

The power of kindness



Trustees' report and accounts 2017



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Foreword

David Bernstein, Chair

2017 was a demanding year for the British Red Cross. It was also a year that demonstrated our important, unique role in supporting people in crisis. I believe that the International Red Cross and Red Crescent Movement has never been more relevant.

We take exceptional pride in our position as the lead voluntary sector emergency response organisation. In particular, I am in awe of the extraordinary response of our volunteers and staff to the terrible UK terror attacks and Grenfell Tower fire last year.

One thing that became clear is that the face of volunteering is changing. We need to offer flexible, easy ways to get involved with our organisation that suit people's lifestyles. By the end of 2018, we are aiming to recruit 10,000 community reserve volunteers who we can call on when we need extra hands during a big local emergency. The role is designed for those who want to help but aren't able to commit to long-term volunteering.

The launch of the new UK Solidarity Fund in June 2017 is another example of our more human-centred approach to emergencies. The fund supports victims of terror anywhere in the UK. Importantly, it also helps us to stand prepared to swiftly provide the support that we know is so very needed in the immediate aftermath of any future incidents.

Throughout the year, our supporters, old and new, were quick to give what they could to all our fundraising appeals. Thanks to their huge generosity, 2017 was a record-breaking year of income for us, enabling us to help thousands of people across the UK and overseas.

However, as the whole voluntary sector faces increasing pressure on funds in the coming years, we are aware we must build a sustainable model for the future that maximises the impact we have for people in crisis. We have work in progress to identify new income streams, attract a wider range of supporters and to ensure costs are managed effectively. We must continue to make sure all our donations are well spent and make the biggest difference they can to those who need us.

The work we started in 2016 to reshape our organisation means we have a head start in responding to this challenge. We are already a leaner and more focused organisation. I would like to thank my board and committee members for their fantastic contributions during the year. We have strengthened our board, welcoming new members Professor Geeta Nargund and Lewis Iwu. Both bring with them a wealth of experience. I would like to take this opportunity to extend my thanks to our outgoing trustees: Steve John, Gordon Low and Amanda Nicholson.

Our sector has come under great scrutiny, and rightly so. People place a huge amount of trust in us and we take that incredibly seriously. We are committed to increasing diversity, transparency and accountability across all our work. The Red Cross is seen the world over as a sign of hope where all else has failed. It is

“People place a huge amount of trust in us and we take that incredibly seriously”



vital that we ensure that it continues to be seen as an emblem of protection to those in need.

We cannot talk about protection without acknowledging the recent criticism of the international aid sector and totally unacceptable examples of sexual misconduct. All charities will have to carefully and speedily examine their actions, including us. At the British Red Cross, we are committed to tackling sexual harassment and misconduct and promoting an environment in which all volunteers, staff and those we seek to help feel empowered to report any misconduct. Tackling these issues with a spirit of openness and transparency strengthens our organisation, and enables us to continue our important work helping vulnerable people around the world and in the UK.

We are immensely proud to be part of the International Red Cross and Red Crescent Movement, which is the biggest humanitarian network in the world with 17 million volunteers working in every part of the globe. Everyday hundreds of thousands of staff and volunteers regularly risk their own safety in order to help those in the most desperate need. The Syrian Red Crescent alone has lost 60 staff in the terrible conflict that still afflicts their country; and that's only one of the 191 National Societies within our Movement – others in areas such as Yemen and South Sudan have also lost many good people.

These are people who care deeply about helping those suffering from natural and man-made disasters. They are carrying out truly courageous work with genuine compassion in order to help end suffering wherever it is found. We must continue to support and recognise them for the vitally important, selfless humanitarian work they undertake. International aid has never been more needed. Every donation from our generous supporters helps us reach someone in crisis.

By working together and standing by our fundamental principles – of humanity, impartiality, neutrality, independence, voluntary service, unity and universality, I am confident that we will be able to meet the challenges awaiting us as we approach our 150th anniversary in 2020. Thank you to our donors, volunteers and staff who give so much time, energy and support to ensure we can continue our life-saving work.

A handwritten signature in black ink, appearing to read "David Jones". The signature is fluid and cursive, with a large loop at the end.

Welcome

Mike Adamson, Chief executive

2017 was a year of intense human crisis, with a series of UK emergencies unparalleled in recent years and the ever-increasing number and scale of global emergencies. But it will also be remembered as a year of incredible kindness and of communities pulling together. Our staff and volunteers are a wonderful example of that and I am extremely proud of how they have risen to the challenges of a tough year.

Day and night, the British Red Cross is responding to some of the defining issues of our time – frail elderly people caught in a revolving door between hospital and home, loneliness, terror attacks, chronic hunger, natural disasters and ongoing conflicts around the world. The role of the British Red Cross in connecting people's kindness to people in crisis is more critical now than ever before.

I have seen first-hand the resilience of people in the British Virgin Islands in the face of the devastation left by hurricanes Maria and Irma. The cash grants we have supported have been a lifeline to people as they rebuild their lives, offering them the chance to buy what they most need, ranging from a new roof, to care for a loved one or school fees.

I also witnessed the scale of the destruction in Syria. The loss of life, opportunity and livelihoods was shocking. We have been a partner to the Syrian Arab Red Crescent since the onset of the crisis and have reached over five million people through the funding so generously provided by our supporters. But the scale of the need is still immense.

The scale of need is considerable here in the UK, too. Early in 2017, we described some of the challenges

facing our health and social care system and the consequences for people and patients. We want to be part of the solution. Through our independent living services we support around 187,000 people across the UK. Our operational experience enables us to bear witness to what is working and what is not working and use these unique insights to influence the development of public policy on behalf of those in crisis.

The impact we made over just three weeks, in May and June, in response to terror attacks in Manchester and London and the Grenfell Tower fire, illustrates just how much need there is for our unique mix of support. Our volunteers and staff were there, on the ground, making a difference from the earliest stages of each incident. From helping hospitals in Manchester support patients in real distress, to freeing up beds so victims could be treated faster, to providing a rest centre in the aftermath of the London Bridge attack, to helping people from abroad connect with their loved ones who were affected by the Grenfell fire. With a truly collaborative approach, we combine practical help at scale with trained people, in partnership with the authorities, to make a direct difference to people in crisis. We also raised over £27 million to provide direct financial support to those who had lost a loved one or been hospitalised.

“Our absolute focus must be on how we can make the biggest impact where it is needed most”



This response shows how we enable our supporters to connect their kindness to people in crisis in a multitude of ways, to help people recover and get back on their feet again. Every small act of kindness in a situation like this makes the world of difference.

Now we must look at what we can learn collectively from these tragedies to further improve our emergency response. We must engage better with communities and be more representative of the UK as a whole, across our volunteers, staff and leadership. With this in mind, I am personally leading the development and implementation of our inclusion and diversity strategy.

We know we must also be quick to learn, adapt and innovate across everything we do. The world is changing socially, environmentally and technologically and we need to change and innovate if we are to remain relevant and responsive and continue to fulfil our mission. This will require great curiosity and adaptability in our people, but I am confident that we have the talent to succeed.

Our absolute focus must be on how we can make the biggest impact where it is needed most – where we have unique expertise and where people are most vulnerable. We must also find more ways to engage

with the hundreds of thousands of individuals whose response to seeing people going through a crisis – be it in their own community, or thousands of miles away – is to want to help. We need to show them that their kindness is powerful and that we can help them use it to make a difference.

So, I would like to say thank you to all of our volunteers and staff for your dedication and commitment. Thank you to our supporters who make this essential work possible. I am incredibly proud to be a part of your Movement.

Who we are

At the British Red Cross we strive towards a world where everyone gets the help they need in a crisis.

We are a platform for human kindness and a certain sign of hope for people in crisis.

It is our role as the British Red Cross to *connect* people's kindness with people in crisis. This is how we mobilise the power of humanity so that individuals and communities can prepare for, respond to and recover from crises – both at home and abroad.

We believe that every crisis is personal, which is why we provide impartial support to people based on their need and nothing else. Our offer includes emergency response, refugee support, independent living services, first aid education and the development of the capacities of sister National Societies and communities overseas.

We are an organisation made possible by everyday acts of human kindness. We are powered by over 19,600 volunteers in the UK and nearly 3,900 staff, and it is their determination to support others, along with the generosity of our supporters, that allows us to help people in crisis when they need it most.

We are part of the world's largest humanitarian network, the International Red Cross and Red Crescent Movement, which has 17 million volunteers across 191 countries. This gives us a unique ability to respond to humanitarian crises around the world – with a local presence responding in almost every country, combined with a global network able to mobilise and coordinate exceptional responses to emergencies.

**We are guided by the seven
fundamental principles of
the Movement:**

Humanity

Impartiality

Neutrality

Independence

Voluntary service

Unity

Universality

**These commit us to putting
people first in everything we do.**

2017: The year in numbers

Reduced destitution and distress for people who are displaced

32,000
people supported through our refugee services

2,800
people supported to reunite with their families

33%
of family reunion requests came from children separated from family due to conflict, migration, dispersal and natural disasters

Enhanced independence and wellbeing for those facing health crises

187,000
helped through our independent living services, including

65,200
people supported to live in their own home

57,800
mobility aid loans

People know what to do in a crisis

275,000
people taught first aid

120,500
young people reached with crisis education

41,200
at-risk adults first aid trained

Image © Simon Rawles/BBC.

Reduced distress and enhanced recovery following an emergency

9,300
people helped in
a UK emergency*

1,500
UK emergencies
responded to*

34,700
ambulance responses*

26,900
non-emergency
patient transport
journeys*


22
international
emergencies
responded to
(including 11 new emergencies)**

Strengthened national humanitarian action overseas

157
delegates deployed to
support the Movement

23
countries supported
through either
resilience or capacity-
building programmes

*UK emergencies **International emergencies

A man with grey hair, wearing a red and black plaid shirt, is sitting on a bed in a dimly lit room. He is looking to the right with a thoughtful expression, his hand near his face. The room is dark, with a framed picture on the wall behind him and a bed with a white coverlet and a red headboard visible in the background.

“Our work covers a wide spectrum: from providing emotional comfort and practical assistance during an emergency, to being on-hand to administer first aid at public events”

UK crisis response

Our aim: **Reduced distress and enhanced recovery following an emergency in the UK**

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

In 2017, we responded to 1,500 emergency incidents in the UK and reached 9,300 people in need. We collaborated with a number of statutory and voluntary organisations, such as the National Health Service (NHS), local councils and other charities last summer, when a series of emergencies in quick succession tested our collective capacity to respond. Close collaboration made a huge difference to the effectiveness of our response and this is something we are keen to build on going forward.

2017: A year of emergencies

In the space of a few weeks last year, the UK saw a series of emergencies unparalleled in recent years in this country, causing enormous loss of life and injury, and devastating communities.

In response, our volunteers and staff mobilised on an unprecedented scale and worked tirelessly to:

- Support people in crisis

Bringing together our unique range of services, we provided human-centred support to those affected by the crisis. This included first aid at the scene, supporting the NHS with hospital discharge, providing emotional and practical support at rest centres and supporting people through our 24/7 telephone support line.

- Provide a platform for kindness

We raised over £27 million for the victims of these emergencies and their families, thanks to the extraordinary kindness shown by many thousands of ordinary people and businesses.



Westminster attack

On 22 March, four British Red Cross staff, seven volunteers and three vehicles were deployed at the request of the Metropolitan Police, to support those affected by the terror attack by offering practical and emotional support.

At the request of the Mayor of London, the British Red Cross and London Emergencies Trust (LET) launched a private appeal, with donations received from leading companies and trusts based in London to provide support to the victims of the Westminster attack and their families.



London Bridge attack

After the terrorist attack on Saturday 3 June at London Bridge and nearby Borough Market, British Red Cross volunteers provided practical and emotional support at community assistance and rest centres established by Southwark Council at London South Bank University and Southwark Cathedral.

We launched the UK Solidarity Fund to help victims of terror anywhere in the UK, including the London Bridge terror attack.

The UK Solidarity Fund raised £3 million in 2017.

Parsons Green

On 15 September, our volunteers helped in rest centres, supporting people affected by the attempted attack. We used our UK Solidarity Fund to support those who were injured and had a hospital stay.





Manchester attack

After the Manchester Arena attacks, we deployed 45 emergency response volunteers and staff, 19 ambulance crews and 11 psychosocial volunteers.

Our psychosocial support team members provided 24/7 support primarily to bereaved families and friends at a rest centre, the Etihad stadium and at their hotels.

We provided five ambulances to three hospitals in the area and four ambulance support crews were on standby. At Oldham Royal Hospital we provided a hospital discharge service to free up bed space, as well as psychosocial support and welfare assistance at the mortuary, with a British Red Cross emergency response vehicle used as a mini rest centre.

We also provided advice and support to parents and teachers, through education materials to help them talk to their children about the terror attack.

We created the We Love Manchester appeal, in collaboration with Manchester City Council and the Manchester Evening News, which raised over £17 million.

We have given all the families who lost a loved one £250,000 to ensure they are able to get the support and help they need as they cope with their loss.

Finsbury Park attack

On Monday 19 June, we were asked by the police to support a family and friends information centre, which accommodated approximately 50 residents who were not able to return to their homes within the cordon of the crime scene.

Three British Red Cross volunteers were also on hand to provide emotional and practical support. Funds raised by our UK Solidarity Fund were also made available to people affected by the attack.





Grenfell Tower fire

In the aftermath of the fire at Grenfell Tower on 14 June, we deployed 631 volunteers, who supported over 1,700 people.

Our teams worked with the NHS to perform outreach work to identify people who had not yet accessed support and to provide safe spaces.

We supported London's hospitals by helping to discharge patients to make beds available for victims and by providing emotional and practical support.

We set up the London Fire Relief Fund, which has to date raised £7.3 million.

Our family reunion teams helped families from abroad to connect with loved ones affected by the fire, using our travel assistance arrangements. We set aside £100,000 from the London Fire Relief Fund to help bereaved families travelling from overseas.

