



**MERCY  
CORPS**



**MERCY CORPS EUROPE**

# **Annual Report and Accounts**

For the year ended 30 June 2022



## TABLE OF CONTENTS

Executive Director’s message	4
Chair’s message	5
Who We Are	7
Our People	7
Strategic Report for Year ended 30 June 2022	11
URGENT NEEDS	10
STRONGER TOMORROWS	12
Directors’ Report	15
Our Structure, Governance and Management	15
Our Remuneration Policy	17
Trustees’ Responsibilities Statement	17
Modern Slavery Statement	18
Safeguarding Statement	18
Risk Statement	18
Enterprise Risk Management	18
Environmental Reporting	22
Financial Review	23
Independent Auditor’s Report to The Trustees and Members of Mercy Corp Europe	27
Financial Statements	31
Notes to the Financial Statements	35
Our Supporters	57
Our Advisors	58

Cover photograph: February 2022, Baidoa, Somalia. Families fill jerry cans at a water point built by Mercy Corps at the Loojele IDP camp near Baidoa. © Ezra Millstein/Mercy Corps

Photograph: April 2022, Ivano-Frankivsk, Ukraine. Two children play on the swings at a playground near their day care center in Ivano-Frankivsk. © Ezra Millstein/Mercy Corps

## EXECUTIVE DIRECTORS MESSAGE



During the past year millions of people around the globe continue to experience significant disruption and face enormous challenges in their daily lives resulting from the confluence of the climate emergency, conflict, and slow societal recovery from the COVID-19 pandemic. In 2022, the Global Humanitarian Overview estimates that 274 million people will need humanitarian assistance and protection, up from 235 million in 2021.

Mercy Corps continues to operate in such places - at the forefront of the world's most complex crises - working alongside local partner organisations to provide much needed and timely humanitarian aid while also addressing the drivers of poverty and seeking solutions to long-term development issues. This year our global team reached more than 50 million people in over 40 countries. I am deeply proud of all that we've achieved together, with the help of our supporters and donors.

Our team in Afghanistan witnessed rapid regime change, a chaotic exodus of thousands, and the end of significant international donor support. Mercy Corps has been operational in Afghanistan since 1986 - our longest continuous programme anywhere globally - and we are determined to remain there to partner with communities in creating economic opportunity through agriculture and vocational training, and ensuring water and sanitation needs are met.

In February, we mounted a rapid response to support those affected by the war in Ukraine. It is estimated that more than 12 million people have fled their homes and over five million of those have now left the country, resulting in the fastest growing refugee crisis in Europe since World War II. Our teams have worked across the borders in Poland, Romania and Moldova as well as inside Ukraine itself, to meet the needs of families on the move fleeing conflict.

This year more than ever before we have seen the interconnectedness of conflict and hunger, as global food insecurity grew as a result of the war in Ukraine. Nowhere has this been felt more acutely than in the Horn of Africa where the shortage of food staples and increased prices are exacerbating crises in countries already grappling with chronic food scarcity.

Much of the work we do would not be possible without the generosity of our donors; we were humbled by the outpouring of emergency support for the crisis in Ukraine both from the public and from our corporate and foundation partners. This financial support has enabled us to continue to provide humanitarian assistance to people affected by the conflict, including supporting local NGOs like 'Şansa Ta Association' deliver food, water, medicine, blankets, and hygiene products to refugee centres and supporting evacuations from the besieged city of Mariupol.

I want to also acknowledge the incredible effort of our team members in this past year. I have been consistently impressed by the resourcefulness and resilience of the team.

With gratitude and hope for a better future,

**Michael McKean**  
Interim Executive Director - Mercy Corps Europe

## CHAIR OF THE BOARD'S MESSAGE



Lives have been upended by the challenges of the past year. The war in Ukraine is exacerbating the existing crises of Covid, food security and climate change, and the repercussions are felt globally, pushing millions of people deeper into poverty. The situation in Ukraine is shocking, and yet, it is sadly just one of a vast number of pressing humanitarian emergencies happening around the world. Over the course of the year, Mercy Corps teams have reached over 50 million people from Ukraine to the Horn of Africa and beyond - providing critical support to those hardest hit by the pandemic, economic turmoil, conflict, and disasters, helping them to rebuild stronger for the future.

While providing immediate support during times of crisis, our teams work alongside communities within four key areas to make a lasting impact. Through increased access to **clean water, food, and economic opportunities** along with **building pathways to peace**, we're working to create transformational change around the world. For example:

- In Jordan, one of the driest countries on earth, we have helped save over 5.2 billion gallons of water by connecting farmers with new irrigation practices and technologies.
- In Democratic Republic of Congo, we continue to work to provide multipurpose cash assistance and water, sanitation and hygiene services to over 725,000 people affected by shocks, whether man-made or natural disasters.
- In the year following the 2020 explosion at Beirut Port in Lebanon, we provided cash assistance to 354 businesses to assist with repairs and lost inventory.
- In Northern Uganda, our team partnered with financial service providers to increase the income, and resilience to climate change, for households that earn a living from agricultural markets. As a result, 53,295 households have experienced an increase in income by at least 15%.

