assets in course of construction	nil

#### (f) **Financial instruments**

Financial assets and financial liabilities are recognised when the British Red Cross becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The British Red Cross only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the British Red Cross has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### (g) **Pensions**

##### **Defined benefit pension schemes**

Pension assets and liabilities are recorded in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities.

Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the SOFA.

Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities.

The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial

## 1. Accounting policies (continued)

assumptions, or change in the level of deficit attributable to members is recognised in the consolidated statement of financial activities within actuarial gains/losses on defined benefit pension schemes.

The resulting defined benefit asset or liability is presented separately on the face of the balance sheet. The British Red Cross recognises assets for its defined benefit pension schemes to the extent that they are considered recoverable through reduced contributions in the future, or through refunds from the scheme.

### Defined contribution pension schemes

Pension costs in respect of defined contribution schemes are charged to the SOFA for the period in which they are payable. Such costs are allocated to activities and between funds according to an employee's normal job function.

### (h) Investments

Investments are stated at market value at the balance sheet date and the consolidated statement of financial activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year.

### (i) Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective stock where appropriate. As it is not practical to value items donated for resale on receipt, they are not recognised in the financial statements until they are sold. Emergency stocks held for disaster response are transferred from stock to resources expended when issued from the warehouse.

### (j) Value added tax

Irrecoverable value added tax is allocated to the category of expenditure to which it relates.

### (k) Provisions

Provisions are recognised when the British Red Cross has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

### (l) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease terms, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are, similarly, spread on a straight-line basis over the lease term.

### (m) Foreign currencies

The British Red Cross uses forward exchange contracts to hedge some of its known foreign exchange exposure. Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction, except where a forward contract is in place, in which case the rate specified in the contract is used.

Monetary assets and liabilities are translated into sterling at the exchange rate ruling on the balance sheet date, except where a forward contract is in place, in which case the relevant asset/liability is translated at the rate contained in the contract.

Foreign exchange gains are recognised as other income and foreign exchange losses are recognised in the consolidated statement of financial activities within the relevant charitable activity expenditure for the period in which they are incurred.

### (n) Programme commitments

The British Red Cross regularly pledges support to programmes led by the International Federation of Red Cross and Red Crescent Societies (IFRC), International Committee of the Red Cross (ICRC) or other National Societies. Where full payment of the pledges is contingent on the outcome of British Red Cross reviews of the programmes, these programme commitments are contingent liabilities and therefore not recognised on the balance sheet.

### (o) Accounting estimates and judgements

In preparing the financial statements, the trustees are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows.

### **Programme commitments**

As explained at note 21, the British Red Cross regularly pledges support to international programmes in addition to expenditure recognised in the financial statements. Full payment of pledges is contingent on outcomes of regular programme reviews, where judgement is exercised as to satisfactory progress being made against agreed programme outcomes.

### **Cost allocation**

Costs not attributable to a single activity are allocated or apportioned to activities on a basis consistent with identified cost drivers for that cost category. Cost drivers utilised include head count and floor space and judgement is exercised in applying cost drivers to cost categories.

### **Actuarial assumptions in respect of defined benefit pension schemes**

The application of actuarial assumptions relating to defined benefit pension schemes is incorporated in the financial statements in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries where significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of discount rates.

### **Pension scheme deficit reduction payments**

As explained at note 14, there is a deficit reduction plan in place in respect of the British Red Cross' membership of the Pension Trust's Growth Plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of a discount rate.

### **Pension scheme contingent liability**

As explained at note 16, there is a contingent liability in the event that the British Red Cross were to withdraw its membership of the Pension Trust's Growth Plan. Significant judgement is exercised in a number of areas in determining the amount of that liability, including future changes in salaries and inflation, mortality rates and the selection of discount rates.

## Notes to the consolidated financial statements

### For the year ended 31 December 2016

#### 2. Donations and legacies

	2016			2015		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Regular giving	45.9	1.8	<b>47.7</b>	50.0	2.6	52.6
Public donations, appeals and fundraising	15.6	23.2	<b>38.8</b>	18.8	26.4	45.2
Donations to services	1.9	-	<b>1.9</b>	2.1	0.1	2.2
Gift aid	11.4	1.2	<b>12.6</b>	12.7	2.3	15.0
Legacies	29.4	1.5	<b>30.9</b>	30.3	2.3	32.6
Disasters Emergency Committee appeals	-	3.5	<b>3.5</b>	-	5.2	5.2
<b>Total</b>	<b>104.2</b>	<b>31.2</b>	<b>135.4</b>	<b>113.9</b>	<b>38.9</b>	<b>152.8</b>

Legacy income is not recognised until the British Red Cross has entitlement to the funds, the amount can be quantified and there is probability of receipt. The estimated value of legacies, which have been notified, but not recognised at 31 December 2016 was £9.1m (2015: £8.1m) of which £4.5m (2015: £4.3m) are assets bequeathed to the British Red Cross, but subject to life tenancy.

Disasters Emergency Committee (DEC) appeal income is recognised to the extent that resources have been committed on programmes funded through the DEC appeals. Subject to our agreed allocation, the value of DEC appeal income not drawn down or accrued for at 31 December 2016 was £1.4m (2015: £4.6m).

During 2016, gifts in kind of £0.4m (2015: £0.8m) were received. These included food donations for our refugee services and pro-bono legal work.

#### 3. Income from charitable activities

	Contracts and fees £m	Grants £m	2016 Total £m	Contracts and fees £m	Grants £m	2015 Total £m
<b>UK</b>						
Crisis response	8.3	-	<b>8.3</b>	8.6	-	8.6
Refugee support and migration	0.5	1.7	<b>2.2</b>	-	1.2	1.2
First aid and crisis education	16.8	0.2	<b>17.0</b>	16.5	0.3	16.7
Support between home and hospital - Care and support programmes	15.4	1.9	<b>17.3</b>	18.0	2.2	20.2
Support between home and hospital - Medical equipment services	13.3	0.4	<b>13.7</b>	10.6	0.3	10.9
	<b>54.3</b>	<b>4.2</b>	<b>58.5</b>	<b>53.7</b>	<b>3.9</b>	<b>57.6</b>
<b>International emergency response and recovery</b>	<b>1.2</b>	<b>18.1</b>	<b>19.3</b>	<b>0.8</b>	<b>28.6</b>	<b>29.4</b>
<b>Total</b>	<b>55.5</b>	<b>22.3</b>	<b>77.8</b>	<b>54.5</b>	<b>32.5</b>	<b>87.0</b>

International grant income includes grants from the UK Government's Department for International Development (DFID) totalling £16.3m (2015: £26.9m):

> £9.0m received as part of the International Federation of Red Cross and Red Crescent Societies (IFRC) Institutional Strategy Agreement with DFID

> £4.7m to support emergency response programmes

> £1.2m as part of British Red Cross' Programme Partnership Arrangement (PPA) with DFID

> £0.8m as part of British Red Cross' UK Aid Match Programme with DFID

> £0.6m to support long-term programmes in countries including Nepal, Kenya and Uganda.