Over 120 tonnes of clothes and other items – enough to fill three football

itches – were generously donated by the public in the aftermath of the Grenfell Tower fire.

Kensington and Chelsea Council asked us to draw on our logistical expertise, retail experience, and local community volunteers to ensure that the public's generosity would not go to waste. New items donated were directed back to the local community. Excess good-quality second-hand items were labelled as 'Shop for Grenfell' and sold in 140 British Red Cross shops across the country, and low quality or damaged textiles were sold for recycling. 'Shop for Grenfell' has raised £226,000 to date, with all the proceeds going directly to the appeal and those affected.

We have worked with LET and the Rugby Portobello Trust to distribute the funds raised for this tragedy. In 2017 £5.7 million was given to LET for distribution, with further distributions made in 2018.



What's next?

Ensuring we are ready in times of crisis

There is much to be proud of in how we collectively rose to these challenges, but it is also important to reflect and learn from the things that could have been done differently.

We are clear about where our response did not meet our high standards. The Grenfell Tower fire in particular showed that some of our established ways of working are not responsive enough to local need. We are committed to learning and improving, which includes:

- Making our response more local and diverse, through engaging with community groups and creating a more inclusive and diverse workforce. We know the strength that diversity brings and the value of new skills, ideas and experiences,
- Making cash assistance our default approach, to ensure people receive immediate support in a way that preserves their dignity.



Image © Hewlett-Packard/BBC

Community reserve volunteers

We have rolled out a flexible volunteering scheme for people who want to help during a major emergency within their local community. Community reserve volunteers will support their communities in times of crisis with practical tasks that free up our emergency response volunteers and staff to concentrate on technical support and interventions that require specialist training.

Event first aid

We provided 16,000 people with first aid support at events. We are currently reviewing our event first aid model, with a view to improving the impact of our event first aid in 2018.



Image © John Eccles/BBC

First aid and crisis education

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

At the British Red Cross, we want to make sure that everyone knows what to do in a crisis – and an essential part of that is making sure 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 significantly higher risk of experiencing a first aid emergency.

In 2017, we taught over 275,000 people first aid through face-to-face education. We reached 41,200 at-risk adults and 120,500 young people through crisis education.

2017 highlights

In 2017 we found innovative ways to use technology to help our supporters learn essential skills.

These included:

Our online teaching resources and 'first aid for young people' products, which were viewed over 1.2 million times, with 6,500 users of our new Amazon Alexa app and over 250,000 users of our existing smartphone apps.

We supported the CBBC production of Operation Ouch, with seven broadcast segments featuring children learning first aid skills, reaching 100,000 viewers per live episode, and over 80,000 more via iPlayer catch-up.

We partnered with Mumsnet on World First Aid Day for a national media campaign, reaching millions of UK adults with messaging on the importance of learning how to help a choking child, leading to over 1.3 million views of our educational videos on this Alexa skill.

We are currently working to further develop our abilities to harness new technologies to engage people with first aid education in innovative ways, including through interactive virtual reality and 360-degree video products.



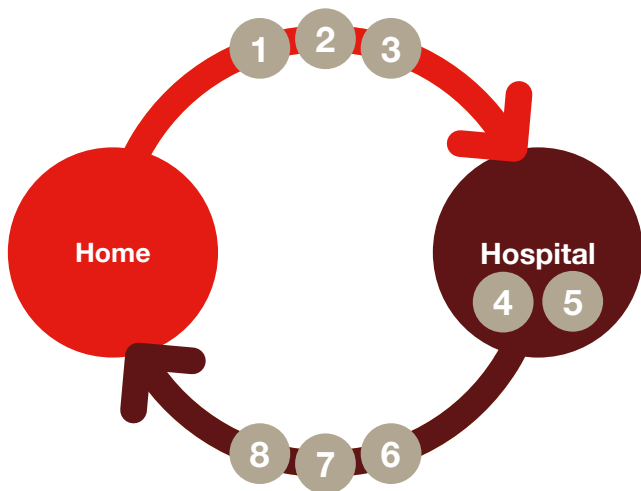


Support between home and hospital

Our aim: **Enhanced independence and wellbeing for those facing health crises**

The British Red Cross plays a unique role in health and social care in the UK. Our staff and volunteers work with accident and emergency departments and discharge wards across the country, providing ambulance support, transporting patients to and from hospital and supporting tens of thousands of older and vulnerable people in their homes.

In 2017, we helped over 187,000 people through our independent living services.



How we help

- 1 Preparing for First Aid crises
- 2 Reconnecting with your community
- 3 Transport support for essential journeys
- 4 Supporting you in A&E
- 5 Supporting the Ambulance services
- 6 Support at Home – getting you home from hospital
- 7 Support at Home – 6 to 12 weeks of help as you recover
- 8 Loaning you mobility aids

2017 highlights

Reconnecting with the community – tackling loneliness and social isolation

Our joint research with our Co-op partners has shown that over nine million people in the UK (almost one fifth of the population) report they are always or often lonely. We are helping to prevent loneliness escalating from a temporary situation to a chronic issue by providing the right support to vulnerable people at the right time.

In 2017, we launched a Community Connectors service in partnership with the Co-op. The service provides focused, person-centred support to those experiencing loneliness or social isolation and helps connect them to their community.

The new service was introduced in communities across the UK – from the north of Scotland to the west of Cornwall – where we have identified particularly high levels of unmet need.

Support at home

We want to help prevent unnecessary hospital readmission and enhance the independence and wellbeing of vulnerable people.

Simple support such as collecting prescriptions, offering companionship and helping out with shopping can help people in crisis to get back on their feet.

Our Land Rover-funded support-at-home services include 11 projects to help vulnerable people living in rurally isolated areas.

We helped over 65,200 people regain and maintain their independence and stay in their own homes last year.



Image © Simon Rawles/BBC.

Supporting in A&E

Winter is always a difficult time for the NHS, with seasonal illnesses taking their toll on a system that is already strained. Despite the efforts of hardworking doctors and nurses, this has a huge impact on older and vulnerable people.

We worked with 61 hospitals across England, including 15 A&E departments, to provide practical and emotional support to patients and their families. We helped 19,400 people move swiftly and safely through A&E and helped alleviate pressure when patients were ready to leave by supporting 16,000 patients to return home.



Image © Simon Rawles/BBC.

Providing mobility aids

As the biggest national provider of short-term wheelchair loans, we know what a vital service this can be, both to the people recovering from hospital stays who want to go home and to the NHS, which desperately needs beds for those in dire need.

We provided 57,800 mobility aids last year, and spent the year changing the logistics of how we store and transport our mobility aids. This will help make the service far more effective in the future. We also introduced an online request service to help improve access to mobility aids.

Refugee support and migration

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

The British Red Cross is the biggest single independent provider of refugee support in the UK, supporting more than 30,000 people every year, in 58 towns and cities.

With more than 17 million volunteers across 191 countries the Movement is there to help vulnerable people – regardless of status – at every point in the long, dangerous journey that an unprecedented number of people are taking to reach safety.



2017 highlights

In the UK

The British Red Cross directly supported 19,000 migrants and refugees, and 13,000 dependants, in the UK in 2017. Over 15,000 of these people faced destitution, often in spite of having being granted leave to remain in the UK.

Over the year, we reunited 2,800 family members.

Last year, we continued to find new ways to support people in crisis, launching a project in Birmingham, Luton and Leeds called Surviving to Thriving in partnership with the Refugee Council and UpRising. The project supports young refugees who have fled conflict and persecution to settle in the UK and play an active role in their communities. It provides practical life skills and mental health support, as well as helping to develop leadership and employability skills.



Image © Picasa/IFRC.

Across borders – tackling anti-trafficking and modern-day slavery

As the largest non-statutory provider of support to refugees and asylum seekers in the UK, we are increasingly seeing asylum seekers who have been trafficked.

We provided assistance to over 300 victims of human trafficking. We engaged with the Home Office and Anti-Slavery Commissioner, using our insight to highlight suffering and advise on how to ensure victims are properly supported.

Survivors of trafficking and exploitation are hugely vulnerable. They will have been moved through force, coercion or deception in order to be exploited, and will require help from a range of our services. We remain committed to helping them receive the assistance they need. In the UK, this includes access to psychosocial support, referrals to our destitution assistance service, access to English classes and help to find their families and reconnect with them.

This is an issue which crosses borders. In 2017 we worked with the Italian Red Cross to train frontline staff and volunteers about the signs of trafficking and develop procedures for referring vulnerable individuals to specialised services.

Overseas

Over 80% of refugees choose to stay as close to their home and country of origin as possible in order to preserve the possibility of going home.

The Syrian crisis is now in its eighth year – with almost 5.5 million refugees in neighbouring countries and beyond, many in Lebanon and Jordan.

The British Red Cross works with both the Lebanese Red Cross and the Jordanian Red Crescent to support Syrian refugees. As well as providing food, water and sanitation, we also help the most vulnerable families with cash grants. In 2017 we supported 297 families in Lebanon and 1,388 in Jordan with grants to help them to cover their basic needs for the winter months, including food, clothing, heating and non-food items.



Image © Simon Hawles/BFC.

International emergency response and recovery

Our aim: Reduced distress and enhanced recovery following an emergency overseas

Strengthened national humanitarian action overseas

The British Red Cross provides emergency support to people affected by a crisis overseas, and help 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.

A year of disasters

Support in protracted conflict

Around the world, two billion people live in communities devastated by fragility, conflict and violence.

Conflict has forced millions to flee their homes in East Africa. Now drought is crippling the region. Families are facing cholera, and critical food shortages are causing extreme hunger and malnutrition.

The escalating violence in Myanmar saw thousands of families flee their homes with almost no possessions, only to enter a country in the grip of terrible floods. Many more remain stranded in border areas without food, water or shelter.

The ongoing conflict in Syria has seen millions of people flee their homes. As well as the almost 5.5 million refugees who have fled the country, the United Nations High Commissioner for Refugees (UNHCR) estimates that more than seven million people are 'internally displaced', attempting to raise their families while the fighting continues.

We recognise that we are only able to work in conflict zones because we are neutral, impartial and independent and because the Red Cross/Red Crescent emblem takes no notice of political, ethnic or religious affiliations. These principles allow our staff and volunteers to reach as many people as possible who need our help.



Silent emergencies

Some crises don't make the headlines, despite our very best efforts. These crises are underfunded and effectively ignored. They are silent emergencies.

The crises in the countries surrounding Lake Chad and in Yemen have been exacerbated by the inaccessibility and insecurity of these regions. Conflict, displacement, food shortages and disease have left millions of people without the basics needed to survive.

The International Committee of the Red Cross (ICRC) is one of the few humanitarian organisations able to access these areas.

Devastated by nature

When the forces of nature tear communities apart, the Movement helps support people to put their lives back together.

The worst monsoon rains in decades claimed thousands of lives and devastated communities across India, Nepal and Bangladesh last year. People lost everything. Their homes and their livelihoods were submerged in the floodwater.

In the Caribbean, an estimated 1.2 million people had their homes destroyed by hurricanes Maria and Irma. The high winds and driving rain devastated these islands, 80 per cent of homes were damaged. The tourist industry – one of the biggest industries in this area – was badly affected, and many people no longer have jobs.

Our response in 2017:

- We contributed £4.6 million towards food, community water resources, fishing kits, seeds and tools for farming in East Africa, through a joint appeal with the Disasters Emergency Committee (DEC).
- When thousands of families were forced to flee their homes in Myanmar, we gave £1.6 million to the Movement to help provide water, jerry cans, food parcels and hygiene kits.
- In 2017, the people of Syria experienced their seventh year of living in a conflict zone. We contributed £8.8 million to help supply food, water, blankets, soap and other essentials, and to support people as they deal with the psychological impact of years of violence.
- £1.1 million of British Red Cross funding was spent on the Movement's response to silent emergencies in 2017.
- Extreme hunger, disease and conflict are killing or injuring an estimated 75 people every day in Yemen. 2017 saw us give £600,000 to help provide food rations, clean water and oral rehydration sachets to treat and prevent cholera.
- Displacement due to conflict and an urgent food crisis has left around ten million people in Africa's Lake Chad region without the basics needed to survive. In 2017 the ICRC drastically scaled up its work in the countries surrounding Lake Chad. Its operation there is now its second largest in the world, behind only Syria.
- Following the floods in South Asia, we gave more than £500,000 to the Movement to help distribute food parcels, supplies and medical equipment and help hundreds of thousands of people as they attempt to rebuild their lives.
- We mobilised a team to help people prepare before hurricanes Irma and Maria hit the Caribbean, and contributed £6.8 million to support people in the aftermath, as they attempt to put their lives back together and restore the infrastructure of their communities.

Building resilient communities

We are engaged in an ongoing programme of work in Nepal, Bangladesh, Kenya and Syria.

In 2017 we designed water management schemes and constructed deep tube wells to provide safe, reliable water supplies.

We trained vulnerable communities in basic first aid, disaster preparedness and water supply and management. We gave cash grants to people to help them start up their own businesses and provided training to local entrepreneurs.



Image © Riccardo Gangale/IFRC.

Cash programmes

We are currently in the process of completely transforming the way we deliver aid through our cash assistance programme. We are working with the wider Movement to put in place the systems needed to deliver cash assistance, rapidly and at scale, in times of crisis. We are supported by the Department for International Development (DFID) and we are working with other partners to fund this important work.

From food to shelter, medicine, clothing or education – cash assistance is a flexible form of aid that enables vulnerable people to address their own individual needs.

Cash assistance is incredibly effective. It is cheaper to deliver and can make aid budgets stretch much further. It can reach people within hours of a major crisis, so the most vulnerable get the support they need straight away. Our ambition is to double the amount of cash assistance delivered by 2021, with cash considered as a potential response option in all our international operations.

Cash Preparedness programmes are underway in the Sahel (Niger, Mali and Burkina Faso) and Asia Pacific (Pakistan, Philippines and Nepal). We trained 50 staff last year and deployed 24 cash delegates, making us the largest contributor of cash expertise in the Movement.