I remain hugely grateful to all of our donors and supporters who have helped us carry on our life-saving programmes. These partnerships have been instrumental in helping us make a crucial difference to millions of lives.

As we look towards the year ahead, I am delighted that we will be welcoming Harpinder Collacott as Mercy Corps' Executive Director for Europe in October. Harpinder comes to us with two decades of deep expertise on global issues, international development, and foreign policy, as well as an extensive understanding of the challenges of conflict and crisis on the ground. Since 2015, Harpinder served as the Chief Executive of Development Initiatives in Bristol, UK. She has been a leading voice in the sector on the critical issues of data-driven decision-making, the future of development finance, and how global institutions must shift to meet the needs of today's world. Harpinder's appointment, along with the realisation of Mercy Corps' new ten-year strategic framework, affords us an opportunity to reflect on our role in supporting communities facing the biggest challenges and ways to overcome them.

I want to extend my sincere thanks to Michael McKean for all he has done during his time as Interim Executive Director. He has held a range of high-level positions in Mercy Corps over the past two decades, and we are so grateful to him for his ongoing partnership and leadership while acting as Interim Executive Director.

Finally, I would like to reiterate my immense sense of gratitude and appreciation to everyone who has supported Mercy Corps over the past year, from our team members to our generous donors. Without your work, none of what you read in this report would be possible. We look forward to the next year as we continue with confidence in our mission to help create a resilient, inclusive future in which everyone can prosper.

With best wishes,

**Iman Dakhil**  
Board Chair, Mercy Corps Europe



## WHO WE ARE

**Mercy Corps is a global team of humanitarians, working together on the front lines of today's biggest crises to create a future of possibility, where everyone can prosper.**

In more than 40 countries around the world, over 5,400 team members work side by side with people living through poverty, disaster, violent conflict, and the acute impacts of climate change. We're committed to creating global change through local impact – 84% of our team members are from the countries where they work.

We bring a comprehensive approach to every challenge, addressing problems from multiple angles. And we go beyond emergency aid, partnering with local governments, forward-thinking corporations, social entrepreneurs, and people living in fragile communities to develop bold solutions that make lasting change possible. This year as a global organisation, our work touched the lives of over 50 million people.

Mercy Corps Europe is part of the global Mercy Corps organisation and exists to ensure effective stewardship and management of UK and European resources, raise income, build influence and demonstrate impact in Europe to contribute to the mission of the global organisation – to alleviate suffering, poverty and oppression by helping people build secure, productive and just communities.

In this Report we use "Mercy Corps Europe" when referring to the UK based organisation, and "Mercy Corps" to refer to the global organisation.

## OUR PEOPLE

### European Senior Leadership Team (ESLT)

Michael McKean - Interim Executive Director (From December 2021), Senior Director of Programmes, Funding and Operations (until December 2021)

Abdul-Jalil Ali - Director of Finance

Joanne Glover - Director Compliance, Governance and Risk

Marina Antunovic - Managing Director, Mercy Corps Netherlands

Jenny Walter - Interim Director of Programmes (From December 2021)

Lisa Seymour Doughty - Interim Director of Fundraising (From December 2021)

Bertrand Effantin - Interim Director of Partnerships (From December 2021)

Eilidh McFadyen - Director of Human Resources

Selena Victor - Senior Director of Policy & Advocacy

Cora Bauer - Head of Media and Communications (From January 2022)

Rachel Wade - Senior Advisor, Executive Office (Maternity Cover from May 2021)

Jess Zyw - Senior Advisor, Executive Office

Cameron Hall - Director of Human Resources (until May 2022)

Alexandra Angulo - Interim Executive Director (until December 2021)

Alexandra Lopoukhine - Director, Partnerships and Influence (until September 2021)

Anissa Toscano - Vice President Humanitarian Leadership & Response (until September 2021)

### Mercy Corps Europe Board of Directors:

Iman Dakhil - Chair

Nicola Cobbold (Term ended 30 June 2022)

Tjada D'Oyen McKenna - Global CEO

Gisel Kordestani (Term ended 30 June 2022)

Alexandra Mousavizadeh

Kendi Ntwiga (Appointed 1 July 2021)

Lesley Ndlovu (Appointed 1 July 2021)

Emmanuel Lulin (Appointed 24 September 2021)

Ludovic Subran (Appointed 24 September 2021)

Alan Hartley (Appointed 1st July 2021)

Photograph: February 2022, Baidoa, Somalia. Dhagan Aclan Aalan holds one of her last surviving goats, in front of her family's temporary shelter. © Ezra Millstein/Mercy Corps

## **Mercy Corps Joint Board Executive Committee (JBEC) and Members of Mercy Corps Europe**

The JBEC exercises the full power of the Board of MCG and of the Board of MCE in the management of each entity during periods of adjournment of the respective Boards.