There are no unfulfilled conditions or other contingencies attached to these grants.

## Notes to the consolidated financial statements

### For the year ended 31 December 2016

#### 4. Expenditure

	Direct Costs £m	Grants £m	Support Costs £m	2016 Total £m	2015 Total £m
<b>Raising funds</b>					
Fundraising	27.5	-	1.9	<b>29.4</b>	39.7
Retail	24.6	-	0.9	<b>25.5</b>	25.0
	52.1	-	2.8	<b>54.9</b>	64.7
<b>Charitable activities</b>					
<b>UK</b>					
Crisis response	23.0	-	2.5	<b>25.5</b>	25.6
Refugee support and migration	14.0	-	1.7	<b>15.7</b>	12.4
First aid and crisis education	20.6	-	3.2	<b>23.8</b>	24.5
Support between home and hospital - Care and support programmes	31.0	0.1	4.7	<b>35.8</b>	38.4
Support between home and hospital - Medical equipment services	19.8	-	1.9	<b>21.7</b>	17.4
	108.4	0.1	14.0	<b>122.5</b>	118.3
<b>International emergency response and recovery</b>	18.2	38.7	2.3	<b>59.2</b>	76.7
	126.6	38.8	16.3	<b>181.7</b>	195.0
<b>Total</b>	178.7	38.8	19.1	<b>236.6</b>	259.7

The basis of allocation of support costs is described in note 1(d) and further analysis is provided in Note 5. It is not appropriate to split support costs between direct costs and grants due to the dual role played by programme support functions.

Our total expenditure includes irrecoverable VAT of £2.5m (2015: £3.1m) and fees to auditors for audit of financial statements of £0.1m (2015: £0.1m).

## Notes to the consolidated financial statements

For the year ended 31 December 2016

### 4. Expenditure (continued)

#### Grants

Grant recipients	Purpose	2016 Total £m
<b>International Federation of Red Cross and Red Crescent Societies (IFRC)</b>		
IFRC	DFID Institutional Strategy with Federation	9.0
IFRC	Syria and region crisis	2.8
IFRC	Europe refugee crisis	1.9
IFRC	Ebola outbreak	1.1
IFRC	Haiti Hurricane Matthew	0.9
IFRC	Zimbabwe Food Insecurity	0.6
IFRC	Namibia Food Insecurity	0.4
IFRC	Burundi complex emergency	0.3
IFRC	Lesotho Food Insecurity	0.3
IFRC	Various	4.7
		22.0
<b>International Committee of the Red Cross (ICRC)</b>		
ICRC	Lake Chad Basin Crisis	0.3
ICRC	Iraq Crisis Appeal	0.3
ICRC	Various	0.7
		1.3
<b>National Red Cross and Red Crescent Societies</b>		
Philippine Red Cross	Typhoon Haiyan Recovery Programme	3.1
South African Red Cross Society	South Africa HIV Phase II	1.7
Nepal Red Cross Society	Nepal Earthquake Recovery Programme	1.3
Kenya Red Cross Society	Kenya Disaster Management capacity	1.2
Bangladesh Red Crescent Society	Bangladesh Resilience	0.7
Kenya Red Cross Society	Kenya Water and Sanitation	0.7
Various	Canon Europe partnership - health and social care projects	0.5
Bangladesh Red Crescent Society	Barisal Urban Preparedness	0.3
Danish Red Cross	Myanmar Maternal, Neonatal & Child Health Programme	0.3
Mongolian Red Cross Society	Mongolia Social Care	0.3
Zimbabwe Red Cross Society	Zimbabwe Community Resilience Programme	0.3
Other National Red Cross and Red Crescent Societies	Various	5.0
		15.4
<b>Other grants</b>		
Institutions	Various	0.1
		38.8

### 5. Support costs by activity

	Raising funds £m	Crisis response £m	Refugee support and migration £m	First aid and crisis education £m	Support between hospital and home £m	International emergency response and recovery £m	2016 Total £m	2015 Total £m
Finance	0.8	0.3	0.2	0.3	0.6	0.7	2.9	2.8
Human resources	0.1	0.3	0.3	0.5	1.1	0.1	2.4	2.6
Central facilities	0.2	0.4	0.2	0.5	1.0	0.1	2.4	2.3
Information and digital technology	1.4	1.2	0.8	1.6	3.1	0.4	8.5	7.0
Central management	0.1	-	-	-	0.1	0.1	0.3	0.4
Governance	0.2	0.3	0.2	0.3	0.7	0.9	2.6	2.5
<b>Total</b>	2.8	2.5	1.7	3.2	6.6	2.3	19.1	17.6

Support costs have been allocated on the basis of the accounting policy set out in note 1 (d).

Governance costs relate to the running of the charity, allowing the charity to operate and generate the information required for public accountability. They include the costs of subscriptions related to membership of the International Red Cross and Red Crescent Movement of £1.8m (2015: £1.8m), as well as the costs of trustee meetings and internal and external audits.

## Notes to the consolidated financial statements

### For the year ended 31 December 2016

## 6. Subsidiaries

### Britcross Limited

Britcross Limited, the British Red Cross' wholly owned trading subsidiary incorporated in the United Kingdom, engages in the sale of cards and gifts as well as receiving corporate sponsorship in aid of the British Red Cross.

The income and expenditure of Britcross Limited included within the consolidated statement of financial activities are:

	2016 £m	2015 £m
Income	1.4	1.3
Expenditure	(0.6)	(0.6)
<b>Net income donated to British Red Cross</b>	<b>0.8</b>	<b>0.7</b>

The assets and liabilities of Britcross Limited consolidated within the balance sheet are:

	2016 £m	2015 £m
Current assets	0.8	0.9
Current liabilities	(0.8)	(0.9)
<b>Net assets</b>	<b>-</b>	<b>-</b>

### Overseas subsidiaries

The British Red Cross has four wholly owned overseas subsidiaries: the Bermuda Red Cross Charitable Trust, the Bermuda Red Cross, the Cayman Islands Red Cross and the Turks and Caicos Islands Red Cross.