Image © Odd Andersen/IFRC.

Supporting the Movement

Over 2017, 157 of our delegates provided expertise, enabling the Movement to respond to people affected by conflict and natural disasters. This included 24 delegates supporting the Movement to deliver more assistance through direct cash payments as part of our cash assistance programme.

Putting people in crisis at the heart of what we do

Our aim: **Giving a voice to people in crisis**

The British Red Cross advocates with and on behalf of people in crisis. Based on our experience of helping people across the UK and overseas, we speak out to try to address the root causes of crises.





Image © Simon Rawles/BBC.

In 2017, we:

- Secured a one-year compassionate leave to remain for survivors of the Grenfell Tower fire, who felt unable to access support due to their irregular immigration status. People should always feel safe and confident to access emergency support.
- Lent our voice to the wider debate on the crisis in the care system, including leading the media agenda in January after we reiterated our call for the government to invest more to support vulnerable adults in need of social care.

In the spring budget an additional £2 billion budget for social care was announced, as well as recognition of the need for sector reform.

- Worked in partnership to form a new loneliness All-Party Parliamentary Group, building on the work of the Jo Cox Commission. This is a long overdue development and one that will hopefully lead to a better understanding of the issues surrounding loneliness and social isolation.
- Continued to call on governments to ensure that vulnerable migrants, irrespective of legal status, are provided with better assistance and protection during their journeys. This includes a commitment to funding search and rescue

operations in the Mediterranean Sea. We are also calling for governments to allow people to leave countries or situations where their lives or safety are at risk. This includes respecting the principle of non-refoulement by refraining from sending people back to countries where their lives and safety are at risk.

- Worked on the development of two new international frameworks led by the United Nations, which will be finalised in 2018: a global compact on refugees and a global compact for safe, orderly and regular migration. We are calling for an approach that emphasises the protection of human life and dignity. We were pleased to see one of our key recommendations on ensuring access to essential services for refugees and the communities that host them as central to the UK's approach during the negotiations.
- Drew attention to the ongoing silent emergency in Lake Chad by hosting a joint event with the All-Party Parliamentary Group on Human Rights, bringing together UK policy makers to discuss the humanitarian response.

Providing a platform for kindness

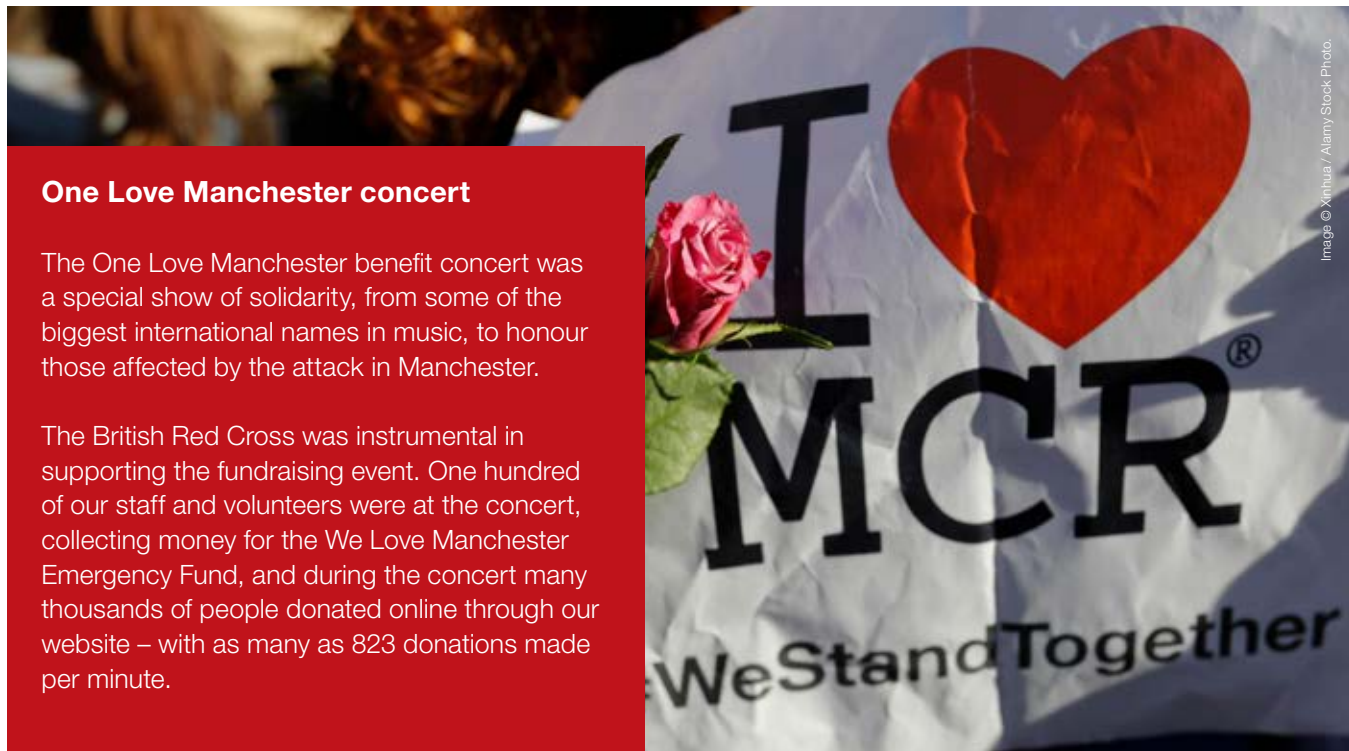
When crisis strikes, many thousands of people want to help in response. We aim to harness and channel that outpouring of compassion towards those affected in their greatest time of need.



Saturday Night for London

A week on from the horrific London Bridge terror attacks, the British Red Cross teamed up with the London Mayor's Office, Borough Market, celebrities and a host of businesses to support the victims through the Saturday Night for London fundraising drive.

Many thousands of people came together to ride a taxi, eat a dish or say cheers for London and raise vital funds.



One Love Manchester concert

The One Love Manchester benefit concert was a special show of solidarity, from some of the biggest international names in music, to honour those affected by the attack in Manchester.

The British Red Cross was instrumental in supporting the fundraising event. One hundred of our staff and volunteers were at the concert, collecting money for the We Love Manchester Emergency Fund, and during the concert many thousands of people donated online through our website – with as many as 823 donations made per minute.

Digital transformation

We are committed to improving the experience of our service users, volunteers and staff, and made a significant investment in digital transformation in 2017 to support this.

We launched Project Red – redesigning our website based on an understanding of our service users, and making it easy for people to be involved in the Movement. In 2017, we rebuilt our donation platform, providing a simple, secure and stable way to support people in crisis. We also built websites for our branches in British Overseas Territories, ensuring a wide reach of all Red Cross services in these countries.

The reach of our wheelchair loan services means there are inherent difficulties in loan and stock management procedures. We're transforming the way loans work using digital tools, with a view to ensuring people can always get the help they need, when they need it.

Our volunteers on the ground are the reason we can continue to support people in crisis, and the best people to tell us how we can be more effective. We've worked on how we gather feedback from our crisis response volunteers, to ensure people are equipped to help their community in times of crisis.

We recognise that digital skills are vital for good leadership now and in the future. In 2017 we rolled out training for our current leaders in London and Manchester, and trained 150 staff using Dot Native certified courses. These training programmes are continuing, ensuring as many of our staff as possible are digitally skilled.

Moving forward, we are focussing on how we can use technology to improve the volunteer experience, including investigating how we can use platforms like web chat and artificial intelligence.

Our priorities for 2018

UK emergency response

Based on learning from a review of our UK emergency responses in 2017, we will work with statutory providers to deliver more human-centred, collaborative emergency response that engages with and draws on the capacity of local communities and builds their resilience.

Supporting people with health crises

In response to the health and social care crisis, we will work with the NHS and regional health and social care commissioners to improve people's experience in a crisis as well as patient flows within hospitals. We will respond where people are becoming stuck in hospital by providing alternative pathways to care that mean they can return home safely. We will support more people at home to live independently with the support and community links they need, aiming to reach 79,000 people, and provide 93,700 mobility aid loans.

Refugees support and restoring family links

We aim to support 16,000 people with direct support as the number of people entering the UK is expected to fall, but with the complexity of people's needs continuing to increase. In response to the increasing number of victims of trafficking and modern-day slavery, we will develop a model for supporting those affected that brings together our UK and international resources to protect vulnerable people along global migration trails.

International emergency response and silent emergencies

We will continue to invest in the scale-up of our response to silent emergencies, either through our own funds or through bearing witness to humanitarian suffering so that others are compelled to take action. We will improve our capacity to respond to slow-onset, protracted crises that do not fit traditional emergency response models.

Enhancing the Movement's capacity to reach people in critical contexts

We will adopt a thematic approach to our work overseas to enable us to reach people at scale when they are affected by chronic hunger or protracted conflict, in order to have deeper impact. We will continue to work with our five existing partners in Africa and Asia to build disaster management capabilities, and deliver our ongoing resilience building programmes. Our cash assistance programme will see six of our partner societies in West Africa and Asia ready to deliver cash assistance to people in crisis by the end of the year.

People know what to do in a crisis

In the UK we will reach 45,300 adults in at-risk groups and 122,300 young people with first aid and crisis education, and teach more members of the public to save a life through Red Cross training. We will develop our ambulance support offer in line with our social enterprise model and look at how we can provide innovative solutions to current and developing health and social care crises.

Inclusion and diversity

In 2017, we commissioned a review to examine how we could address our under-representation of black, Asian and minority ethnic (BAME) staff. We have since built on our BAME review, incorporating recommendations into findings from a wider diversity self-assessment, to develop a comprehensive inclusion and diversity strategy. The aim is to mainstream inclusion and diversity considerations into all that we do, and increase our organisational ability to reach and respond to the diversity of those in crisis.

The strategy, personally championed by chief executive Mike Adamson, includes a wide range of measures to position us at the forefront of diversity best practice in the sector. We are developing a suite of diversity learning opportunities and a more accessible and robust recruitment and selection process, incorporating unconscious bias training and name-blind applications. We are improving our collection

and analysis of key diversity metrics and introducing an equality impact assessment into all our policy, projects and decision making. We are also committing to improving the accessibility of our buildings and IT to minimise barriers to inclusion.

We know that different people experience crises differently, so we are designing all of our international programmes to reflect this, including mainstreaming gender and diversity considerations.

Finally, by recognising that inclusion and diversity starts at the top, we dedicated much of our 2017 leadership conference to inclusive leadership. Our board has also spent time exploring unconscious bias. We are already seeing early signs of the benefits of greater diversity across the organisation, especially at the most senior levels and we aim to accelerate this in 2018.

This work is important, but we still have much to do. We know a more inclusive and diverse workforce will ensure we are able to make smarter decisions, bring about positive change in society and, crucially, be better equipped to support people in crisis.

BRC150plus improvement programme

2020 will be our 150th anniversary. We recognise that we must change to remain relevant, to ensure we continue to fulfil our mission to mobilise the power of humanity so that people in crisis get the help they need. Our focus therefore must be on how we can make the biggest impact where it is needed most, within the resources available.

In 2018, we will initiate our BRC150plus improvement programme. The programme will aim to attract a new generation of supporters, reduce running costs, recover more costs in fees and income, ensure we make surpluses on contracted services and increase our restricted donations, as well as investing in new, innovative services. This will make sure we are here for those that need us most for the next 150 years.

Risks

Principal risks and uncertainties

Responding to the needs of people in crisis involves risk taking, particularly when working overseas in volatile contexts and in conflict zones. The British Red Cross takes risk management very seriously and has a clear organisation policy and associated framework and procedures in place to ensure risks are anticipated and mitigated effectively and consistently.

Risk framework and controls

During 2017, we undertook a review of our core risk management processes to ensure their effectiveness. A revised risk policy was signed off by the board of trustees, with a strengthened procedure put in place. A risk champion group is in place which brings together all those across the organisation with a responsibility for risk management. The group shares best practice and ensures we have a consistent and joined-up approach.

Our wider assurance framework includes our in-depth policies on risks, incident reporting, anti-fraud, bribery and corruption, management of complaints and grievances, safeguarding and raising concerns (whistleblowing). These policies ensure that, where incidents give rise to risks, these are identified, acted on swiftly and reported according to our regulatory responsibilities.

Roles and responsibilities

Our board of trustees is responsible for ensuring that the British Red Cross has robust and effective risk management processes and assurance functions in place. The board assesses and agrees the corporate risks as part of setting the annual business plan each year, and receives quarterly updates on how these risks are being mitigated. Committees of the board, along with other internal steering groups, provide regular in-year oversight of specific risks.

The executive leadership team reviews the corporate risks each quarter as part of wider strategic performance monitoring, taking collective responsibility for ensuring that risks are swiftly identified and effectively mitigated.