Nicola Cobbold - MCE  
Iman Dakhil - MCE  
Lucy Helm – MCG  
Gisel Kordestani – MCG  
Tjada D'Oyen McKenna - Global CEO  
Alan Hartley - MCE (Appointed August 2021)  
Kevin Ryan - MCG  
Cecily Joseph - MCG  
Melanie Armstrong Thomas - MCG (Appointed August 2021)

## **Joint Audit and Risk Committee (JARC)**

The JARC assist management and the Boards in fulfilling their oversight responsibility to donors, potential donors, the NGO community and other stakeholders regarding Mercy Corps' financial statements and the financial reporting process. The Committee assists with ensuring the integrity of the Mercy Corps consolidated annual statements; the selection, engagement and retirement of Mercy Corps' independent auditors and the performance of the Mercy Corps internal audit function. The JARC has oversight of Mercy Corps' enterprise risk and entity-specific risk management frameworks.

Following the Board sponsored Governance Review the Mercy Corps Europe Audit and Risk Committee was merged into the Joint Audit and Risk Committee in July 2021.

Lucy Helm - Co-Chair - MCG (Co-Chair until August 2021)  
Alan Hartley - Co-Chair (Appointed August 2021)  
Melanie Armstrong Thomas - Co-Chair (Appointed July 2021)  
Kendi Ntwiga (Appointed August 2021)  
Carin Beumer - MCNL  
Pepijn van Dijk - MCNL (Appointed October 2021)  
Vijaya Gadde - MCG (Resigned November 2021)  
Alison Warden - MCE (Resigned November 2021)

## **Joint Finance Committee (JFC)**

The JFC assists management and the Boards in fulfilling their oversight responsibility with respect to the financial stability, financial strategy and the long-term economic health of Mercy Corps. The Committee reviews the financial condition, policies, and practices of Mercy Corps and provides reports and recommendations with respect to these to the JBEC and as appropriate to the Boards.

Kevin Ryan - Chair - MCG  
Alexandra Mousavizadeh - MCE  
Lesley Ndlovu - MCE (Appointed August 2021)  
Ludovic Subran - MCE (Appointed October 2021)  
Scott Brown - MCNL (Appointed August 2021)  
Carin Beumer - MCNL (Resigned October 2021)

## **Joint Nomination and Governance Committee (JNGC)**

The JNGC is responsible for making recommendations for membership, as well as providing advice and recommendations regarding corporate governance practices to the respective Boards of Mercy Corps.

Nicola Cobbold – Co-Chair - MCE  
Cecily Joseph - Co-Chair - MCG  
Kito De Boer - MCNL  
Gisel Kordestani - MCG (Appointed July 2021)  
Kofi Taha - MCG (Appointed July 2021)  
Iman Dakhil - MCE (Appointed August 2021)

## **Joint Ethics and Safeguarding Committee (JESC)**

The Joint Ethics and Safeguarding Committee (JESC) was set up in June 2020 and is responsible for overseeing management and advising the Board on all ethics matters. The Committee oversees ethics-related policies, including safeguarding, and management's implementation of ethics systems (reporting, investigation, training, accountability, case resolution and annual ethics reporting to the Board).

Susan Liataud - Chair  
Iman Dakhil - MCE (Appointed August 2021)  
Alexandra Mousavizadeh - MCE (Appointed August 2021)  
Emmanuel Lulin - MCE & MCG (Appointed October 2021)  
Ryan Crocker - MCG (Appointed August 2021)  
Lucy Helm - MCG (Appointed August 2021)



# Urgent Needs

Over the last year, the COVID-19 pandemic, climate change and its impacts on food systems and livelihoods, new levels of conflict and displacement continued to unfold and compound on one another. In a context of increasing human and environmental fragility, Mercy Corps strives to build resilience and meet people's basic needs, helping them to help themselves.

## STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2022

### PARTNERING TO HELP PEOPLE FLEEING CONFLICT IN UKRAINE

The humanitarian situation caused by the ongoing conflict in Ukraine is increasingly dire, with millions of people still without access to sufficient food, water, heat or medical care.

In February, we launched an emergency fundraising appeal to respond to the evolving humanitarian needs in Ukraine and its bordering countries, Romania and Poland. We are now partnering with 40 organisations across the region who directly serve those who have been affected by the war.

NGO Kamyanytsya Austria is one of our local partners in Ivano-Frankivsk, Ukraine. Upon seeing how the children staying in the city were greatly affected by the conflict, they set up a daycare for children between the ages of 6-10, offering art therapy, safety and first-aid classes, and activities like drawing, reading, and cooking. While the children are cared for, their parents can catch their breath and plan for what's next.

### ACCESSING REMOTE COMMUNITIES IN MYANMAR

Myanmar remains in the throes of civil war and a deepening humanitarian crisis. The Sagaing Region in the North West of the country was particularly badly hit during the first six months of 2022, with military clearance operations leading to burning of homes and mass displacement of over 300,000 people as of May, 2022.

Humanitarian access in the region remains difficult but Mercy Corps has been working hard to meet the urgent needs of people displaced by the ongoing conflict. Working with the local community group, Parahita, we have been able to deliver urgent cash assistance to people across Pale, Budalin and Kani whose homes were destroyed during the conflict, helping them to rebuild their lives.