The income and expenditure of the overseas subsidiaries included within the consolidated statement of financial activities are:

	Bermuda Red Cross Charitable Trust		Bermuda Red Cross		Cayman Islands Red Cross		Turks and Caicos Islands Red Cross	
	2016 £m	2015 £m	2016 £m	2015 £m	2016 £m	2015 £m	2016 £m	2015 £m
Income	0.4	0.1	0.7	0.6	0.9	0.5	0.5	0.1
Expenditure	(0.1)	-	(0.7)	(0.6)	(0.5)	(0.5)	(0.3)	(0.2)
<b>Net income / (expenditure)</b>	<b>0.3</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>0.2</b>	<b>(0.1)</b>

The assets and liabilities of the overseas subsidiaries consolidated within the balance sheet are:

	Bermuda Red Cross Charitable Trust		Bermuda Red Cross		Cayman Islands Red Cross		Turks and Caicos Islands Red Cross	
	2016 £m	2015 £m	2016 £m	2015 £m	2016 £m	2015 £m	2016 £m	2015 £m
Fixed assets	2.0	1.6	-	-	0.7	0.6	-	-
Current assets	-	-	0.2	0.1	0.8	0.5	0.1	0.1
Current liabilities	(0.1)	-	(0.1)	-	-	-	-	(0.2)
<b>Net assets / (liabilities)</b>	<b>1.9</b>	<b>1.6</b>	<b>0.1</b>	<b>0.1</b>	<b>1.5</b>	<b>1.1</b>	<b>0.1</b>	<b>(0.1)</b>

There are five overseas branches (Anguilla, British Virgin Islands, Falkland Islands, Gibraltar and Montserrat) which are included in the results of the charity as branches.

## Notes to the consolidated financial statements

### For the year ended 31 December 2016

#### 7. Restricted funds

Group	Balance 1 January 2016 £m	Income £m	Expenditure £m	Net investment gains £m	Transfers £m	Balance 31 December 2016 £m
<b>Total UK restricted funds</b>	14.0	15.1	(12.5)	0.4	0.2	<b>17.2</b>
Nepal earthquake	3.2	3.7	(2.0)	0.1	-	<b>5.0</b>
Syria and region crisis	6.0	9.9	(4.6)	0.3	-	<b>11.6</b>
Philippines Typhoon Haiyan	4.2	-	(3.9)	-	(0.2)	<b>0.1</b>
Europe refugee crisis	2.9	1.4	(2.6)	-	(0.4)	<b>1.3</b>
West Africa Ebola outbreak	3.7	0.3	(1.8)	0.1	(0.2)	<b>2.1</b>
IFRC institutional strategy	-	9.0	(9.0)	-	-	<b>-</b>
Other international restricted funds	9.2	12.5	(11.2)	0.2	0.1	<b>10.8</b>
<b>Total international restricted funds</b>	29.2	36.8	(35.1)	0.7	(0.7)	<b>30.9</b>
Disaster fund	2.5	1.7	(1.6)	0.1	0.5	<b>3.2</b>
<b>Total restricted funds</b>	45.7	53.6	(49.2)	1.2	-	<b>51.3</b>

Charity	Balance 1 January 2016 £m	Income £m	Expenditure £m	Net investment gains £m	Transfers £m	Balance 31 December 2016 £m
<b>Total UK restricted funds</b>	14.0	15.1	(12.5)	0.4	0.2	<b>17.2</b>
Nepal earthquake	3.2	3.7	(2.0)	0.1	-	<b>5.0</b>
Syria and region crisis	6.0	9.9	(4.6)	0.3	-	<b>11.6</b>
Philippines Typhoon Haiyan	4.2	-	(3.9)	-	(0.2)	<b>0.1</b>
Europe refugee crisis	2.9	1.4	(2.6)	-	(0.4)	<b>1.3</b>
West Africa Ebola outbreak	3.7	0.3	(1.8)	0.1	(0.2)	<b>2.1</b>
IFRC institutional strategy	-	9.0	(9.0)	-	-	<b>-</b>
Other international restricted funds	6.5	10.0	(9.6)	0.2	0.1	<b>7.2</b>
<b>Total international restricted funds</b>	26.5	34.3	(33.5)	0.7	(0.7)	<b>27.3</b>
Disaster fund	2.5	1.7	(1.6)	0.1	0.5	<b>3.2</b>
<b>Total restricted funds</b>	43.0	51.1	(47.6)	1.2	-	<b>47.7</b>

Expenditure plans have been agreed for all material restricted funds. Funds are held in appropriate asset categories in accordance with planned usage.

#### UK restricted funds

UK restricted funds include:

- > £2.9m of properties and other tangible fixed assets held for restricted purposes
- > a variety of local, national and European funding sources to deliver projects over the next two to three years
- > legacies with a geographical and/or service restriction.

The balance of UK restricted funds is held for the provision of locally agreed services.

#### International restricted funds

Other international restricted funds include:

- > for the group, £4.8m represented by net assets of the overseas subsidiaries and branches (for the charity, £1.2m represented by net assets of the overseas branches)
- > £2.0m for the second phase of our HIV and AIDS prevention programme in South Africa
- > £0.5m deficit for the Kenya Water and Sanitation programme, which is funded quarterly in arrears by DFID.

#### Disaster fund

The disaster fund allows us to prepare for and respond to humanitarian disasters abroad and in the UK. We fundraise specifically for the disaster fund and, as stated on emergency appeal materials, it can also contain funds donated to emergency appeals where we raise more than can be reasonably and efficiently spent on that specific response.