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

Risk theme	Risk	Mitigating action
Funding	A downward trend in income due to more competitive markets and fundraising constraints means we are unable to deliver on our strategic commitments.	2018 plans include a three-year programme to ensure the organisation's sustainability and relevance going forwards, including managing costs, increasing restricted and general funding streams, and focusing resources where we can have maximum impact for people in crisis.
	Working as part of a wider International Red Cross and Red Crescent Movement exposes us to increased risk of fraud and misuse of funds in our work overseas.	Due diligence procedures are in place with clear criteria for the selection of partners, along with a well-defined process for responding to incidents of fraud. Capacity-building programmes with partner Red Cross/Red Crescent National Societies includes strengthening financial management and performance monitoring.
Outcomes	Workforce capacity is outstripped by our commitment to deliver contracted services, resulting in a failure to fulfil our obligations and reach people in crisis with the support they need.	Workforce planning was introduced over 2017 to ensure a robust understanding of workforce requirements against our strategic commitments and contracted services. Volunteer recruitment will be simplified and improved in 2018 so that new volunteers become active more quickly.
Operational	Failure to implement robust safeguarding measures and respond robustly to incidents and complaints, including of sexual misconduct, risks harm to the people we help and/or our workforce and undermines their dignity. (See 'Safeguarding and code of conduct' section for more detail on our approach.)	We have comprehensive safeguarding policies in place to protect our staff, volunteers and the people we help. All British Red Cross staff working overseas are bound by a strict Federation Code of Conduct, which includes clear standards against harassment, abuse, discrimination and exploitation. Our 'raising a concern' procedure enables our workforce to report suspected wrongdoing or malpractice. A complaints procedure is in place for staff, volunteers and beneficiaries to express dissatisfaction with any aspect of the organisation. Our complaints procedure is under review to ensure that our beneficiaries have clear and multiple channels through which to make a complaint, with particular focus on arrangements overseas. We are also working closely with DFID and the Charity Commission to ensure that we meet the new standards being put in place for overseas humanitarian work. Compared to other UK-based aid agencies, we deploy a low number of staff overseas: around 220 delegates per year, plus 40–60 regular travellers from London, which lowers, although does not eliminate, risk.
	Poor implementation of health, safety and security responsibilities and requirements in the UK and overseas results in a failure to keep our staff and volunteers safe, and/or harm to beneficiaries or a member of the public.	Health and safety policies and procedures are in place for our work in the UK, with a UK security policy under development. Ways of working are being reviewed where incident reporting is giving rise to health and safety risks in the UK. A security framework and travel security procedures are in place to protect those working overseas. Security of staff and volunteers in the field is coordinated with the Federation/ICRC and overseen by a security focus group. Improved incident reporting has flagged that we need to improve compliance with established incident reporting procedures.

Risk theme	Risk	Mitigating action
	<p>Failure to ensure and maintain appropriate information security results in cyber-attack and undermines the security of our data.</p>	<p>An education programme is under way to address behaviours that currently undermine security, such as revealing logins and passwords. This will be tested in 2018 to assess change from 2017.</p> <p>A cyber-security maturity framework has been put in place to drive improvement.</p>
Reputation	<p>We are unable to evidence the positive difference we make for people in crisis, undermining perceptions of the British Red Cross as a relevant and trusted organisation, reducing the likelihood that people will support us.</p>	<p>Investment in insight and evidence is ensuring a more systematic approach to understanding the difference we make in the UK and overseas, along with improved service user experience feedback.</p> <p>In Autumn 2018 we will produce our first impact report. It will evidence the difference we make and identify where we need to improve.</p>
External	<p>Exiting from the European Union could impact on our income and regulatory environment. Failure to be sufficiently up to date with the latest developments could prevent us from pro-actively preparing for a post-Brexit era.</p>	<p>Close relationships across government are in place as part of our wider engagement strategy to ensure we have visibility as to how Brexit will impact on the sector and the people we help.</p>
	<p>Failure to comply with the new General Data Protection Regulation (GDPR) leaves the British Red Cross in breach of the law and open to fines of up to €20 million or 4% of global annual turnover for the preceding financial year.</p>	<p>Robust information governance procedures have been in place for some years in line with level two information governance standards required to deliver some of our commissioned UK services.</p> <p>In 2017 we conducted a data mapping exercise across the organisation to understand where we have personal data. We also undertook a critical systems audit and information governance policy review. Learning from the review being taken forward includes ensuring that we have appropriate consent for information we hold and that we record that consent. The organisation website was identified as a risk and a new website has now been launched which will ensure the risks identified are addressed. Our privacy policy and processing statement has also been updated.</p> <p>An awareness programme and e-learning will be rolled out in 2018 as part of ensuring GDPR-ready compliance.</p> <p>We are aware of where we need to improve our data handling, including handling of service user records and ensuring personal data is removed from our systems following requests not to be contacted, and are in the process of putting more robust procedures in place.</p>

Safeguarding and code of conduct

We take our responsibility to safeguard all people who come into contact with the Red Cross, including our own staff and volunteers, extremely seriously.

The British Red Cross will not tolerate any sexual harassment or misconduct. We are committed to promoting an organisational culture in which all staff feel safe to speak up and we address all cases of sexual harassment and misconduct in line with our policies and commitments.

We have a comprehensive range of checks and balances in place to safeguard staff, volunteers and the people we help. Our safeguarding policies can be found on our website at [redcross.org.uk/about-us/how-we-are-run/our-policies](https://www.redcross.org.uk/about-us/how-we-are-run/our-policies)

As an organisation with both a UK and an international purpose, we have two senior safeguarding leads; a lead for our work overseas and a lead for our work in the UK. We also have a trustee on our board with responsibility for safeguarding.

In the UK, incidents are handled through a network of over 200 trained safeguarding officers, who cover either adult or child safeguarding.

All British Red Cross staff working overseas are bound by a strict Federation Code of Conduct, which includes clear standards against harassment, abuse, discrimination and exploitation. This code, which is publicly available, has been in force since 2007 and specifically prohibits all forms of sexual abuse and exploitation; this includes engaging in sexual activity with anyone that the organisation seeks to protect or assist and engaging sex workers.

Delegates are required to escalate any suspicion of wrongdoing whatsoever to their manager in the field or to our UK head office safeguarding team, where it is investigated and escalated.

Our policies clearly state that all safeguarding concerns are logged, investigated and escalated as appropriate. Our practice is to report incidents to the relevant authorities at the time these occur, including the Charity Commission. This includes referrals we have made to the police and other statutory authorities.

Our safeguarding procedures have been reviewed and updated in the past 12 months. Our approach to the management of UK and international safeguarding incidents is examined on a quarterly basis by sub-committees of the board.

Whistleblowing procedures

We have a robust procedure in place for staff and volunteers to speak up.

If our staff and volunteers do not wish to report to their line manager or through the usual internal channels they can report any harassment or misconduct via a confidential and independent 'SafeCall' ethics hotline. This offers an alternative way for volunteers, delegates and staff to gain support to report concerns, including sexual harassment.



Charities (Protection and Social Investment) Act 2016 statement

Fundraising approach

We rely on a number of different fundraising approaches in order to raise funds cost-effectively from a range of sources, raising awareness of our work and allowing supporters to contribute in ways that are most appropriate for them. This includes: fundraising face-to-face and over the telephone; through letters, emails, television, online and press advertising; from legacies, events and community fundraising; from philanthropists, trusts, foundations and corporate partners, and through our charity shops.

Fundraising standards

We are members of the Institute of Fundraising (IOF) and the Fundraising Regulator, and as such abide by the Code of Fundraising Practice as well as the rulebooks for face-to-face fundraising. We abide by the Fundraising Regulator's Fundraising Promise, and strive to ensure our fundraising is open, honest, legal and respectful. In line with our undertaking signed with the Information Commissioner's Office (ICO), we have moved to an 'opt-in' model of freely given, specific, informed, unambiguous consent for live telephone marketing calls, refreshed every 24 months.

Fundraising on our behalf

We engage members of the public both face-to-face and over the telephone by discussing ways in which they can support us, appropriately and proportionately. Every year, we work with professional fundraising agency partners, along with our in-house fundraising teams, to speak to potential supporters in this way. As a result of these conversations, many are inspired to start a regular gift, generating significant income that we direct to supporting people in crisis. We require any professional fundraising agencies working on our behalf to adhere to our fundraising standards and this is enshrined in our contracts with them.

We work with a number of strategic corporate partners who support our work through financial and non-financial donations, as well as employee and customer fundraising. We also receive one-off support from companies, particularly as part of our emergency appeals. Some of our corporate partners sell goods or services and donate a proportion of the sale price to us. For example, a number of restaurants donated a portion of their sales to the UK Solidarity Fund, as part of our 'Saturday Night for London' campaign. These agreements are governed by legal agreements in line with current consumer and charitable law. Our corporate partnerships are also subject to our ethical policy.

Monitoring of fundraising activities and protecting people in vulnerable circumstances

We have policies in place, endorsed by our board of trustees and overseen by our Ethical Fundraising and Quality Assurance Sub-Committee, which govern our telephone and face-to-face fundraising activities, whether they are carried out internally or through professional fundraisers. We have comprehensive quality control frameworks in place to monitor the behaviour of agencies, their staff and our in-house teams and fundraisers, as well as the conversations they have on our behalf with both supporters and members of the public. This includes thorough due diligence and audit, regular training sessions, shadowing and mystery shopping, site visits, call listening, quality control calls, and monitoring of outcomes, complaints and remedial actions. Our aim is to ensure that potential supporters feel informed, genuinely thanked and inspired by their conversation, regardless of its outcome.

We are committed to ensuring that we treat the public sensitively and respectfully at all times, taking special care to protect people who may find themselves in vulnerable circumstances. Our fundraiser training, delivered to both professional fundraisers and in-house

fundraisers, contains a section dedicated to making fundraisers aware of the signs of potential vulnerability in anyone they speak to on our behalf, as well as the steps we expect them to take on the rare occasions when they do have concerns.

This approach has been developed in consultation with British Red Cross safeguarding staff, and is in line with the requirements of the Charities (Protection and Social Investment) Act 2016, the Mental Capacity Act 2005, as well as with the IOF's Treating Donors Fairly Guidance, and the Direct Marketing Association's Guidelines for Dealing with Vulnerable Consumers.

Complaints

We have a robust and well-established complaints procedure. In 2017 we received 256 complaints from members of the public about our fundraising activities. We have chosen to report those where we were approached by someone to raise a concern, a potential breach or a lapse in standards in relation to our fundraising activity, and where an investigation has been instigated. This does not include expressions of dissatisfaction relating to our use of specific fundraising methods.

We have nothing to report in respect of failures and/or breaches, which we have taken to include complaints or breaches referred to, and upheld by, either the ICO or the Fundraising Regulator.

Finance review 2017

Thanks to our supporters' generosity – individual, commercial and institutional partners – our income reached a record total of £284.5m (2016: £251.7m), which was an increase of 13% on the previous year. Our net income for the year was £10.6m (2016: £16.8m), which included gains on disposals of tangible fixed assets of £3.9m (2016: £5.6m).

The British Red Cross is in a stable financial position at the year-end, despite a challenging economic and regulatory context. In common with other large charities, we are facing challenges with regard to projected reductions in regular donations. In 2018, as the demand for our work continues to rise, we will continue to focus our resources on the quality, efficiency and effectiveness of our service delivery to ensure we are well placed to achieve our vision of a world where everyone gets the help they need in a crisis.

Income

	2013 £m	2014 £m	2015 £m	2016 £m	2017 £m
Donations and legacies					
Unrestricted	105.2	105.6	113.9	104.2	98.4
Restricted	23.1	32.7	38.9	31.2	61.3
	128.3	138.3	152.8	135.4	159.7
Charitable activities	69.1	85.3	87.0	77.8	87.9
Retail	28.1	29.0	29.9	29.4	29.9
Other	2.9	9.2	5.4	9.1	7.0
Total	228.4	261.8	275.1	251.7	284.5

Our income from donations and legacies was £159.7m in 2017, an increase of 18% on the previous year.

However, unrestricted income represented by donations and legacies shows a clear downward trend, having decreased by 14% since 2015 – a fall of over £15m. Other things being equal, this trend is expected to continue in the medium term and illustrates the impact of current funding pressures.

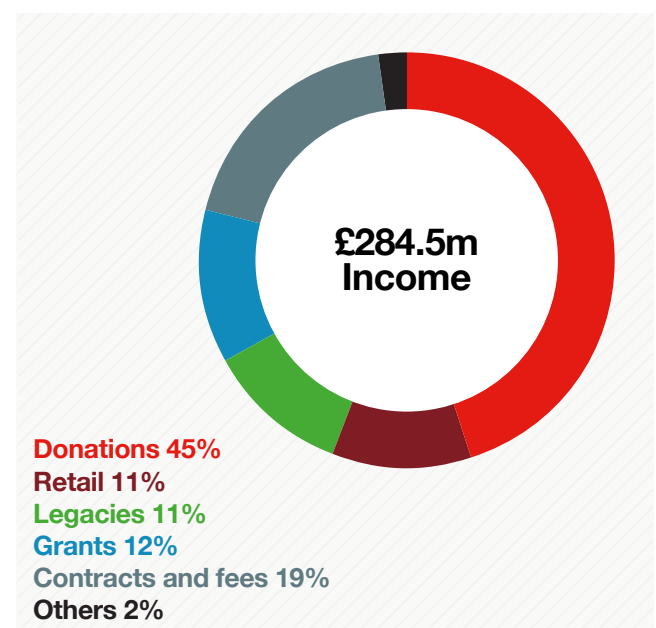
As part of our BRC150plus improvement programme, we will look at how we can grow our income as well as reduce costs to make sure we are fit for the future.

Income from our supporters remains our biggest source of income, and the overall fundraising performance continued to reflect an enormous level of effort from our many supporters, volunteers and corporate partners.

Domestically, the tragic events that occurred in Manchester and at Grenfell saw the country unite as the British public donated a staggering amount to the British Red Cross in our efforts to aid those affected by these crises.

Sales of donated and bought in goods grew by 1.7% despite challenging high street trading conditions. Net income remained stable at £3.9m.

We received £33.7m in grant income for the year (2016: £22.3m) of which 80% related to our international programmes. Of the total grant income, £22.4m was received from DFID (2016: £16.3m).