### SUPPORTING FARMERS IN CONFLICT-HIT SYRIA

COVID-19 restrictions, the collapse of the Syrian pound, the ripple effects from the conflict in Ukraine, and the displacement of millions of people have led to an unprecedented number of families in Syria who are no longer able to put food on the table or make enough money to afford basic necessities. Eight in 10 people are living below the poverty line, with limited access to education and job opportunities. And a record 12.4 million people are going to sleep hungry every night — around 60 percent of the entire Syrian population.

In Northwest Syria, one of the most fragile regions of the country, basic necessities have become particularly sparse, and the delivery of critical aid is increasingly challenging. Mercy Corps has been distributing food, cash and non-food items, including wheat and fertiliser, while facilitating early recovery and market development.



A mother of six, who is the sole breadwinner for her family, received agriculture training and seed and fertiliser vouchers through one of Mercy Corps' partners. The land that she farms is the main source of income for her family. "When I was told that I was amongst the selected participants, it felt amazing, and joy was all over my face as I could finally stop relying on relatives for support."



# Stronger Tomorrows

**Even in the most challenging contexts, Mercy Corps innovates and invests in programmes that help connect people to the resources that enable them to recover, rebuild and flourish in the aftermath of crisis. We seek to tackle the root causes of conflict and violence, including poor governance and inequitable economic growth, which are the primary drivers of suffering in the world today.**

Beyond providing immediate support during times of crisis, our teams work alongside communities within four key areas to make a lasting impact. Through increased access to clean water, food, and economic opportunities along with building pathways to peace, we're working to create transformational change around the world.

## REVIVING ANCIENT BEEKEEPING PRACTICE IN GEORGIA

Across Georgia, in the Caucasus highlands, we have been working with local partners to reestablish Jara, the traditional method of domesticating wild bees in hollowed wooden logs, to create more livelihood opportunities for the community. This sustainable technique leaves a portion of the hive for the bees instead of harvesting all of it for humans, helping to protect bee populations.

Our programme has focused on training women and young people in the production of Jara honey. In addition to reviving an ancient practice, by bridging beekeeping and rural tourism, highlighting the area's biodiversity for visitors, we have created more livelihood opportunities for the community and helped Georgian beekeepers reach both local and global export markets.

## CHAMPIONING WOMEN'S PARTICIPATION ACROSS THE SAHEL

Food insecurity is on the rise in Mali, with 80% of the population reliant on subsistence agriculture. A combination of displacement, climate change, and COVID-19-related disruptions have devastated rural livelihoods and much of the food supply. Mercy Corps' work in Mali has focused on reducing food insecurity by building resilience, restoring peace and stability, and connecting communities to the resources they need to recover and rebuild. In all our work we place an emphasis on the needs of women and girls, offering training and capacity building to develop gender champions across the Sahel.



"We women were not consulted in matters of land management; but today as the women's representative on the village land commission, our voices matter more," woman representative in a Mpressoba Land Commission.

## EXPANDING ACCESS TO EDUCATION AND EMPLOYMENT IN LEBANON

In Lebanon, Mercy Corps has been working to promote peace, stability, and growth by addressing the root causes of conflict and poverty. We have developed a programme to improve access to education and employment for Lebanese and Syrian youth and young adults in the Bekaa and South of Lebanon.

The programme provides education and employment opportunities to young men and women between 16 and 34 years old living in Lebanon through the provision of market-driven training, mentoring sessions, freelance opportunities, and self-employment support.



Fatima Sahily has developed a flourishing home baking business after receiving the social media marketing training from Mercy Corps. In addition to growing her business on instagram, she has also started working as a Social Media Executive for two companies in Lebanon.

## SUSTAINABLE COFFEE FARMING IN COLOMBIA

Decades of conflict have undermined investment in rural areas of Colombia. In the region of Cauca, coffee production provides critical income to small-holder farmers. Mercy Corps is working to increase the autonomy and economic empowerment of coffee farmers, specifically women. Through training and skills development, and by improving access to markets, Mercy Corps is helping women take the lead, challenge traditional gender roles and become more engaged in the labour market and in their communities. The programme enables them to establish stronger, better livelihoods to support their families today, and for the future.



› Karen was selected for the “Autonomy and Economic Empowerment of the Rural Women of Southern Cauca” Mercy Corps programme and received agricultural training, which was the first step in transforming Karen’s future. Now planting, roasting and packaging her own coffee whilst developing eco-products generated through coffee pulp, Karen is carrying out sustainable, innovative coffee production processes.

## DIRECTORS’ SECTION 172 STATEMENT

The Board of Directors of Mercy Corps Europe continue to be mindful, both individually and collectively, of their responsibility to promote the long-term success of the organisation. As a Board we consider our decision-making process to be in the best interests of our stakeholders and charitable reputation.