## Notes to the consolidated financial statements

For the year ended 31 December 2016

### 8. Unrestricted funds

	Balance 1 January 2016 £m	Income £m	Expenditure £m	Net investment gains £m	Actuarial losses on defined benefit pension schemes £m	Transfers £m	Balance 31 December 2016 £m
<b>Group</b>							
Unrestricted funds held as tangible fixed assets	57.5	-	(5.1)	-	-	3.3	<b>55.7</b>
Defined benefit pension scheme fund	5.6	-	-	-	(0.4)	0.9	<b>6.1</b>
Designated funds	1.5	-	(0.4)	-	-	7.6	<b>8.7</b>
Free reserves	40.1	198.1	(181.9)	0.5	-	(11.8)	<b>45.0</b>
<b>Total unrestricted funds</b>	<b>104.7</b>	<b>198.1</b>	<b>(187.4)</b>	<b>0.5</b>	<b>(0.4)</b>	<b>-</b>	<b>115.5</b>
<b>Charity</b>							
Unrestricted funds held as tangible fixed assets	57.5	-	(5.1)	-	-	3.3	<b>55.7</b>
Defined benefit pension scheme fund	5.6	-	-	-	(0.4)	0.9	<b>6.1</b>
Designated funds	1.5	-	(0.4)	-	-	7.6	<b>8.7</b>
Free reserves	40.1	197.5	(181.3)	0.5	-	(11.8)	<b>45.0</b>
<b>Total unrestricted funds</b>	<b>104.7</b>	<b>197.5</b>	<b>(186.8)</b>	<b>0.5</b>	<b>(0.4)</b>	<b>-</b>	<b>115.5</b>

The £3.3m transfer to unrestricted funds held as tangible fixed assets represents fixed asset net additions of £3.3m in unrestricted funds.

During 2016, the trustees approved £7.6m to be designated for expenditure on one-off strategic initiatives. These funds were generated by property disposals in 2016. The intent is to spend these funds over 2017 to 2019, on projects focussing on infrastructure that transforms our effectiveness through better systems, smarter processes and supporting the organisation to be more operationally efficient.

As at 31 December 2016, £1.1m remains of the designated fund for use in our HIV and AIDS prevention programme in South Africa.

## Notes to the consolidated financial statements

For the year ended 31 December 2016

### 9. Tangible fixed assets

Group	Freehold property £m	Leasehold property £m	Vehicles, equipment and furniture £m	Assets in the course of construction £m	Total £m
<b>Cost</b>					
At 1 January 2016	49.2	38.7	54.1	2.3	<b>144.3</b>
Revaluations	0.7	-	-	-	<b>0.7</b>
Completions	1.5	-	0.5	(2.0)	<b>-</b>
Additions	0.8	1.1	1.3	2.2	<b>5.4</b>
Disposals	(4.4)	(0.8)	(1.1)	-	<b>(6.3)</b>
At 31 December 2016	47.8	39.0	54.8	2.5	<b>144.1</b>
<b>Accumulated depreciation</b>					
At 1 January 2016	17.9	17.2	45.3	-	<b>80.4</b>
Revaluations	0.2	-	-	-	<b>0.2</b>
Charge	1.3	1.2	3.1	-	<b>5.6</b>
Disposals	(2.5)	(0.7)	(1.1)	-	<b>(4.3)</b>
At 31 December 2016	16.9	17.7	47.3	-	<b>81.9</b>
<b>Net book value</b>					
<b>At 31 December 2016</b>	30.9	21.3	7.5	2.5	<b>62.2</b>
<b>At 31 December 2015</b>	31.3	21.5	8.8	2.3	<b>63.9</b>

Revaluations are for foreign currency movements relating to the fixed assets of overseas subsidiaries.

Charity	Freehold property £m	Leasehold property £m	Vehicles, equipment and furniture £m	Assets in the course of construction £m	Total £m
<b>Cost</b>					
At 1 January 2016	46.1	38.7	54.1	2.3	<b>141.2</b>
Completions	1.5	-	0.5	(2.0)	<b>-</b>
Additions	0.7	1.1	1.3	2.2	<b>5.3</b>
Disposals	(4.4)	(0.8)	(1.1)	-	<b>(6.3)</b>
At 31 December 2016	43.9	39.0	54.8	2.5	<b>140.2</b>
<b>Accumulated depreciation</b>					
At 1 January 2016	17.0	17.2	45.3	-	<b>79.5</b>
Charge	1.2	1.2	3.1	-	<b>5.5</b>
Disposals	(2.5)	(0.7)	(1.1)	-	<b>(4.3)</b>
At 31 December 2016	15.7	17.7	47.3	-	<b>80.7</b>
<b>Net book value</b>					
<b>At 31 December 2016</b>	28.2	21.3	7.5	2.5	<b>59.5</b>
<b>At 31 December 2015</b>	29.1	21.5	8.8	2.3	<b>61.7</b>

## Notes to the consolidated financial statements

For the year ended 31 December 2016

### 10. Investments

Group and charity	Fixed asset investments £m	Current asset investments £m	Total £m
Market value at 1 January 2016	30.0	19.2	49.2
Additions at cost	1.1	21.5	22.6
Disposals at market value	(1.0)	(3.0)	(4.0)
Net investment gains in the year	1.7	-	1.7
<b>Market value at 31 December 2016</b>	<b>31.8</b>	<b>37.7</b>	<b>69.5</b>
Cost at 31 December 2016	30.1	37.7	67.8
	Asset class	Market value 2016 £m	Market value 2015 £m
<b>Fixed asset investments</b>			
<b>UK investments</b>			
Kames Capital Ethical Corporate Bond Fund	Authorised fund	20.8	20.0
Kames Capital Ethical Equity Fund	Authorised fund	11.0	10.0
		<b>31.8</b>	30.0
<b>Current asset investments</b>			
<b>UK investments</b>			
Goldman Sachs Reserves Funds	Bank deposits	8.7	4.2
Deposits	Bank deposits	29.0	15.0
		<b>37.7</b>	19.2
<b>Total</b>		<b>69.5</b>	49.2

### 11. Stocks

	2016 Group £m	2015 Group £m	2016 Charity £m	2015 Charity £m
International emergency stocks	2.6	2.6	2.6	2.6
Medical equipment services stocks	2.1	1.7	2.1	1.7
Cards and gifts stocks	0.2	0.1	-	-
Other stocks	0.5	0.5	0.5	0.5
<b>Total</b>	<b>5.4</b>	4.9	<b>5.2</b>	4.8

### 12. Debtors

	2016 Group £m	2015 Group £m	2016 Charity £m	2015 Charity £m
Trade debtors	5.9	6.6	5.9	6.6
Accrued income	5.5	4.3	5.4	4.2
Other debtors	1.0	0.8	0.7	0.8
Prepayments	4.1	5.1	4.1	5.1
Tax recoverable	5.2	4.8	5.2	4.8
Legacies receivable	16.8	13.4	16.8	13.4
Amounts due from subsidiary undertakings	-	-	0.8	0.8
<b>Total</b>	<b>38.5</b>	35.0	<b>38.9</b>	35.7

All amounts shown under debtors fall due for payment within one year.