Expenditure

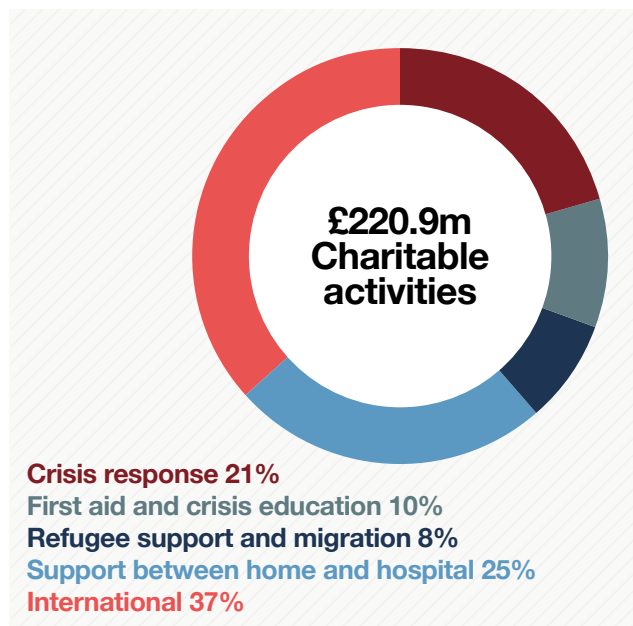
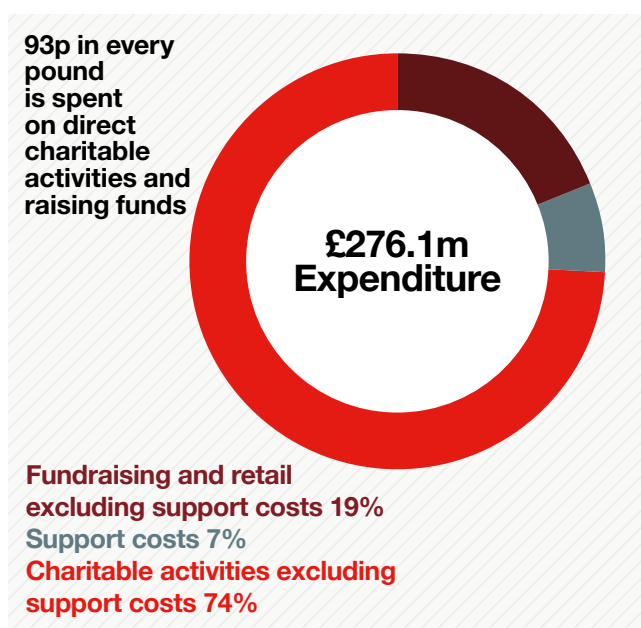
Overall spending was up by 17% to £276.1m.

We spent £220.9m on our charitable activities in the year (2016: £181.7m). Of this overall spend, £140.1m was spent on our UK charitable activities (2016: £122.5m) and £80.8m was spent on international activities (2016: £59.2m).

Expenditure on crisis response in the UK increased 82% in the year to £46.5m (2016: £25.5m), primarily due to our involvement with the events in Manchester and at Grenfell. Our charitable expenditure in the UK also included £17m on refugee support and associated services, which was an 8% increase on the previous year.

Hurricane Irma, the strongest Atlantic basin hurricane ever recorded, devastated vast areas of the Caribbean and Florida Keys in the autumn of 2017. Hurricane Maria, another category 4 hurricane, followed shortly behind Irma, creating further devastation. The international and emergency response and recovery team of the British Red Cross responded to help those affected by these storms. A total of £6.8m was spent by the end of December 2017, with several of our overseas branches and subsidiaries falling victim to these natural disasters.

Expenditure on fundraising costs in the year was £29.2m (2016: £29.4m). The drop in regular donations referred to above is directly related to the ongoing rollout of changes to fundraising regulation and activities in the sector, which continue to impact on our fundraising investment.



We accept we must change to remain relevant and continue to remain confident that our operating model is robust and can accommodate the impact of ongoing change in the sector.

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 review and target levels are adjusted as assessments of risk and other factors change.

The current reserves range approved by the board of trustees is £40m-£50m, which recognises the current risk, particularly around our income streams as well as the uncertainty in the wider economic environment. Key areas considered by the trustees in determining reserves levels include the financial impact of risk and required levels of working capital.

Our free available reserves at the year-end were £57.2m (2016: £45.0m). This represents slightly less than four months' worth of general funds expenditure. Reserves include £18.0m (2016: £16.8m) of accrued legacy income, to which we are entitled, but the funds do not become available until the finalisation of estates.

Reserves at the year-end were above the approved range due mainly to the short-term impact of reduced fundraising expenditure as well as continued property disposals releasing one-off funds. We expect to draw down reserves over the next three years as we invest in our BRC150plus improvement plan to ensure that we are fit to deliver for people in crisis in the future.

The board of trustees designated £7.6m of free reserves in 2016 to invest in strategic initiatives to improve our operating effectiveness and efficiency. Expenditure during 2017 was £2.6m and the intent is to spend the £5m balance of funds by 2019.

Investments

If funds are not immediately required, we invest them in longer term low-risk funds and short-term 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. Significant interest is defined as where a company derives more than 10% of its business from the growing, processing or sale of tobacco products, or where a company manufactures armaments, nuclear weapons or associated strategic products.

An investment sub-committee of the finance and audit committee regularly reviews our investment portfolio and investment policy. During the year our investment policy was refreshed and updated and incorporates relevant sections from our new overarching ethical policy. Our longer term investments were revised during the year to include a proportion invested in a global sustainable equity fund.

The net gains on investments were £2.2m (2016: £1.7m). Our fixed asset investment portfolio generated a total annual return for the year of 7.1%, with the year-end value of the investments standing at £34m. Our longer term investments are spread over three funds with Kames Capital – the ethical equity fund, the ethical corporate bond fund and the global sustainable equity fund. The first two funds aim to achieve 2nd-quartile performance over a rolling 12-month period and top-quartile performance over a rolling 36-month period. The global sustainable equity fund aims to outperform a benchmark index over rolling 36-month periods.

The investment sub-committee is satisfied with the performance of the investment portfolio with regard

to the overall investment objective of maintaining the value of investments in real terms over the longer term and against 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 2017, we received confirmation that our systems continued to reach 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 over seven properties, thereby generating electricity and an income in 2017 of £48,400 (£195,700 since the start of the programme). We have also moved 165 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 868 tonnes of carbon emissions.

Since the start of the programme we have reduced our carbon emissions from heat and power by 3,223 tonnes (38%) equating to a total saving of £481,000.

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 at least a year from the date of signing this Trustees' Report and Accounts and 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 Her Majesty 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 sub-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.

The board can comprise up to seven elected members (chosen from our active volunteer base) and up to six co-opted members appointed by the board (which includes the roles of chair and treasurer). Trustees can serve up to two terms of four years each. 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 communities in which we operate. As part of that commitment and its desire for continuous improvement the board will work to the Charity Governance Code as appropriate.

A governance and nominations committee oversees trustee recruitment. The recruitment for elected trustees is conducted via a national electoral college of volunteer representatives. 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; these 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 SORP¹. 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 the International Federation of the Red Cross, the International Committee of the Red Cross and 191 Red Cross and Red Crescent member 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.

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).

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 and 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 judgements 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) 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.

Modern slavery

The Modern Slavery Act became law in 2015 and requires that we publish an annual slavery and human trafficking statement. The statement sets out the steps we have taken to ensure modern slavery does not take place in any part of our business or supply chain, and is available at redcross.org.uk

The term modern slavery is used to denote a complex crime spanning slavery, servitude, forced and compulsory labour, and human trafficking. We use the term 'anti-trafficking' to encompass all of our work in relation to modern slavery.

Given the nature of our work and our commitment to supporting people in crisis as we deliver our humanitarian mission, our interest in the Act goes well beyond legal compliance. Accordingly our statement sets out:

- our governance and structure;
- improvements we have made to corporate policies, including those we have updated in order to refer to the Act and the requirements;
- how we equip our people to support those at risk via training, guidance and ongoing support;
- measures in place to mitigate the risk of trafficking and modern slavery in our supply chains;
- the work we do in the UK to support those who have been or are at risk of trafficking and modern slavery; and
- our efforts within the Movement.

We trust our actions under the requirements of the Act will encourage others to take a pro-active approach to tackling modern slavery.

Gender pay reporting

The British Red Cross has submitted the following details of its Gender Pay Gap report for 2017 on the gov.uk website.

Metric	Figure as at 5 April 2017		Comment
Mean Gender Pay Gap	11.8%		The mean hourly rate of female employees is 11.8% lower than for males
Median Gender Gay Gap	8.9%		The median hourly rate of female employees is 8.9% lower than for males
The proportions of male and female in each of the four quartile pay bands, based on hourly rates of pay	Male	Female	The gender distribution for the organisation as a whole is 33.5% male/ 66.5% female. The proportion varies at different levels of the salary levels. The low proportion of men at the lowest levels is a factor in the overall Gender Pay Gap.
- Lowest quartile 0–25%	32.2%	67.8%	
- 25–50%	28.0%	72.0%	
- 50–75%	30.8%	69.2%	
- Highest quartile: 75–100%	42.9%	57.1%	
The mean gender bonus gap: the % difference in average bonus payments made to male and female employees during the 12-month period to 30 April 2017.	42.4%		The majority of payments reported were part of the, now discontinued, retail incentive scheme. Shop managers, a significant number of whom are female, received quarterly payments based on shop performance. The value of most of these payments, which was based on individual shop performance, were relatively small when compared to the occasional bonuses paid to individual staff to acknowledge an exceptional contribution for a single piece of work.
The median gender bonus gap: the % difference between the mid-point value of bonus payments made to male and female employees during the 12-month period to 30 April 2017.	64.3%		
The proportions of male and female relevant employees who received bonus payments during the 12-month period to 30 April each year.	Male 6.2%	Female 9.3%	If the retail data is excluded, the mean and median gender bonus gaps are both close to 0%.

More analysis of the report can be found at redcross.org.uk, where there is also an explanation of the actions being taken to reduce the Gender Pay Gap.

Remuneration policy

The British Red Cross has an annual income of over £280m and employs nearly 3,900 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 and comparable parts of the public sector.

In 2017 average salaries increased overall by almost 2%, through a combination of performance-linked advancement and a small-scale uplift. Staff in the lowest scales who earn at or slightly above the level of the National Living Wage received higher percentage increases. This was due in part to the government increasing the National Living Wage by 4.2%. It was also a result of our commitment to advancing the salaries of all employees who perform to a good level to the level of the UK Living Wage within three years of joining the organisation. This meant that some employees received increases of nearly 9% in 2017.

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 1% 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 and the Scottish Branch British Red Cross Society Retirement Benefits Scheme are defined benefit pension schemes which closed to new members in September 1997 and January 1999 respectively. There are currently ten active members in total between both schemes.

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; and
- 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 in consultation with the remuneration committee determines salary and other benefit changes for the chief executive, where market forces and other matters dictate the need.

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)
- Vicky Wright (external adviser)

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

The following details relate to the executive leadership team as at 31 December 2017:

Job title	Key areas of responsibility	Annual pay 2017	Annual pay 2016	Pension entitlement
Chief executive	Leading the organisation, which has an annual income of over £280m and employs nearly 3,900 staff and 19,600 volunteers, delivering services and programmes in the UK and globally.	£173,000	£173,000	GPP ³
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 and project management office.	£137,000	£137,000	GPP ³
Executive director of people and learning	UK and international HR for nearly 3,900 staff; volunteer management for over 19,600 volunteers; learning and development; youth education and engagement; health, safety and security and occupational health.	£112,200	£111,650	Final salary ⁵
Executive director of UK operations	All service delivery in UK through both area operations teams and nationally led functions including over 1,900 staff and 10,000 volunteers with an expenditure of £140m; support in emergencies in the UK; education; relationships with commissioning bodies and UK-focused government bodies; all property, vehicles and other resources in UK operations.	£112,200	£107,575	Final salary ⁴
Chief information officer	Information and IT strategy and systems; digital strategy; business continuity; information governance and IT security.	£105,000	£101,125	GPP ³
Executive director of communications and engagement	PR and public affairs; brand management and marketing; internal communications; advocacy; research; and engagement.	£105,000	£100,000	GPP ³
Executive director of international ¹	All international strategy; programming; national society partnership development; support in capacity building; emblem advice and support; relationship with DFID and Movement relations.	£100,000 ¹	£106,575 ²	GPP ³
Interim executive director of fundraising ¹	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 £190m.	£100,000 ¹	£121,800 ²	GPP ³

¹ The current executive director of international and interim executive director of fundraising commenced in their roles on 2 May 2017 and 1 October 2017 respectively.

² The previous executive directors of international and fundraising left their posts on 1 May 2017 and 31 October 2017 respectively.

³ 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.

⁴ 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 were made on behalf of each serving member during the year, who also contributed 16%.

⁵ Final salary – during the year, the executive director of people and learning drew his benefits from the British Red Cross Pension Fund. Until that point, contributions were made to the Fund on his behalf as described above. Subsequent to that point, contributions to the Fund on his behalf ceased.

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 2017 have benefited the public, either directly or indirectly.

On behalf of the trustees,

A handwritten signature in black ink, appearing to read 'David Bernstein', with a large, stylized flourish at the end.

David Bernstein CBE
Chair of the board of trustees
11 April 2018

Independent auditor's report to the trustees of the British Red Cross

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2017 and of the group's and the parent charity'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 including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the Charities Act 2011, and the Charities and Trustee Investment (Scotland) Act 2005, and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 and the trust deed.

We have audited the financial statements of the British Red Cross (the 'charity') and its subsidiaries (the 'group') which comprise:

- the consolidated statement of financial activities;
- the consolidated and parent 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and 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.

We have nothing to report in respect of these matters.