- As a Board our aim is to continually support the organisation to ensure that we deliver our mission which is to alleviate suffering, poverty and oppression by helping people build secure, productive and just communities. In doing so, we are an organisation that aims to ensure effective stewardship and management of resources, raises income, builds influence and demonstrates impact.
- The team members across Mercy Corps are fundamental to the execution of our vision. Communications on all organisation operations and performance are regularly shared through our team meetings, email communication and internal information sessions. The integration of new team members, through our formal induction process, is of paramount importance to the Board as a method of instilling the organisation’s vision. Team members’ wellbeing was at the forefront of the Board’s decision-making process in the year ending 2021 and continues to be into 2022, especially during the COVID-19 pandemic.
- As a Board, our continued commitment to the environment is at the forefront. The organisation is now promoting the economic impact of our office operations and individual responsibility of recycling and environmental awareness.
- We, as a Board of Directors, consider our intention to operate and behave with the utmost professionalism, to lead by example and ensure our management teams also act with the same integrity. This will be pivotal in our mission of delivering a high level of service to our stakeholders and delivery of programmes, correlating with the long-term success of our organisation.

Mercy Corps promotes a workplace that emphasises employee wellbeing, holistically supported through a comprehensive benefit package that helps team members care for themselves and their families.

## DIRECTORS’ REPORT

### Our Structure

- Mercy Corps Europe is part of a unified global organisation, Mercy Corps which consists of:
- Mercy Corps Global (MCG), a US entity registered in Washington State and its field operations, including branches and local organisations located in approximately 40 countries;
- Mercy Corps Europe (MCE), a UK entity registered in Scotland with offices in Edinburgh and London;
- Mercy Corps Netherlands (MCNL) a Dutch entity registered in the Netherlands with offices in The Hague and Geneva. The results of MCNL are reported within these MCE consolidated financial statements;
- Other affiliated entities of the global organisation.\*<sup>1</sup>

MCG and MCE operate under a Governance Agreement (GA) entered into effective 1 July 2015 and a Memorandum of Understanding (MoU) last revised in 2018 (which remains in force). An Addendum and Adherence Agreement that adds MCNL to the GA was entered into, effective 1 July 2018. At the same time, a second MoU that established operating rules and explained the relationship between MCNL, MCG and MCE was also entered into in 2018 and last revised in June 2021. The GA and MOUs, as well as the organisation’s legal and operational structure, indicate that the relationship between MCG and MCE is a parent subsidiary relationship.

<sup>1</sup> Consolidated affiliates include but are not limited to: Energy 4 Impact, Kompanion Development, Kompanion Bank, Kompanion Invest LLC, MC Nigeria LTD/GTE (Nigeria) LLC, Mercy Corps Development Holdings, LLC, Mercy Corps India, and Yayasan MC Indonesia.

## Governance and Management

MCE is a Scottish registered charity (registration number SC030289) and is constituted as a company limited by guarantee (registration number SC208829). The objects of the charitable company are the relief of poverty, the advancement of health, the advancement of community development, the saving of lives, the advancement of human rights, conflict resolution or reconciliation and the advancement of environmental protection.

MCE is a member organisation, made up of nine Members who also sit on the Joint Board Executive Committee (JBEC). The Members appoint the Directors of MCE based on nominations from the MCE Board at the Annual General Meeting. MCE, MCNL and MCG are all Membership entities and all three have members in common. The current Members are listed on page 8.

The Directors of MCE are the statutory Charity trustees, collectively known as the Board of Directors. The Board comprises a minimum of six and a maximum of twenty Directors. Board Directors have term limits of two three-year terms, with a possible extension for a third term of three years in exceptional circumstances, for a maximum of nine years. The current Directors are listed on page 7.

The Joint Board of Directors meets regularly to govern the charity and in any case at least four meetings per year. There are five standing Board Committees made up of Board Directors of MCE, MCNL and MCG and other independent individuals with relevant experience, under specific terms of reference from the Board. Each of the Committees reports to the MCE, MCNL and MCG Boards at the quarterly Joint Board meetings. These Committees are:

- Joint Board Executive Committee (JBEC)
- Joint Finance Committee (JFC)
- Joint Audit and Risk Committee (JARC)
- Joint Nomination and Governance Committee (JNGC)
- Joint Ethics and Safeguarding Committee (JESC)

MCE operates under a global CEO, who is also the global CEO of Mercy Corps. MCE also has an Executive Director who is appointed by the MCE Board, subject to the approval of the global Mercy Corps CEO. The MCE Executive Director is the principal manager of MCE and reports jointly to the MCE Board and the global Mercy Corps CEO. This position is currently being held on an interim basis.

The roles and responsibilities of the MCE Board and the Committees are described in the [MCE Governance Handbook](#) which is published on our website.

The balance and diversity of Board Directors is closely reviewed by the Boards and the JNGC, with an emphasis on ensuring that Board Directors provide the specific mix of skills that have been identified as important to the charity's objectives and activities. All new Board Directors receive a full induction programme to ensure they understand their role and responsibilities, including with respect to safeguarding (which is also provided on an annual basis thereafter). Mercy Corps has undergone a comprehensive external review of its global governance practices, entity structuring, and joint global operating model. The purpose of this review, launched in 2020, was to ensure that the Mercy Corps' Boards of Directors are able to make key decisions regarding whether Mercy Corps' existing entities (including MCE), governance, operational and financial structures are fit for purpose, or whether changes could better achieve Mercy Corps' mission. A report, including recommendations, was presented to the Board in November 2020. Many of the recommendations included in the report have been taken forward, and others will be further discussed and decided on, guided by the new Mercy Corps Strategy "Pathway to Possibility" being launched in July 2022.