## Notes to the consolidated financial statements

### For the year ended 31 December 2016

#### 13. Creditors: amounts falling due within one year

	2016 Group £m	2015 Group £m	2016 Charity £m	2015 Charity £m
Trade creditors	2.1	2.8	2.1	2.8
Accruals	6.3	7.0	6.3	6.9
Other creditors	1.4	1.5	1.2	1.4
Deferred income	1.8	2.0	1.8	2.0
Taxes and social security costs	1.8	1.8	1.8	1.8
Loans	0.3	-	0.3	-
<b>Total</b>	<b>13.7</b>	<b>15.1</b>	<b>13.5</b>	<b>14.9</b>

All deferred income as at 31 December 2015 was recognised during 2016 and all deferred income as at 31 December 2016 was deferred during the year. Deferred income relates to amounts received in advance of entitlement.

#### 14. Provisions for liabilities and charges

Group and charity	Leasehold dilapidations £m	Pension scheme deficit reduction payments £m	Others £m	Total £m
At 1 January 2016	1.1	3.3	-	4.4
Payments during the year	(0.1)	(0.3)	-	(0.4)
Increase in provision	1.4	0.2	0.3	1.9
<b>At 31 December 2016</b>	<b>2.4</b>	<b>3.2</b>	<b>0.3</b>	<b>5.9</b>
Amounts are expected to be incurred:				
- within one year	0.2	0.3	0.3	0.8
- beyond one year	2.2	2.9	-	5.1
	<b>2.4</b>	<b>3.2</b>	<b>0.3</b>	<b>5.9</b>

Leasehold dilapidations relate to properties where the British Red Cross has a legal responsibility as tenant for such costs. The timing of payments will be in line with the exit dates from leasehold properties and the dilapidations payments are estimated, based on historical payments.

As further explained at note 16, the £3.2m provision as at 31 December 2016 shown above represents the present value of contributions payable by the British Red Cross that result from the terms of the deficit recovery plan in respect of the Pension Trust's Growth Plan.

#### 15. Staff costs and trustee expenses

Total staff costs (including casual staff) for the year were as follows:	2016 £m	2015 £m
Salary costs	86.0	86.2
National insurance costs	7.1	7.0
Pensions costs for defined contribution schemes	2.7	2.8
Pensions costs for defined benefit schemes	0.1	0.7
	<b>95.9</b>	<b>96.7</b>

Redundancy costs included in expenditure during the year were £3.2m (2015: £0.8m). This was mostly due to our Reshaping our Work in the UK project, which changed the way we were organised and how we delivered our services in the UK, to help provide a more efficient response to the needs of vulnerable people in crisis and deliver value for money.

## Notes to the consolidated financial statements

### For the year ended 31 December 2016

The number of employees whose total employee benefits (excluding employer pension costs) amounted to over £60,000 in the year were as follows:	2016 Excluding redundancy costs	2015 Excluding redundancy costs	2016 Including redundancy costs	2015 Including redundancy costs
£60,001 - £70,000	21	16	27	16
£70,001 - £80,000	11	9	13	9
£80,001 - £90,000	5	3	8	3
£90,001 - £100,000	2	4	4	5
£100,001 - £110,000	3	3	4	3
£110,001 - £120,000	2	2	2	2
£120,001 - £130,000	2	-	2	-
£150,001 - £160,000	-	-	1	-
£160,001 - £170,000	-	-	1	-
£170,001 - £180,000	1	1	1	1

The total amount of employee benefits received by key management personnel for their services during the year is £1.1m (2015: £1.0m).

The average number of full time equivalent (FTE) staff employed by the British Red Cross during the year was as follows:	2016	2015
<b>In the UK</b>		
Fundraising	216	214
Retail	631	631
UK services	1,756	1,730
First aid services	384	499
International services	116	108
Other	361	335
<b>Overseas</b>		
International services	38	52
<b>Total employed by FTE</b>	<b>3,502</b>	<b>3,569</b>
<b>Total employed by headcount</b>	<b>4,094</b>	<b>4,152</b>

The average number of volunteers working for the British Red Cross during year was as follows:	2016	2015
<b>In the UK</b>		
Fundraising	2,627	2,776
Retail	6,797	6,345
UK services	7,530	8,117
First aid services	3,644	4,439
<b>Total</b>	<b>20,598</b>	<b>21,677</b>

Volunteers play a crucial role in delivering our services in the UK and help raise money to fund our activities. Services such as event first aid, independent living and emergency support rely on volunteers to deliver the services to beneficiaries. Volunteers also play a large role in operating our retail shops across the UK and assist with our fundraising efforts.

Trustees' expenses:	2016 £000	2015 £000
Expenses incurred by trustees and reimbursed by the British Red Cross	9	11
Expenses incurred by the British Red Cross on behalf of trustees	19	10
Trustees' indemnity insurance cover cost	13	16
	<b>2016</b>	<b>2015</b>
Number of trustees receiving expenses	12	13

Trustees' expenses are for travel and accommodation costs.

None of the trustees received any remuneration during the year (2015: £nil).

# Notes to the consolidated financial statements

## For the year ended 31 December 2016

### 16. Pensions

New British Red Cross staff are entitled to join the British Red Cross Group Personal Pension Plan provided by Legal & General. Staff had previously been entitled to join the British Red Cross Pension Fund ("UK Office scheme"), Scottish Branch British Red Cross Society Retirement Benefits Scheme ("Scottish scheme") or The Pensions Trust's Growth Plan. These three schemes are all closed to new entrants.

#### UK Office and Scottish defined benefit pension schemes

The assets of these pension schemes are held in separate trustee-administered funds. The schemes are subject to triennial valuations with the last full valuation being carried out as at 31 December 2013 for the UK Office scheme and 1 January 2015 for the Scottish scheme. These valuations were updated at 31 December 2015 and 2016 by independent actuaries on an FRS 102 basis.

#### The amounts charged to statement of financial activities are:

	UK Office scheme £m	Scottish scheme £m	2016 Total £m	2015 Total £m
<b>Current service cost</b>	(0.1)	-	(0.1)	(0.2)
Interest cost on scheme liabilities	(0.9)	(0.4)	(1.3)	(0.9)
Expected return on plan assets	1.1	0.4	1.5	1.1
<b>Net finance credit</b>	0.2	-	0.2	0.2
Actuarial loss	(0.1)	(0.7)	(0.8)	-
Movement in restriction of surplus	-	0.4	0.4	(0.4)
<b>Net actuarial loss recognised</b>	(0.1)	(0.3)	(0.4)	(0.4)

The current service cost will change as the members of the schemes approach retirement because the schemes are closed to new members.