Deloitte LLP
 Statutory Auditor
 London, United Kingdom
 2018

25/5/

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

Accounts for the year ended 31 December 2017

Consolidated statement of financial activities For the year ended 31 December 2017

	Notes	Unrestricted £m	Restricted £m	2017 Total £m	Unrestricted £m	Restricted £m	2016 Total £m
Income from:							
Donations and legacies	2	98.4	61.3	159.7	104.2	31.2	135.4
Charitable activities							
Crisis response		8.1	0.6	8.7	8.1	0.2	8.3
Refugee support and migration		0.6	2.8	3.4	0.4	1.8	2.2
First aid and crisis education		17.6	0.1	17.7	16.8	0.2	17.0
Support between home and hospital		27.8	1.6	29.4	29.6	1.4	31.0
UK Charitable activities		54.1	5.1	59.2	54.9	3.6	58.5
International emergency response and recovery		0.8	27.9	28.7	0.7	18.6	19.3
Total income from charitable activities	3	54.9	33.0	87.9	55.6	22.2	77.8
Other trading activities							
Retail		29.7	0.2	29.9	29.4	-	29.4
Other fundraising activities		1.8	0.1	1.9	2.3	0.1	2.4
Rent		0.1	-	0.1	0.2	-	0.2
Total income from other trading activities		31.6	0.3	31.9	31.9	0.1	32.0
Investments		0.3	-	0.3	0.2	0.1	0.3
Other							
Miscellaneous income		0.2	0.6	0.8	0.4	0.2	0.6
Net gains on disposal of tangible fixed assets		4.0	(0.1)	3.9	5.8	(0.2)	5.6
Total income		189.4	95.1	284.5	198.1	53.6	251.7
Expenditure on:							
Raising funds							
Fundraising		25.8	3.4	29.2	27.9	1.5	29.4
Retail		26.0	-	26.0	25.5	-	25.5
Total expenditure on raising funds		51.8	3.4	55.2	53.4	1.5	54.9
Charitable activities							
Crisis response		23.4	23.1	46.5	24.0	1.5	25.5
Refugee support and migration		13.9	3.1	17.0	12.0	3.7	15.7
First aid and crisis education		20.8	0.7	21.5	23.0	0.8	23.8
Support between home and hospital		49.9	5.2	55.1	53.4	4.1	57.5
UK Charitable activities		108.0	32.1	140.1	112.4	10.1	122.5
International emergency response and recovery		23.3	57.5	80.8	21.6	37.6	59.2
Total expenditure on charitable activities		131.3	89.6	220.9	134.0	47.7	181.7
Total expenditure	4	183.1	93.0	276.1	187.4	49.2	236.6
Net gains on investments	10	0.9	1.3	2.2	0.5	1.2	1.7
Net income		7.2	3.4	10.6	11.2	5.6	16.8
Transfers between funds	7, 8	0.1	(0.1)	-	-	-	-
Other recognised gains / (losses):							
Actuarial gains / (losses) on defined benefit pension schemes	16	0.2	-	0.2	(0.4)	-	(0.4)
Net movement in funds		7.5	3.3	10.8	10.8	5.6	16.4
Total funds at 1 January		115.5	51.3	166.8	104.7	45.7	150.4
Total funds at 31 December	7, 8	123.0	54.6	177.6	115.5	51.3	166.8

All the activities relate to continuing operations.

For the parent charity, total income for the year is £281.4m (2016: £248.6m), total expenditure is £273.7m (2016: £234.4m) and net movement in funds is a surplus of £10.1m (2016: £15.5m).

Consolidated and charity balance sheets
As at 31 December 2017

	Notes	2017 Group £m	2016 Group £m	2017 Charity £m	2016 Charity £m
Fixed assets					
Tangible fixed assets	9	59.6	62.2	57.2	59.5
Investments	10	34.0	31.8	34.0	31.8
		93.6	94.0	91.2	91.3
Current assets					
Stocks	11	5.3	5.4	5.1	5.2
Debtors	12	39.1	38.5	38.8	38.9
Investments	10	45.9	37.7	45.9	37.7
Cash at bank and in hand		7.6	4.7	6.5	3.4
		97.9	86.3	96.3	85.2
Current liabilities					
Creditors: amounts falling due within one year	13	(14.7)	(13.7)	(15.0)	(13.5)
Net current assets		83.2	72.6	81.3	71.7
Total assets less current liabilities					
Creditors: amounts falling due in more than one year		-	-	-	-
Provision for liabilities and charges	14	(5.6)	(5.9)	(5.6)	(5.9)
Net assets before pension scheme surplus		171.2	160.7	166.9	157.1
Defined benefit pension scheme surplus	16	6.4	6.1	6.4	6.1
Net assets		177.6	166.8	173.3	163.2
Funds:					
Restricted funds					
	7	54.6	51.3	51.1	47.7
Unrestricted funds					
Unrestricted funds held as tangible fixed assets	8	53.9	55.7	53.9	55.7
Defined benefit pension scheme fund	8	6.4	6.1	6.4	6.1
Designated funds	8	5.5	8.7	5.5	8.7
Free reserves	8	57.2	45.0	56.4	45.0
Unrestricted funds		123.0	115.5	122.2	115.5
Total funds		177.6	166.8	173.3	163.2

Approved by the board of trustees on 11 April 2018 and signed on its behalf by



David Bernstein CBE
Chair, board of trustees
11 April 2018



Liz Hazell FCA
Treasurer
11 April 2018

Consolidated cash flow statement

For the year ended 31 December 2017

Reconciliation of net income to net cash flow from operating activities	2017 £m	2016 £m	
Net income for the reporting period (as per the statement of financial activities)	10.6	16.8	
Adjustments for:			
Depreciation charges	5.8	5.6	
Net gains on investments	(2.2)	(1.7)	
Net gains on disposal of tangible fixed assets	(3.9)	(5.6)	
Decrease / (increase) in stocks	0.1	(0.5)	
(Increase) in debtors	(0.6)	(3.5)	
Increase / (decrease) in creditors: amounts falling due within one year	0.7	(1.4)	
(Decrease) in creditors: amounts falling due in more than one year	-	(0.3)	
(Decrease) / increase in provisions for liabilities and charges	(0.3)	1.5	
Net charges for defined benefit pension scheme	(0.1)	(0.9)	
Foreign currency gain on the fixed assets of overseas subsidiaries	-	(0.5)	
Net cash provided by operating activities	10.1	9.5	
Statement of cash flows	Notes	2017 £m	2016 £m
Cash flows from operating activities:			
Net cash provided by operating activities		10.1	9.5
Cash flows from investing activities:			
Proceeds from sale of fixed asset investments		3.6	1.0
Purchase of fixed asset investments		(3.6)	(1.1)
Proceeds from sale of tangible fixed assets		6.1	7.6
Purchase of tangible fixed assets		(5.1)	(5.4)
Net cash provided by investing activities		1.0	2.1
Change in cash and cash equivalents in the reporting period		11.1	11.6
Cash and cash equivalents at the beginning of the reporting period		42.1	30.5
Cash and cash equivalents at the end of the reporting period	18	53.2	42.1



Notes to the consolidated financial statements for the year ended 31 December 2017

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 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) Income

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 wills 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) Expenditure 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 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 expenditure 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, International Committee of the Red Cross 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

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

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

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 2017

2. Donations and legacies			2017			2016
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Regular giving	41.7	1.4	43.1	45.9	1.8	47.7
Public donations, appeals and fundraising	14.2	48.9	63.1	15.6	23.2	38.8
Donations to services	1.7	-	1.7	1.9	-	1.9
Gift aid	10.4	2.6	13.0	11.4	1.2	12.6
Legacies	30.4	0.9	31.3	29.4	1.5	30.9
Disasters Emergency Committee appeals	-	7.5	7.5	-	3.5	3.5
Total	98.4	61.3	159.7	104.2	31.2	135.4

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 2017 was £10.0m (2016: £9.1m) of which £6.7m (2016: £4.5m) 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 2017 was £0.9m (2016: £1.4m).

During 2017, gifts in kind of £0.3m (2016: £0.4m) were received. These included food donations for our refugee services and pro-bono legal work.

3. Income from charitable activities			2017			2016
	Contracts and fees £m	Grants £m	Total £m	Contracts and fees £m	Grants £m	Total £m
UK						
Crisis response	8.2	0.5	8.7	8.3	-	8.3
Refugee support and migration	0.7	2.7	3.4	0.5	1.7	2.2
First aid and crisis education	17.6	0.1	17.7	16.8	0.2	17.0
Support between home and hospital	26.0	3.4	29.4	28.7	2.3	31.0
	52.5	6.7	59.2	54.3	4.2	58.5
International emergency response and recovery	1.7	27.0	28.7	1.2	18.1	19.3
Total	54.2	33.7	87.9	55.5	22.3	77.8

International grant income includes grants from the UK Government's Department for International Development (DFID) totalling £22.4m (2016: £16.3m):

- £9.0m received as part of the International Federation of Red Cross and Red Crescent Societies (IFRC) Institutional Strategy Agreement with DFID
- £8.7m to support emergency response programmes
- £2.9m as part of the British Red Cross' UK Aid Match Programme with DFID
- £1.0m as part of the DFID Movement Core Funding programme
- £0.8m to support programmes in countries including Nepal, Kenya, Syria and Western Africa

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

Notes to the consolidated financial statements
For the year ended 31 December 2017

4. Expenditure	Direct costs £m	Grants £m	Support costs £m	2017 Total £m	2016 Total £m
Raising funds					
Fundraising	27.5	-	1.7	29.2	29.4
Retail	25.2	-	0.8	26.0	25.5
	52.7	-	2.5	55.2	54.9
Charitable activities					
UK					
Crisis response	36.3	7.6	2.6	46.5	25.5
Refugee support and migration	14.8	0.2	2.0	17.0	15.7
First aid and crisis education	18.5	-	3.0	21.5	23.8
Support between home and hospital	48.0	0.2	6.9	55.1	57.5
	117.6	8.0	14.5	140.1	122.5
International emergency response and recovery	26.9	51.2	2.7	80.8	59.2
	144.5	59.2	17.2	220.9	181.7
Total	197.2	59.2	19.7	276.1	236.6

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 £2.7m (2016: £2.5m) and fees to auditors for audit of financial statements of £0.1m (2016: £0.1m).

Notes to the consolidated financial statements
For the year ended 31 December 2017

4. Expenditure (continued)

Grants

Grant recipient	Purpose	2017 Total £m
International Federation of Red Cross and Red Crescent Societies (IFRC)		
IFRC	DFID International Strategy with Federation	9.0
IFRC	Hurricane Irma and Maria	3.6
IFRC	Myanmar/Bangladesh Population Movement	1.5
IFRC	Mediterranean Migration Protection and Anti-Trafficking Project	1.4
IFRC	East Africa Crisis Appeal	0.8
IFRC	Haiti Hurricane Matthew	0.6
IFRC	Nepal Floods and Landslides	0.4
IFRC	Europe Refugee Crisis	0.3
IFRC	Syria Crisis	0.3
IFRC	Various	4.1
		22.0
International Committee of the Red Cross (ICRC)		
ICRC	East Africa Crisis Appeal	4.0
ICRC	Yemen Emergency	2.4
ICRC	Various	1.1
		7.5
Red Cross National Societies		
Kenyan Red Cross Society	Kenya Drought ECHO	3.2
Kenyan Red Cross Society	Kenya Water and Sanitation	2.3
Syrian Red Crescent Society	Syria Crisis	2.0
Nepalese Red Cross Society	Nepal Earthquake Recovery Programme	2.0
South African Red Cross Society	South Africa HIV Phase II	1.9
Kenyan Red Cross Society	Kenya Disaster Management Capacity	1.6
Various	Canon Europe Partnership – health and social care projects	0.5
Iraqi Red Crescent Society	Iraq Crisis Appeal	0.5
Other National Red Cross and Red Crescent Societies	Various	7.7
		21.7
Other grants		
London Emergencies Trust	Grenfell Tower	5.7
London Emergencies Trust	London Terror Attacks	1.9
Institutions	Various	0.4
		8.0
Total		59.2

Notes to the consolidated financial statements
For the year ended 31 December 2017

5. Support costs by activity	Raising funds	Crisis response	Refugee support and migration	First aid and crisis education	Support between home and hospital	International emergency response and recovery	2017 Total	2016 Total
	£m	£m	£m	£m	£m	£m	£m	£m
Finance	0.7	0.3	0.1	0.3	0.5	0.9	2.8	2.9
Human resources	0.1	0.4	0.3	0.4	1.2	0.1	2.5	2.4
Central facilities	0.2	0.3	0.3	0.4	1.0	0.1	2.3	2.4
Information and digital technology	1.3	1.3	1.1	1.6	3.5	0.4	9.2	8.5
Central management	0.1	-	-	-	0.1	0.1	0.3	0.3
Governance	0.1	0.3	0.2	0.3	0.6	1.1	2.6	2.6
Total	2.5	2.6	2.0	3.0	6.9	2.7	19.7	19.1

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 (2016: £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 2017

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:	2017 £m	2016 £m
Income	1.5	1.4
Expenditure	(0.7)	(0.6)
Net income donated to British Red Cross	0.8	0.8

Britcross Limited donates its distributable profits to the British Red Cross each year. In relation to the 2017 distributable profits, it is expected that this donation will be made within nine months of year end and will thereby be recognised in the year in which the donation is made.