## Governance and oversight of MCG country office operations

The MCE Board of Directors fulfils its governance and oversight responsibilities of MC country office operations through controls, governance and reporting arrangements. The responsibility for Mercy Corps country offices, which implement the grants and contracts signed by MCE, is transferred to MCG through the MOU and integrated global governance arrangement. The financial and management systems under which MCE programmes operate are subject to external review by auditors acting on behalf of funding partners/donors, and internal reviews and audits by the MC Internal Audit team. All internal and external audit reports are shared with MCE, as well as all reports produced by the global Ethics and Compliance Department impacting on European donors and on MCE. The Mercy Corps Internal Audit and the Ethics and Compliance departments report to the Joint Audit and Risk Committee four times per year.

## OUR REMUNERATION POLICY

MCE's compensation package – competitive pay and comprehensive benefits – is designed to both attract and retain high-calibre, diverse, high-performing individuals at all levels. MCE evaluates external market data and internal organisational context on a regular basis to ensure that our compensation packages are competitive, equitable and represent responsible stewardship of organisational resources. MCE maintains a banded pay structure that has been established with input by third-party compensation consultants, which reflects differences in the employment markets of our office locations and respects the level of responsibility for each team member. Additionally, team members can expect annual pay increases based on their individual performance, dependent upon the availability of funds, and informed by the current and next year's financial position of MCE.

MCE's benefit package includes family friendly and flexible working approaches that assist team members in finding meaningful work-life balance, team member care support, pension scheme and a complementary healthcare programme. To help our team face some of the disruptions and impact of the ongoing pandemic, we enhanced our benefit structures, most significant of which was the emphasis on flexible working and the addition of Carer's Leave for all MCE team members. We also made sure that appropriate work from home resources were available to everyone.

## TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of MCE for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- report on the charity's public benefit;
- assess the Group and Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Charitable Company or to cease operations, or have no realistic alternative but to do so.
- take reasonable steps for the prevention and detection of fraud and other irregularities to ensure compliance with the Companies Act 2006.
- The trustees are also responsible for:
  - setting their charity's approach to raising funds, as well as making sure that any policies or procedures are followed in practice and reflect our organisational values;
  - keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions;
  - disclosing with reasonable accuracy at any time the financial position of the charitable company;
  - taking all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information; and
  - ensuring there is no relevant audit information of which the charitable company's auditor is unaware.

The trustees confirm that they complied with the above requirements in preparing these financial statements. The trustees are also responsible for the maintenance and integrity of the charity and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Modern Slavery Statement

We are committed to the prevention of modern slavery and human trafficking in our supply chains. In accordance with the requirements of the Modern Slavery Act, we publish an annual slavery and human trafficking statement on our website [here](#), which reports on the steps we continue to take to aim to ensure modern slavery does not take place in any part of our business or supply chain.

## Safeguarding Statement

As a global humanitarian organisation working with some of the world's most vulnerable communities, we have an immense responsibility to our programme participants, donors and team members across the 40+ countries in which we work. At Mercy Corps, we strive to create an inclusive and safe work environment, where everyone is treated with dignity and respect, free of exploitation, harassment and bias. Central to this commitment is our emphasis on protecting our programme participants, community members, and team members from all forms of harm, including any physical, emotional or sexual abuse or exploitation. We take this responsibility seriously and we continue to invest in and strengthen our approach to safeguarding. Mercy Corps Europe aligns with Mercy Corps' global safeguarding approach and code of conduct policies.

The Chief Ethics & Compliance Officer (CECO) leads a stand-alone Ethics and Compliance Department (ECD) that supports Mercy Corps' global operations. Regarding Safeguarding, the ECD includes the Intake and Investigations Team which is responsible for overseeing all investigations relating to safeguarding allegations and the Safeguarding Prevention Team which supports safeguarding prevention efforts across all countries where Mercy Corps operates.

The Mercy Corps Community Accountability Reporting Mechanism (CARM) policy, effective from 1 January 2021 makes it mandatory for all programmes to have systems in place for community members to provide feedback and complaints in a manner that is safe, confidential, transparent, and accessible, enabling Mercy Corps to respond and make any necessary programmatic or safeguarding adaptations and to ensure the safety, security, and empowerment of community members.

Mercy Corps continues to report on our Commitments to Action and progress made following the independent external review into what steps were taken when reports of abuse by Mercy Corps' late co-founder Ellsworth Culver were brought to the organisation's attention in 2018. Mercy Corps' [latest Mercy Corps Commitments to Action Fourth Progress Report](#)

Mercy Corps' policies related to safeguarding can be found at - <https://europe.mercycorps.org/en-gb/who-we-are/ethics-policies>

Mercy Corps' Global annual Safeguarding Report can be found at - <https://europe.mercycorps.org/en-gb/who-we-are/ethics-policies#safeguarding-approach>

## RISK STATEMENT

Mercy Corps works in fast-changing, often insecure and high-risk environments, delivering its mission in some of the toughest and riskiest places in the world. This means that risks are inherently ingrained in our operations. To operate effectively, bring about the changes we aim for, and safeguard our team members and the people we work with, we assess and respond to the risks we face in accordance with our risk management framework.