The latest triennial valuation for the Scottish scheme as at 1 January 2015 showed a deficit of £0.8m. The British Red Cross expects to contribute 24.9 per cent per annum as a percentage of members' salaries. The latest triennial valuation for the UK office scheme as at 31 December 2013 showed a surplus of £2.9m. The British Red Cross expects to contribute 27.5 per cent per annum as a percentage of members' salaries.

#### The amounts recognised in the balance sheet are:

	UK Office scheme £m	Scottish scheme £m	2016 Total £m	2015 Total £m
Fair value of scheme assets	37.1	12.2	49.3	41.3
Present value of scheme obligations	(31.6)	(11.6)	(43.2)	(35.3)
Restriction of scheme surplus	-	-	-	(0.4)
<b>Net surplus</b>	5.5	0.6	6.1	5.6

The British Red Cross has recognised the net scheme surpluses to the extent that it is considered recoverable through the future service cost of the remaining members.

#### Changes in present value of scheme obligation during the year:

	UK Office scheme		Scottish scheme	
	2016 £m	2015 £m	2016 £m	2015 £m
<b>At 1 January</b>	<b>25.6</b>	26.3	<b>9.7</b>	9.6
Service cost	0.1	0.2	-	-
Interest cost	0.9	0.9	0.3	0.3
Member contributions	0.1	0.1	-	0.1
Benefits paid	(0.9)	(1.0)	(0.2)	(0.3)
Actuarial loss / (gain) due to changes in assumptions	6.0	(0.9)	2.2	(0.4)
Actuarial (gain) / loss due to experience	(0.2)	-	(0.4)	0.4
<b>At 31 December</b>	<b>31.6</b>	25.6	<b>11.6</b>	9.7

#### Change in the value of plan assets during the year:

	UK Office scheme		Scottish scheme	
	2016 £m	2015 £m	2016 £m	2015 £m
<b>At 1 January</b>	<b>30.9</b>	31.2	<b>10.4</b>	10.1
Interest on assets	1.1	1.0	0.4	0.4
Employer contributions	0.1	0.2	0.5	0.5
Member contributions	0.1	0.1	-	0.1
Benefits paid	(0.9)	(1.0)	(0.2)	(0.3)
Actuarial gain / (loss) on plan assets	5.8	(0.6)	1.1	(0.4)
<b>At 31 December</b>	<b>37.1</b>	30.9	<b>12.2</b>	10.4

## Notes to the consolidated financial statements

For the year ended 31 December 2016

The major categories of plan assets as percentage of total plan assets are:	UK Office scheme		Scottish scheme	
	2016	2015	2016	2015
Equities	21%	29%	55%	58%
Gilts	59%	60%	33%	32%
Bonds	19%	11%	11%	10%
Cash	1%	0%	1%	0%
	100%	100%	100%	100%

	UK Office scheme		Scottish scheme	
	2016	2015	2016	2015
Actual return on plan assets in the year	6.9	0.4	1.5	-

Principal actuarial assumptions at the balance sheet date in respect of both schemes were:	2016	2015
Discount rate	2.7% pa	3.7% pa
Consumer price inflation (CPI)	2.8% pa	2.5% pa
Salary increases	2.8% pa	2.5% pa
UK Office scheme pension increases		
Capped at 5.0%	2.8% pa	2.5% pa
Capped at 3.0%	2.5% pa	2.3% pa
Capped at 2.5%	2.2% pa	2.1% pa
Scottish scheme pension increases		
Pre-1997 increases	0.0% pa	0.0% pa
Between 1997 and 2005 increases	2.8% pa	2.5% pa
Post-2005 increases	2.2% pa	2.1% pa

Mortality assumptions in respect of both schemes adopted at the year end imply the following life expectancy at 65:	2016 Years	2015 Years
Pensioners: male	22.8	22.7
Pensioners: female	25.3	25.2
Non-pensioners: male	25.1	24.9
Non-pensioners: female	27.6	27.5

### Other schemes

The British Red Cross also contributes to the British Red Cross Group Personal Pension Plan for employees. In 2016 the total cost of these contributions was £2.6m (2015: £2.8m) and the balance outstanding at 31 December 2016 was £0.3m (2015: £0.3m).

Staff were able to join The Pensions Trust's Growth Plan ('the Growth Plan') until April 2007. The Growth Plan is a multi-employer defined benefit pension scheme. The assets of the scheme are co-mingled for investment purposes and as a result it is not possible to either break down scheme assets or analyse the ongoing funding deficit by individual employer. Accordingly, due to the nature of the plan, the accounting charge for the year under FRS 102 represents only the employer contributions payable.

There is a contingent liability in the event that the British Red Cross were to withdraw its membership of the Growth Plan. The scheme's actuaries valued the withdrawal liability at £5.8m as at 30 September 2015. This valuation has been rolled forward, assuming actuarial assumptions and membership are consistent, to 31 December 2016 resulting in an estimated £6.1m contingent liability (2015: £6.3m).

The results of the Growth Plan scheme valuation as at 30 September 2014 show a deficit of £176m. A recovery plan has been established which aims to eliminate the funding deficit over a period of 12 years and 6 months from April 2016. The additional employer contributions required from the British Red Cross as part of this recovery plan are £0.3m per annum. In line with the requirements of the SORP and FRS 102, the present value of contributions payable under the terms of this recovery plan must be recognised as a liability and this is detailed at note 14 to the consolidated financial statements.

The British Red Cross expects to contribute 1% per annum as a percentage of Growth Plan members' salaries.

## Notes to the consolidated financial statements

For the year ended 31 December 2016

### 17. Obligations under operating leases

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:	Property £m	Other £m	2016 Total £m	Restated 2015 Total £m
Within one year	5.6	2.0	<b>7.6</b>	7.4
Between one and five years	8.7	3.4	<b>12.1</b>	13.7
After five years	3.7	-	<b>3.7</b>	3.6
<b>Total</b>	18.0	5.4	<b>23.4</b>	24.7

Operating lease charges during 2016 were £6.9m for property leases (2015: £6.9m) and £2.6m for other leases (2015: £2.3m).