The assets and liabilities of Britcross Limited consolidated within the balance sheet are:	2017 £m	2016 £m
Current assets	0.8	0.8
Current liabilities	-	(0.8)
Net assets	0.8	-

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	
	2017 £m	2016 £m	2017 £m	2016 £m	2017 £m	2016 £m	2017 £m	2016 £m
Income	-	0.4	0.7	0.7	0.5	0.9	0.5	0.5
Expenditure	(0.1)	(0.1)	(0.6)	(0.7)	(0.5)	(0.5)	(0.1)	(0.3)
Net income / (expenditure)	(0.1)	0.3	0.1	-	-	0.4	0.4	0.2

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	
	2017 £m	2016 £m	2017 £m	2016 £m	2017 £m	2016 £m	2017 £m	2016 £m
Fixed assets	1.8	2.0	-	-	0.6	0.7	-	-
Current assets	-	-	0.3	0.2	0.9	0.8	0.2	0.1
Current liabilities	-	(0.1)	(0.1)	(0.1)	(0.1)	-	-	-
Net assets / (liabilities)	1.8	1.9	0.2	0.1	1.4	1.5	0.2	0.1

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 2017

7. Restricted funds	Balance 1 January 2017 £m	Income £m	Expenditure £m	Net investment Gains/(Losses) £m	Transfers £m	Balance 31 December 2017 £m
Group						
We Love Manchester Emergency Fund	-	17.2	(14.2)	0.1	-	3.1
London Fire Relief Fund	-	7.3	(5.7)	-	-	1.6
The UK Solidarity Fund	-	3.1	(2.0)	-	0.1	1.2
Other UK restricted funds	17.2	15.8	(12.7)	0.5	(0.2)	20.6
Total UK restricted funds	17.2	43.4	(34.6)	0.6	(0.1)	26.5
Syria and region crisis	11.6	4.4	(8.8)	0.2	-	7.4
Nepal earthquake	5.0	0.7	(2.5)	0.1	-	3.3
Hurricane Irma and Maria	-	9.6	(6.8)	0.1	-	2.9
Myanmar/Bangladesh Population Movement	-	1.4	(1.6)	-	0.5	0.3
East Africa Crisis	-	6.1	(5.7)	-	-	0.4
IFRC Institutional Strategy	-	9.0	(9.0)	-	-	-
Overseas branches and subsidiaries	4.8	2.0	(1.8)	-	-	5.0
Other international restricted funds	9.5	17.4	(22.2)	0.2	1.8	6.7
Total international restricted funds	30.9	50.6	(58.4)	0.6	2.3	26.0
Disaster fund	3.2	1.1	-	0.1	(2.3)	2.1
Total restricted funds	51.3	95.1	(93.0)	1.3	(0.1)	54.6
Charity						
We Love Manchester Emergency Fund	-	17.2	(14.2)	0.1	-	3.1
London Fire Relief Fund	-	7.3	(5.7)	-	-	1.6
The UK Solidarity Fund	-	3.1	(2.0)	-	0.1	1.2
Other UK restricted funds	17.2	15.8	(12.7)	0.5	(0.2)	20.6
Total UK restricted funds	17.2	43.4	(34.6)	0.6	(0.1)	26.5
Syria and region crisis	11.6	4.4	(8.8)	0.2	-	7.4
Nepal earthquake	5.0	0.7	(2.5)	0.1	-	3.3
Hurricane Irma and Maria	-	9.6	(6.8)	0.1	-	2.9
Myanmar/Bangladesh Population Movement	-	1.4	(1.6)	-	0.5	0.3
East Africa Crisis	-	6.1	(5.7)	-	-	0.4
IFRC Institutional Strategy	-	9.0	(9.0)	-	-	-
Overseas branches	1.2	0.4	(0.1)	-	-	1.5
Other international restricted funds	9.5	17.4	(22.2)	0.2	1.8	6.7
Total international restricted funds	27.3	49.0	(56.7)	0.6	2.3	22.5
Disaster fund	3.2	1.1	-	0.1	(2.3)	2.1
Total restricted funds	47.7	93.5	(91.3)	1.3	(0.1)	51.1

Notes to the consolidated financial statements
For the year ended 31 December 2017

7. Restricted funds (continued)	Balance 1 January 2016 £m	Income £m	Expenditure £m	Net investment gains £m	Transfers £m	Balance 31 December 2016 £m
Group						
Total UK restricted funds	14.0	15.1	(12.5)	0.4	0.2	17.2
Nepal earthquake	3.2	3.7	(2.0)	0.1	-	5.0
Syria and region crisis	6.0	9.9	(4.6)	0.3	-	11.6
Philippines Typhoon Haiyan	4.2	-	(3.9)	-	(0.2)	0.1
Europe refugee crisis	2.9	1.4	(2.6)	-	(0.4)	1.3
West Africa Ebola outbreak	3.7	0.3	(1.8)	0.1	(0.2)	2.1
IFRC institutional strategy	-	9.0	(9.0)	-	-	-
Overseas branches and subsidiaries	3.7	2.9	(1.8)	-	-	4.8
Other international restricted funds	5.5	9.6	(9.4)	0.2	0.1	6.0
Total international restricted funds	29.2	36.8	(35.1)	0.7	(0.7)	30.9
Disaster fund	2.5	1.7	(1.6)	0.1	0.5	3.2
Total restricted funds	45.7	53.6	(49.2)	1.2	-	51.3
Charity						
Total UK restricted funds	14.0	15.1	(12.5)	0.4	0.2	17.2
Nepal earthquake	3.2	3.7	(2.0)	0.1	-	5.0
Syria and region crisis	6.0	9.9	(4.6)	0.3	-	11.6
Philippines Typhoon Haiyan	4.2	-	(3.9)	-	(0.2)	0.1
Europe refugee crisis	2.9	1.4	(2.6)	-	(0.4)	1.3
West Africa Ebola outbreak	3.7	0.3	(1.8)	0.1	(0.2)	2.1
IFRC institutional strategy	-	9.0	(9.0)	-	-	-
Overseas branches	1.1	0.3	(0.2)	-	-	1.2
Other international restricted funds	5.4	9.7	(9.4)	0.2	0.1	6.0
Total international restricted funds	26.5	34.3	(33.5)	0.7	(0.7)	27.3
Disaster fund	2.5	1.7	(1.6)	0.1	0.5	3.2
Total restricted funds	43.0	51.1	(47.6)	1.2	-	47.7

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

Other UK restricted funds include:

- £2.6m (2016: £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

- In 2017, a small number of restricted funds were in deficit at the year-end totalling £1.6m (2016: £0.8m). This relates to programmes that are funded in arrears.

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 2017

8. Unrestricted funds

	Balance 1 January 2017 £m	Income £m	Expenditure £m	Net investment gains £m	Transfers £m	Actuarial gains on defined benefit pension schemes £m	Balance 31 December 2017 £m
Group							
Unrestricted funds held as tangible fixed assets	55.7	-	(5.5)	-	3.7	-	53.9
Defined benefit pension scheme fund	6.1	-	-	-	0.1	0.2	6.4
Designated funds	8.7	-	(3.2)	-	-	-	5.5
Free reserves	45.0	189.4	(174.4)	0.9	(3.7)	-	57.2
Total unrestricted funds	115.5	189.4	(183.1)	0.9	0.1	0.2	123.0
Charity							
Unrestricted funds held as tangible fixed assets	55.7	-	(5.5)	-	3.7	-	53.9
Defined benefit pension scheme fund	6.1	-	-	-	0.1	0.2	6.4
Designated funds	8.7	-	(3.2)	-	-	-	5.5
Free reserves	45.0	186.3	(172.0)	0.9	(3.8)	-	56.4
Total unrestricted funds	115.5	186.3	(180.7)	0.9	-	0.2	122.2

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

The £3.7m (2016: £3.3m) transfer to unrestricted funds held as tangible fixed assets represents fixed asset net additions of £3.7m (2016: £3.3m) in unrestricted funds.

In 2016, the trustees approved £7.6m to be designated for expenditure on one-off strategic initiatives. The intent is to spend these funds on projects focussing on infrastructure that transforms our effectiveness through better systems, smarter processes and supporting the organisation to be more operationally efficient. The balance as at 31 December 2017 on these designated funds was £5.0m. The intent is to spend these funds by 2019.

As at 31 December 2017, £0.5m (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
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9. Tangible fixed assets

Group Cost	Freehold property £m	Leasehold property £m	Vehicles, equipment and furniture £m	Assets in the course of construction £m	Total £m
At 1 January 2017	47.8	39.0	54.8	2.5	144.1
Completions	-	0.1	2.4	(2.5)	-
Additions	0.1	1.1	1.2	2.7	5.1
Disposals	(3.4)	(1.1)	(15.0)	-	(19.5)
At 31 December 2017	44.5	39.1	43.4	2.7	129.7

Accumulated depreciation

At 1 January 2017	16.9	17.7	47.3	-	81.9
Charge	1.0	1.4	3.4	-	5.8
Disposals	(1.6)	(1.1)	(14.9)	-	(17.6)
At 31 December 2017	16.3	18.0	35.8	-	70.1

Net book value

At 31 December 2017	28.2	21.1	7.6	2.7	59.6
At 31 December 2016	30.9	21.3	7.5	2.5	62.2

Charity Cost	Freehold property £m	Leasehold property £m	Vehicles, equipment and furniture £m	Assets in the course of construction £m	Total £m
At 1 January 2017	43.9	39.0	54.8	2.5	140.2
Completions	-	0.1	2.4	(2.5)	-
Additions	0.1	1.1	1.2	2.7	5.1
Disposals	(3.4)	(1.1)	(15.0)	-	(19.5)
At 31 December 2017	40.6	39.1	43.4	2.7	125.8

Accumulated depreciation

At 1 January 2017	15.7	17.7	47.3	-	80.7
Charge	0.9	1.4	3.2	-	5.5
Disposals	(1.6)	(1.1)	(14.9)	-	(17.6)
At 31 December 2017	15.0	18.0	35.6	-	68.6

Net book value

At 31 December 2017	25.6	21.1	7.8	2.7	57.2
At 31 December 2016	28.2	21.3	7.5	2.5	59.5

Notes to the consolidated financial statements
For the year ended 31 December 2017

10. Investments	Fixed asset investments £m	Current asset investments £m	Total £m
Group and charity			
Market value at 1 January 2017	31.8	37.7	69.5
Additions at cost	-	21.9	21.9
Disposals at market value	-	(13.7)	(13.7)
Net investment gains in the year	2.2	-	2.2
Market value at 31 December 2017	34.0	45.9	79.9
Cost at 31 December 2017	30.2	45.9	76.1
	Asset class	Market value 2017 £m	Market value 2016 £m
Fixed asset investments			
UK investments			
Kames Ethical Corporate Bond Fund	Authorised fund	22.5	20.8
Kames Ethical Equity Fund	Authorised fund	7.9	11.0
Kames Global Sustainable Equity Fund	Authorised fund	3.6	-
		34.0	31.8
Current asset investments			
UK investments			
Goldman Sachs Reserves Fund	Bank deposits	6.9	8.7
Deposits	Bank deposits	39.0	29.0
		45.9	37.7
Total		79.9	69.5

11. Stocks	2017 Group £m	2016 Group £m	2017 Charity £m	2016 Charity £m
International emergency stocks	2.6	2.6	2.6	2.6
Medical equipment services stocks	2.0	2.1	2.0	2.1
Cards and gifts stocks	0.2	0.2	-	-
Other stocks	0.5	0.5	0.5	0.5
Total	5.3	5.4	5.1	5.2

Notes to the consolidated financial statements
For the year ended 31 December 2017

12. Debtors

	2017 Group £m	2016 Group £m	2017 Charity £m	2016 Charity £m
Trade debtors	6.1	5.9	6.1	5.9
Accrued income	3.8	5.5	3.8	5.4
Other debtors	1.5	1.0	1.2	0.7
Prepayments	4.5	4.1	4.5	4.1
Tax recoverable	5.2	5.2	5.2	5.2
Legacies receivable	18.0	16.8	18.0	16.8
Amounts due from subsidiary undertaking	-	-	-	0.8
Total	39.1	38.5	38.8	38.9

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

13. Creditors: amounts falling due within one year

	2017 Group £m	2016 Group £m	2017 Charity £m	2016 Charity £m
Trade creditors	2.4	2.1	2.4	2.1
Accruals	7.0	6.3	7.0	6.3
Other creditors	1.3	1.4	1.1	1.2
Deferred income	1.7	1.8	1.7	1.8
Taxes and social security costs	2.0	1.8	2.0	1.8
Loans	0.3	0.3	0.3	0.3
Amounts due to parent undertaking	-	-	0.5	-
Total	14.7	13.7	15.0	13.5

All deferred income as at 31 December 2016 was recognised during 2017 and all deferred income as at 31 December 2017 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 2017	2.4	3.2	0.3	5.9
Payments during the year	(0.1)	(0.3)	-	(0.4)
Increase in provision	0.1	-	-	0.1
At 31 December 2017	2.4	2.9	0.3	5.6
Amounts are expected to be incurred:				
- within one year	0.2	0.3	0.3	0.8
- beyond one year	2.2	2.6	-	4.8
	2.4	2.9	0.3	5.6

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 £2.9m provision as at 31 December 2017 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.

Notes to the consolidated financial statements
For the year ended 31 December 2017

15. Staff costs and trustee expenses

	2017	2016
	£m	£m

Total staff costs (including casual staff) for the year were as follows:

Salary costs	84.5	86.0
National insurance costs	7.1	7.1
Pensions costs for defined contribution schemes	2.7	2.7
Pensions costs for defined benefit schemes	0.1	0.1

94.4 **95.9**

Redundancy costs included in expenditure during the year were £0.9m (2016: £3.2m).

The number of employees whose total employee benefits (excluding employer pension costs) amounted to over £60,000 in the year were as follows:

	2017	2016
£60,001 – £70,000	22	27
£70,001 – £80,000	12	13
£80,001 – £90,000	7	8
£90,001 – £100,000	2	4
£100,001 – £110,000	4	4
£110,001 – £120,000	3	2
£120,001 – £130,000	-	2
£130,001 – £140,000	1	-
£140,001 – £150,000	-	-
£150,001 – £160,000	-	1
£160,001 – £170,000	-	1
£170,001 – £180,000	1	1

The total amount of employee benefits received by key management personnel for their services during the year was £1.2m (2016: £1.1m).

The average number of full time equivalent (FTE) staff employed by the British Red Cross during the year was as follows:

	2017	2016
In the UK		
Fundraising	224	216
Retail	608	631
UK services	1,650	1,756
First aid services	315	384
International services	121	116
Other	403	361
Overseas		
International services	28	38
Total employed by FTE	3,349	3,502

Total employed by headcount **3,899** **4,094**

The average number of volunteers working for the British Red Cross during the year was as follows:

	2017	2016
In the UK		
Fundraising	2,446	2,627
Retail	6,975	6,797
UK services	7,200	7,530
First aid services	3,038	3,644
Total	19,659	20,598

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:

	2017	2016
	£000	£000

Expenses incurred by trustees and reimbursed by the British Red Cross	8	9
Expenses incurred by the British Red Cross on behalf of trustees	25	19
Trustees' indemnity insurance cover cost	14	13

2017 **2016**

Number of trustees receiving expenses **6** **12**

Trustees' expenses are for travel and accommodation costs.