Mercy Corps operates as one global organisation with common exposure to financial, operational, reputational and external risks. MCE therefore works closely with MCG, MCNL and our country teams to identify, mitigate and manage risks in our challenging operating environments. Globally, Mercy Corps has an enterprise risk management approach and maintains a global risk register. In addition, MCE has an entity-specific risk management framework and accompanying Corporate Risk Register. More information is provided below.

### Enterprise Risk Management globally

Globally, Mercy Corps frames Enterprise Risk as any uncertain significant event or circumstance including strategic, preventable and external risks which could impact the achievement of Mercy Corps' mission. Enterprise Risk Management (ERM) is a comprehensive approach to helping leadership ensure the appropriate identification, prioritisation, management, mitigation and/or acceptance of Enterprise Risks. The Global ERM Committee in FY22 consisted of: Mercy Corps' General Counsel, Deputy General Counsel, interim Chief Financial Officer, Chief People Officer, Chief Ethics and Compliance Officer, Senior Vice President of Programs, Chief Development and Marketing Officer, and Mercy Corps Europe interim Executive Director (plus observers). The ERM Committee meets as frequently as it deems necessary to carry out its duties and responsibilities, and in any case no less than three times a year.

Mercy Corps also has a wider assurance framework which includes associated policies on health and safety, incident reporting, anti-fraud, bribery and corruption, conflict of interest, management of complaints and grievances, prohibited parties, safeguarding, security, and raising concerns (whistleblowing). These policies aim at ensuring that where incidents give rise to risks, these are identified, acted on swiftly, and reported according to our regulatory responsibilities.

Throughout the year, risk-based internal audits of country offices are conducted by the Mercy Corps Internal Audit team. In FY22 seven internal audits and one process review were carried out. Internal audits reports are shared with management and the JARC. Agreed actions and recommendations from each audit are followed up throughout the year and reports on their significant findings and implementation of the action plans are also reviewed by management and the JARC. There is also a report for the JARC on reiterations of previous audit findings, including assessing the volume and frequency of repeat findings and their potential causes and impact. Work continues to aim to reduce the incidence of repeat findings and to determine organisational-wide improvements identified through country internal audits, as well as identifying appropriate resources to support such efforts.

### Risk Management at MCE

MCE has set out a Risk Management Framework relevant for risks applicable to the UK entity (some of which overlap with risks applicable for Mercy Corps globally). MCE defines corporate level risk as "uncertainty that could have an adverse effect on the achievement of its mission". The aim of the Risk Management Framework is to improve MCE's ability to deliver its mission.

MCE maintains a Corporate Risk Register (CRR) which sets out key business, operational and financial risks facing MCE. The CRR is shared with the JARC at their meetings no less than three times a year. Discussions around key risks also take place regularly during the European Senior Leadership Team meetings.

The Board of Directors of MCE are ultimately responsible for the risk management of the European entity. The Board has the opportunity to assess MCE's position and raise queries relating to individual or collective risks.

In FY22, our assessment of risk impact, mitigation measures and adaptations has continued to be framed in the context of the global COVID-19 pandemic, as well as the events in Afghanistan and Ukraine.

As at the end of FY22, the significant risks noted by the MCE Board are assessed to be:

Risk Category	Risk	Mitigation Actions
External	Change in the political status of the UK in the EU as a result of Brexit may affect our ability to secure European funding, the recruitment and retention of key staff and our regulatory environment.	We have continued our work to ensure that Mercy Corps Netherlands (MCNL) is eligible for EU funding and has a strong European engagement strategy. In FY22 MCNL obtained the ECHO Humanitarian Partnership Certificate. MCNL has hired an EU Strategic Partnerships Advisor, based out of Brussels.
External	Reduction in UK Aid from 0.7% to 0.5% becomes long term/permanent, and further changes are made in how UK aid is delivered (less funding to NGOs and more restrictive conditions)	We have continued our advocacy efforts to push - together with BOND and UK NGOS - that the reduction in UK Aid is temporary. We seek to engage FCDO at official and country level. We have an MCE cross-functional working group focused on FCDO to monitor the financial and operational consequences of the merger and the cuts and to communicate with relevant stakeholders. We have reviewed the International Development Strategy released this year and monitor the impact on Mercy Corps programming areas of expertise and focus. We continue to pursue a diversification of funding strategy from other European donors.
Operational	Safeguarding: the impact of this risk includes significant physical and/or psychological harm to participants and/or team members and loss of Mercy Corps' reputation in the communities where we work, with the public and with key donors.*	We continue to strengthen our mitigation measures around safeguarding, including in relation to awareness, prevention, reporting, response and investigation when issues arise, as well as increasing HQ and in-country resource and capacity through FY22. This is as noted in our Safeguarding statement on page 18. We have developed a Global Code of Ethics and Safeguarding Core Standards which will be rolled out in FY23 to further strengthen our commitments to mitigate safeguarding risk.
Operational	Safety and Security: team members are placed at risk, including if a team member falls ill with Covid-19 in the line of work *	We have global security policies and procedures in place and up-to-date, as well as country-specific guidelines and our global and regional security advisors provide technical support. We have health and safety policies and procedures in place for our work in the UK. The COVID-19 crisis forced us into a situation where we exceeded what would be our standard risk threshold related to staff care, including in relation to wellbeing. We therefore added a package of focused mitigations in this regard, including the establishment of a staff Wellbeing Steering Committee in FY22.
Operational	Fraudulent activity, including diversion of aid, leads to financial and reputational damage.*	We have anti-corruption and anti-bribery policies and procedures in place and internal controls, monitored through internal audit. We have online mandatory training for all team members. We have mechanisms in place for reporting allegations, including an online integrity hotline and our Community Accountability and Reporting Mechanisms (CARM) systems in the countries where we work. In FY22, we carried out a global Fraud Risk Assessment. In FY22, we bolstered our global Ethics team to add a Global Director of Fraud Prevention, as well as further country-based / regional ethics positions.