Comparatives for 2015 have been restated to comply with the disclosure requirements of FRS 102.

### 18. Analysis of cash and cash equivalents

	2016 £m	2015 £m
Cash at bank and in hand	<b>4.7</b>	11.6
Loan due within one year	<b>(0.3)</b>	-
Loan due after one year	-	(0.3)
Current asset investments	<b>37.7</b>	19.2
<b>Total</b>	<b>42.1</b>	30.5

### 19. Related parties

There were no material transactions with related parties during the year (2015: none).

Trustees and other related parties, including key management personnel, made donations to the British Red Cross totalling £59,000 during the year (2015: £20,000).

### 20. Capital commitments

There were £45k of capital commitments at 31 December 2016 (2015: £0.4m).

## Notes to the consolidated financial statements

### For the year ended 31 December 2016

## 21. Programme commitments

The British Red Cross regularly pledges support to programmes led by the International Federation of Red Cross and Red Crescent Societies (IFRC), International Committee of the Red Cross (ICRC) or other National Societies. In addition to the expenditure recognised in the financial statements, the British Red Cross had outstanding pledges to the programmes disclosed below. Full payment of the pledges is contingent on the outcome of British Red Cross reviews of the programmes and therefore the liability has not been recognised at the year end. The commitments will be funded through general funds, restricted appeal income or restricted funding from individual and institutional donors.

	End date	2016 £m	2015 £m
Nepal Red Cross Society - Nepal Strengthening Urban Resilience and Engagement	2021	3.9	-
Kenya Red Cross Society - Kenya Water and Sanitation	2018	2.5	3.3
Syrian Arab Red Crescent - Syria and region crisis	2017	1.0	-
Danish Red Cross - Guinea Epidemic Preparedness	2018	0.7	-
Bangladesh Red Crescent Society - Bangladesh Kurigram WASH Project for Year 2015-2018	2018	0.6	0.8
Lesotho Red Cross Society - Lesotho Water and Sanitation	2018	0.6	0.6
IFRC - Haiti Hurricane Matthew	2017	0.6	-
Bangladesh Red Crescent Society - Barisal Urban V2R Project for year 2015-2018	2018	0.4	0.7
Kenya Red Cross Society - Kenya Disaster Management capacity	2018	0.3	1.6
Sierra Leone Red Cross Society - Sierra Leone Community Based Health Care Programme	2016	0.3	-
Nepal Red Cross Society - Kathmandu Valley Integrated Urban Recovery programme, Nepal Earthquake	2017	-	1.4
South African Red Cross Society - KwaZulu Natal Integrated HIV & TB programme 2011-16 (Phase II)	2016	-	1.3
Philippine Red Cross - Typhoon Haiyan Ilo Ilo Recovery	2016	-	1.1
Bangladesh Red Crescent Society - Bangladesh Vulnerability to Resilience Bhola 2015-2017	2017	-	0.9
IFRC - DFID and HSBC to Serbia Population Movement	2016	-	0.6
Bangladesh Red Crescent Society - Kurigram DRR Project for Year 2015 - 2017	2017	-	0.4
Nepal Red Cross Society - Nepal Integrated Disaster Resilience (Jhapa)	2017	-	0.4
Kenya Red Cross Society - Strengthening Resilience in Kainuk, Kenya	2017	-	0.3
Myanmar Red Cross - Water and Sanitation / Maternal, Neonatal & Child Health programme	2017	-	0.3
Other programmes		3.1	1.9
<b>Total</b>		<b>14.0</b>	<b>15.6</b>

## 22. Analysis of net assets between funds

Group	Unrestricted £m	Restricted £m	2016 Total £m	2015 Total £m
Tangible fixed assets	55.7	6.5	62.2	63.9
Fixed asset investments	-	31.8	31.8	30.0
Net current assets	59.6	13.0	72.6	55.6
Creditors: amounts falling due in more than one year	-	-	-	(0.3)
Provisions for liabilities and charges	(5.9)	-	(5.9)	(4.4)
Defined benefit pension scheme surplus	6.1	-	6.1	5.6
<b>Net assets</b>	<b>115.5</b>	<b>51.3</b>	<b>166.8</b>	<b>150.4</b>

Charity	Unrestricted £m	Restricted £m	2016 Total £m	2015 Total £m
Tangible fixed assets	55.7	3.8	59.5	61.7
Fixed asset investments	-	31.8	31.8	30.0
Net current assets	59.6	12.1	71.7	55.1
Creditors: amounts falling due in more than one year	-	-	-	(0.3)
Provisions for liabilities and charges	(5.9)	-	(5.9)	(4.4)
Defined benefit pension scheme surplus	6.1	-	6.1	5.6
<b>Net assets</b>	<b>115.5</b>	<b>47.7</b>	<b>163.2</b>	<b>147.7</b>

## Notes to the consolidated financial statements

### For the year ended 31 December 2016



## 23. Grant acknowledgements

During the year the Big Lottery Fund and Heritage Lottery Fund provided grants for the following projects:

Purpose of grant	Balance 1 January 2016 £000	Income £000	Expenditure £000	Balance 31 December 2016 £000
<b>Big Lottery Fund</b>				
Birmingham Refugee and Asylum Seeker Orientation and Support Service	29	-	(29)	-
Derby Refugee Project	-	93	(60)	33
Gloucester Life Changes Project	-	76	(33)	43
Gofal North Wales	7	108	(115)	-
Greater Manchester Refugee Support Partnership	97	482	(396)	183
Holistic Support to Destitute Refugees and Asylum Seekers in London	16	75	(63)	28
Inspired Action - Keeping the Spirit of 2012 Alive	29	181	(210)	-
Liverpool Asylum Outreach and Support Project	38	101	(93)	46
Luton & Essex Refugee Support Project	-	64	(16)	48
Neighbourhood Links – Northern Ireland	31	102	(94)	39
Nottingham and Derby Refugee and Asylum Seeker Orientation and Support Service	1	-	(1)	-
Positive Steps (Wales Project)	-	74	(28)	46
Refugee and Asylum Seeker Orientation and Destitution Service - Portsmouth	32	107	(109)	30
Refugee and Asylum Seeker Support Partnership - Leicester	1	91	(63)	29
Routes to Resilience Thames Valley	-	30	(17)	13
South and West Yorkshire Refugee and Asylum Seeker Service	27	135	(132)	30
St Helens Home Support Project	62	110	(71)	101
Tees Valley Ariadne - Refugee and Asylum Support Partnership	-	53	(19)	34
Torbay Navigators	74	60	(66)	68
<b>Heritage Lottery Fund</b>				
VAD Indexes Online	11	8	(5)	14

Balances as at 31 December 2016 are included within our restricted funds.