None of the trustees received any remuneration during the year (2016: £nil).

Notes to the consolidated financial statements
For the year ended 31 December 2017

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 most recent triennial actuarial valuation of the UK Office scheme was carried out as at 31 December 2016. The last finalised triennial actuarial valuation of the Scottish scheme was carried out as at 1 January 2015 and the valuation as at 31 December 2017 is currently underway.

The amounts charged to statement of financial activities are:	UK Office scheme £m	Scottish scheme £m	2017 Total £m	2016 Total £m
Current service cost	(0.1)	(0.1)	(0.2)	(0.1)
Interest cost on scheme liabilities	(0.8)	(0.3)	(1.1)	(1.3)
Expected return on plan assets	1.0	0.3	1.3	1.5
Net finance credit	0.2	-	0.2	0.2
Actuarial gain/(loss)	0.3	(0.1)	0.2	(0.8)
Movement in restriction of surplus	-	-	-	0.4
Net actuarial loss recognised	0.3	(0.1)	0.2	(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 2016 showed a surplus of £3.7m. The British Red Cross expects to contribute 29.8 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	2017 Total £m	2016 Total £m
Fair value of scheme assets	38.0	13.0	51.0	49.3
Present value of scheme obligations	(32.1)	(12.5)	(44.6)	(43.2)
Restriction of scheme surplus	-	-	-	-
Net Surplus	5.9	0.5	6.4	6.1

The British Red Cross has recognised the net scheme surpluses to the extent they are 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	
	2017 £m	2016 £m	2017 £m	2016 £m
At 1 January	31.6	25.6	11.6	9.7
Service cost	0.1	0.1	0.1	-
Interest cost	0.8	0.9	0.3	0.3
Member contributions	0.1	0.1	-	-
Benefits paid	(1.2)	(0.9)	(0.3)	(0.2)
Actuarial loss/(gain) due to changes in assumptions	2.0	6.0	0.8	2.2
Actuarial (gain)/loss due to experience on liabilities	(1.3)	(0.2)	-	(0.4)
At 31 December	32.1	31.6	12.5	11.6

Change in the value of plan assets during the year:	UK Office scheme		Scottish scheme	
	2017 £m	2016 £m	2017 £m	2016 £m
At 1 January	37.1	30.9	12.2	10.4
Interest on assets	1.0	1.1	0.3	0.4
Employer contributions	0.1	0.1	0.1	0.5
Member contributions	0.1	0.1	-	-
Benefits paid	(1.2)	(0.9)	(0.3)	(0.2)
Actuarial gain/(loss) on plan assets	0.9	5.8	0.7	1.1
At 31 December	38.0	37.1	13.0	12.2

Notes to the consolidated financial statements
For the year ended 31 December 2017

16. Pensions (continued)

The major categories of plan assets as a percentage of total plan assets are:	UK Office scheme		Scottish scheme	
	2017	2016	2017	2016
Equities	20%	21%	32%	55%
Gilts	59%	59%	41%	33%
Bonds	20%	19%	26%	11%
Cash	1%	1%	1%	1%
	100%	100%	100%	100%

	UK Office scheme		Scottish scheme	
	2017 £m	2016 £m	2017 £m	2016 £m
Actual return on plan assets in the year	1.0	6.9	0.7	1.5

Principal actuarial assumptions at the balance sheet date in respect of both schemes were:	2017	2016
Discount rate	2.4% pa	2.7% pa
Consumer price inflation (CPI)	2.7% pa	2.8% pa
Salary increases	2.7% pa	2.8% pa
UK Office scheme pension increases		
Capped at 5.0%	2.7% pa	2.8% pa
Capped at 3.0%	2.4% pa	2.5% pa
Capped at 2.5%	2.2% pa	2.2% pa
Scottish scheme pension increases		
Pre-1997 increases	0.0% pa	0.0% pa
Between 1997 and 2005 increases	2.7% pa	2.8% pa
Post-2005 increases	2.2% pa	2.2% pa

Mortality assumptions in respect of both schemes adopted at the year end imply the following life expectancy at 65:	2017 Years	2016 Years
Pensioners: male	23.7	22.8
Pensioners: female	25.9	25.3
Non-pensioners: male	25.9	25.1
Non-pensioners: female	28.2	27.6

Other schemes

The British Red Cross also contributes to the British Red Cross Group Personal Pension Plan for employees. In 2017 the total cost of these contributions was £2.6m (2016: £2.6m) and the balance outstanding at 31 December 2017 was £0.3m (2016: £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 £7.2m as at 30 September 2016. This valuation has been estimated by The Pensions Trust as having reduced by between 4% and 5% in the period from 30 September 2016 to 30 June 2017, resulting in an estimated contingent liability of £6.9m at 30 June 2017.

The results of the Growth Plan scheme valuation as at 30 September 2014 show a deficit of £176m. An updated Growth Plan scheme valuation as at 30 September 2017 is currently being progressed by The Pensions Trust. 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 2% per annum as a percentage of Growth Plan members' salaries.

Notes to the consolidated financial statements
For the year ended 31 December 2017

17. Obligations under operating leases

The total of future minimum lease payments on operating leases expiring:	Property £m	Other £m	2017 Total £m	2016 Total £m
Within one year	5.4	2.4	7.8	7.6
In two to five years	8.6	3.3	11.9	12.1
After five years	3.2	-	3.2	3.7
Total	17.2	5.7	22.9	23.4

Operating lease charges during 2017 were £7.1m for property leases (2016: £6.9m) and £2.3m for other leases (2016: £2.6m).

18. Analysis of cash and cash equivalents

	2017 £m	2016 £m
Cash at bank and in hand	7.6	4.7
Loan due within one year	(0.3)	(0.3)
Current asset investments	45.9	37.7
Total	53.2	42.1

19. Related parties

There were no material transactions with related parties during the year (2016: none).

Trustees and other related parties, including key management personnel, made donations to the British Red Cross totalling £7,000 during the year (2016: £59,000).

20. Capital commitments

There were £0.2m of capital commitments at 31 December 2017 (2016: £0.0m).

Notes to the consolidated financial statements
For the year ended 31 December 2017

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	2017 £m	2016 £m
Nepal Red Cross Society – Nepal Strengthening Urban Resilience and Engagement	2021	3.6	3.9
Nepal Red Cross Society – Nepal 2015 Earthquake Recovery Programme	2019	2.8	-
South African Red Cross Society – South Africa HIV Phase II	2018	1.5	-
Zimbabwe Red Cross Society – Zimbabwe Community Resilience Programme	2019	0.8	-
Sierra Leone Red Cross Society – Sierra Leone Community Based Health Care Programme	2019	0.6	0.3
Turks and Caicos Islands – Hurricane Appeal	2018	0.5	-
Syrian Arab Red Crescent – Syria and region crisis	2018	0.3	1.0
IFRC – Bangladesh Population Movement 2017	2018	0.3	-
Lebanese Red Cross Society – Cash Assistance Programme 2017-2018	2018	0.3	-
Bangladesh Red Crescent Society – Barisal Urban V2R Project for years 2015-2018	2018	0.3	0.4
Kenya Red Cross Society – Drought Response in Marsabit County	2017	0.2	-
Danish Red Cross Society – Guinea Project	2018	0.2	0.7
Kenya Red Cross Society – Kenya Water and Sanitation	2018	0.2	2.5
Lesotho Red Cross Society – Lesotho Water and Sanitation	2018	0.2	0.6
Bangladesh Red Crescent Society – Bangladesh Kurigram Project for Year 2015-2018	2018	0.1	0.6
IFRC – Haiti Hurricane Matthew	2017	-	0.6
Kenya Red Cross Society – Kenya Disaster Management capacity	2018	-	0.3
Other programmes		2.9	3.1
Total		14.8	14.0

Notes to the consolidated financial statements
For the year ended 31 December 2017

22. Analysis of net assets between funds

Group	2017			2016		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Tangible fixed assets	53.9	5.7	59.6	55.7	6.5	62.2
Fixed asset investments	-	34.0	34.0	-	31.8	31.8
Net current assets	68.3	14.9	83.2	59.6	13.0	72.6
Creditors: amounts falling due in more than one year	-	-	-	-	-	-
Provisions for liabilities and charges	(5.6)	-	(5.6)	(5.9)	-	(5.9)
Defined benefit pension scheme surplus	6.4	-	6.4	6.1	-	6.1
Net assets	123.0	54.6	177.6	115.5	51.3	166.8

Charity	2017			2016		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Tangible fixed assets	53.9	3.3	57.2	55.7	3.8	59.5
Fixed asset investments	-	34.0	34.0	-	31.8	31.8
Net current assets	67.5	13.8	81.3	59.6	12.1	71.7
Creditors: amounts falling due in more than one year	-	-	-	-	-	-
Provisions for liabilities and charges	(5.6)	-	(5.6)	(5.9)	-	(5.9)
Defined benefit pension scheme surplus	6.4	-	6.4	6.1	-	6.1
Net assets	122.2	51.1	173.3	115.5	47.7	163.2

23. Grant acknowledgements

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

Purpose of grant

Big Lottery Fund

	Balance 1 January 2017 £000	Income £000	Expenditure £000	Balance 31 December 2017 £000
Derby Refugee Project	33	122	(40)	115
Gloucester Life Changes Project	43	120	(135)	28
Greater Manchester Refugee Support Partnership	183	469	(291)	361
Holistic Support to Destitute Refugees and Asylum Seekers in London	28	151	(86)	93
Liverpool Asylum Seeker Orientation and Support Project	46	78	(117)	7
Luton & Essex Refugee Support Project	48	114	(135)	27
Neighbourhood Links – Northern Ireland	39	106	(106)	39
Positive Steps (Wales Project)	46	309	(212)	143
Refugee and Asylum Seeker Orientation and Destitution Service – Portsmouth	30	85	(114)	1
Refugee and Asylum Seeker Support Partnership Leicester	29	97	(39)	87
Routes to Resilience Thames Valley	13	115	(83)	45
South and West Yorkshire Refugee and Asylum Seeker Service	30	101	(131)	-
St Helens Home Support Project	101	119	(75)	145
Tees Valley Ariadne – Refugee and Asylum Support Partnership	34	91	(113)	12
Torbay Navigators	68	-	(68)	-

Heritage Lottery Fund

VAD Indexes Online	14	-	(14)	-
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Balances as at 31 December 2017 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:

- Surviving to Thriving Project in UK – £1,000,000
- Community Resilience Programme in Zimbabwe – £250,000
- Sexual and Reproductive Health Programme in Guinea – £50,000
- Disaster Management Programme in Sierra Leone – £50,000
- Lake Chad Crisis – £85,000
- Lake Chad Exhibition in London on Silent Emergencies – £15,000



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KG KT GCB OM

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Zoe Abrams, executive director of communications and
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Mark Astarita OBE, executive director of fundraising
(until 31 October 2017)
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Alexander Mattheou, executive director of international
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Rebecca Mauger, interim executive director of
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Norman McKinley, executive director of UK operations
David Peppiatt, executive director of international (until
1 May 2017)
Rosie Slater-Carr, chief information officer
Roger Smith OBE, FCIPD, executive director of people
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EXTERNAL AUDITORS

Deloitte LLP
Statutory Auditor
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

Thank you

Everyone at the British Red Cross would like to thank each individual and organisation who supported our work in 2017.

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

We would like to give special thanks to:

ALDI Stores Limited
Ariana Grande
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Aviva PLC
Barbara Bovender and her husband Jack,
Tiffany Circle Unity Member
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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.

Nesta
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The Universal Music Group
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Wm Morrison Supermarkets plc
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Zochonis Charitable Trust

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
Huntingdon Fundraising Committee
London Christmas Fair Committee
London Christmas Market Committee
London Fundraising Committee
Mrs Jane Walker and the Lothian Ball Committee
Presidents' Advisory Panel
President Rosie Jackson, Vice President Sue Ferguson and the Cornwall Art Ball Committee, raising more than £40,000 from their Art Ball
Vice President Chris Cox and the Langport Fundraising Group, raising £23,000 from their activities throughout the year
Young Tiffany Circle

Thanks also to:

A B Charitable Trust
Abdalla Foundation
Adint Charitable Trust
Alice Ellen Cooper Dean Charitable Foundation
Annesley (CLW) Trust
Anthony Du Boulay Charitable Trust
Arriva Rail North Limited
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Kavli Trust
Kingfisher Plc
KMF Maxwell Stuart's Charitable Trust
Kristina Martin Charitable Trust
Livery Companies of the City of London
The London Community Foundation and Cockayne – Grants for the Arts
Manchester Arndale
Megan Van't Hoff Charitable Trust
Moondance Foundation
Northern Ireland Executive
Paul Hamlyn Foundation
Pentland Brands Limited
Peter Dixon Charitable Trust
The Presidents' Network (local Presidents, Vice-Presidents and Patrons)
Primark Stores Limited
Rank Foundation
Ray of Light Foundation
Rogers Radio
Scottish Government
Sir James Reckitt Charity
Smith Charitable Trust
Sony Music Entertainment
Spirit of 2012 Trust
Square Enix Holdings Co., Ltd
St James's Place Foundation
Stelios Philanthropic Foundation
Swire Charitable Trust
Thomas Tunnock Ltd
Tides Foundation
Tiffany Circle Humanity member, Mrs Freddie Linnett
Tiffany Circle Steering Committee and Membership
TP ICAP
TUI UK
Ulster Garden Villages Limited
Unbound Philanthropy
Underwood Trust
Unitarians Clara Barton Fund
United Wards Club
Virgin Atlantic Airways Ltd
The W A Cargill Charitable Trust
Waterloo Foundation
Wells Fargo
Welsh Government
Westminster Foundation



Where we are:

44 Moorfields
London
EC2Y 9AL

redcross.org.uk/annualreport

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