### Players of People's Postcode Lottery

During the year players of People's Postcode Lottery provided grants for the following projects:

- > Community Resilience Programme in Zimbabwe - £225,000
- > An Impact Assessment Study in Zimbabwe - £25,000.



### Nesta / Big Lottery Fund

Nesta (working as a portfolio partner for the Big Lottery Fund) have provided an Accelerating Ideas grant for the First Call Support at Home Service project - £825,000.

### Patron

Her Majesty The Queen

### President

His Royal Highness  
The Prince of Wales  
KG KT GCB OM

### Deputy presidents

Her Royal Highness  
Princess Alexandra,  
the Hon Lady Ogilvy LG GCVO  
The Countess Mountbatten  
of Burma CBE CD JP DL

### Honorary vice-presidents

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The Rt Hon Baroness Chalker  
of Wallasey  
Sylvia, Countess of Limerick CBE  
Professor John McClure OBE  
Mrs Elspeth Thomas CBE DL  
Sir Nicholas Young

### Vice-presidents

Mr Anthony Andrews  
Ms Angela Rippon OBE  
Mrs Maria Shammas MBE

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Mr John Dauth AO LVO, vice-chair  
Mrs Hilary Douglas CB, vice-chair  
Mr Paul Taylor, vice-chair  
Mrs Liz Hazell, treasurer  
(from 1 January 2017)  
Mr David Howell, treasurer  
(until 28 March 2016)  
Mrs Fionnuala Cook DL OBE  
Mr Robert Dewar CMG  
Mrs Deborah El-Sayed  
(from 1 January 2017)  
Mrs Uzo Iwobi OBE  
(until 1 July 2016)  
Mr Steve John  
Mr Gordon Low  
Mrs Gill Moffat  
Mrs Amanda Nicholson  
Dr Daniel Sedgewick  
Mr Keith Shipman

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Finance and audit committee  
Remuneration committee  
Governance and  
nominations committee  
Health, safety and  
security committee  
Emblem committee  
Service quality and  
assurance committee

### Board sub-committees include

Ethical fundraising and quality  
assurance sub-committee  
(reporting to finance and audit committee)  
Investment sub-committee  
(reporting to finance and audit committee)

### Executive leadership team

Michael Adamson, chief executive  
Zoe Abrams,  
executive director of  
communications and  
engagement  
Mark Astarita OBE,  
executive director of fundraising  
Martin Halliwell, chief finance officer  
(from 24 October 2016)  
Phil Hughes,  
interim executive director of  
finance, planning and resources  
(from 4 January 2016 to  
3 November 2016)  
Norman McKinley,  
executive director of  
UK operations  
David Peppiatt, executive director  
of international  
Rosie Slater,  
chief information officer  
Roger Smith OBE, FCIPD,  
executive director of people,  
learning and strategic change

### External auditors

Deloitte LLP  
2 New Street Square  
London EC4A 3BZ

### Bankers

National Westminster Bank plc  
City of London Office  
PO Box 12258, 1 Princes Street  
London EC2R 8PA

### External legal advisers

Withers  
Old Bailey  
London EC4M 7EG

### Investment managers

Kames Capital plc  
Kames House  
3 Lochside Crescent  
Edinburgh EH12 9SA

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## THANK YOU

**Everyone at the British Red Cross would like to thank each individual and organisation who supported our work in 2016.**

Our supporters were compassionate and swift in their response during emergencies, and their generosity enabled our vital ongoing work in the UK and overseas to continue. We particularly want to thank everyone who supports us regularly, giving us the confidence to plan ahead.

We gratefully remember each and every one of our supporters who thoughtfully left us a gift in their will. We would also like to say thank you to all our local fundraising committees and volunteers for their hard work and commitment, which we could not do without.

### We would like to give special thanks to:

AstraZeneca  
Aviva PLC  
Barclays  
Beiersdorf UK Ltd.  
Big Lottery Fund  
Canon Europe  
Comic Relief  
The Co-op  
Department for  
International Development  
The Walt Disney Company  
European Commission Foresters

Freshfields Bruckhaus Deringer  
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Garfield Weston Foundation  
The Guardian  
The Haremead Trust  
Humanity members of the  
British Red Cross Tiffany Circle  
including Lucy Dorrien-Smith  
Isle of Man International  
Development Committee  
Jersey Overseas Aid Commission  
John Lewis Partnership  
Khoo Teck UK Foundation  
Land Rover  
Marsh & McLennan Companies  
Nesta  
People's Postcode Lottery  
Scottish Government  
Spirit of 2012 Trust  
Tesco PLC  
Thomas Cook Children's Charity  
Unbound Philanthropy  
Unilever  
Welsh Government

**Thanks also to members of the following committees:**

Bedfordshire Fundraising  
Committee  
The 'Call My Bluff'  
Wine Tasting Committee  
Cambridge Lecture Committee  
East Herts Fundraising Committee  
East Suffolk Fundraising Group  
Rosie Gutteridge and  
Alyson Cheng  
Huntingdon Fundraising committee  
The International Medical &  
Fundraising Board  
London Christmas Fair Committee  
London Christmas Market  
Committee  
London Fundraising Committee  
Tory McKenna and Amanda Riley  
Maria Shammass MBE &  
The International Fundraising  
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Tiffany Circle Steering  
Committee and Membership  
Uttlesford Centre Autumn  
Gift Fair Committee  
Mrs Jane Walker and the  
Lothian Ball Committee  
Young Tiffany Circle

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Annesley (CLW) Trust  
The Barcapel Foundation  
The Bay Tree Charitable Trust  
Bliss Family Charity  
The Boshier-Hinton Foundation  
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The Bradbury Foundation  
Bromhead Medical Charity  
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The Bernard Lewis Family  
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Stelios Philanthropic Foundation  
Swire Charitable Trust  
Constance Travis Charitable Trust  
The James Tudor Foundation  
Turgoose Trust  
The Underwood Trust  
Unitarians Clara Barton Fund  
United Wards Club  
Mrs Wingfield Charitable Trust  
The Sydney Wood Foundation  
Zochonis Charitable Trust