Risk Category	Risk	Mitigation Actions
Operational	Data Protection and specifically non-compliance with GDPR (& UK Data Protection Act) and private fundraising requirements.*	We have data protection policies and procedures in place. MC has adopted a global Responsible Data policy. MCE has a Data Oversight Group which meets regularly. We have mandatory global responsible data training and in addition we provide specific training on GDPR to MCE staff as part of onboarding and refreshers thereafter. We maintain an MCE data schedule for each department and our Data Protection Officer carries out a quarterly review to monitor compliance. Following Brexit, we have in place a global Data Sharing Agreement amongst MCE, MCNL and MCG, which is updated in line with the latest Standard Contractual Clauses.
Financial (Technical)	Information Security (IS) and prevalence of hacking that can lead to MC data being compromised or lost and/or business disruption.	We continue to strengthen our Information Technology (IT) and Information Security (IS) policies and procedures and systems to enhance and develop our controls in our IT infrastructure to mitigate against the risk of cyber fraud.
Strategic	Unexpected interruption/cessation of project activities in countries that constitute a high percentage of total income.*	We monitor this risk globally and from an MCE perspective, including as a standing item on the MC Executive Team Agenda and through regular HQ/country level meetings (Complex Boards) or Crisis Management Team (CMT) meetings where necessary. This includes monitoring evolving events closely and contingency planning (for example, Afghanistan and Ukraine). All country offices and HQs conduct contingency planning to ensure business continuity.
Financial	Lack of unrestricted income generation and / or cash availability stops European operations	We have in place mitigation measures including, among others, tracking retention on projects to ensure more efficient management; maintaining unrestricted reserves at adequate levels; and having a reserves policy in place. We continue to pursue fundraising opportunities where possible.

\*This risk was identified as one of the key global risks and as such all country offices were asked to include it in their country risk registers.

# ENVIRONMENTAL REPORTING

## Reporting period

1 July 2021 – 30 June 2022

## Quantification and Reporting Methodology

We have followed the 2013 UK Government environmental reporting guidance. The figures relate to the required elements of each scope 2 category rather than the optional elements.

We have used 2013 UK Government's Conversion Factors for Company Reporting and the GWP's used within that were consistent with those used in the 2013 UK Government Conversion Factors.

## Organisational boundary

We have used the financial control approach.

### SCOPE 2

#### In metric kg of CO<sub>2</sub>e

Green House Gases (GHG) emissions 15,0848 kg of CO<sub>2</sub>e  
(base year : 26,0044 kg of CO<sub>2</sub>e)

#### Intensity Metric

Organisation's chosen intensity measurement Scope 2 emissions 169.4921  
in kg of CO<sub>2</sub>e per total £m revenue (Charity) (base year : 213.3743)

There are no specific exclusions.

We have not tried to quantify emissions for Scope 3 optional elements.

## Electricity

Electricity purchased for own use or consumption in the year: 78.006 MWh (base year: 111.54MWh)

## Base Year

We have a fixed base year of 2019/20. We chose this year as it was the first year for which we considered that we had reliable data and it was typical in respect of our operations. Our base year recalculation policy is to recalculate our base year and the prior year emissions for relevant significant changes such as large structural changes or mergers.

## Intensity Measurement

We have chosen the financial metric of emissions in kg of CO<sub>2</sub>e per £ million revenue as this is the most appropriate for our Organisation.

## Energy Efficiency Action

In the period covered by the report the Organisation continues to follow its Environmental Policy including:

To comply with all applicable UK and international legislation, regulations and codes of practice on environmental matters relevant to our operations. We monitor any new regulatory developments and guidelines to ensure we remain compliant and that we follow best practice.

- To implement the most efficient and sustainable waste management measures available to continually reduce our waste and use recyclable materials wherever possible, monitoring our recycling and waste outputs;
- To monitor our gas, electricity and water consumption across MCE offices, using green suppliers where possible;
- To build an environmentally friendly work culture through regular internal communications for staff awareness raising and training, and stakeholder engagement, including team initiatives to minimise the environmental impact of our activities;
- To monitor and minimise the environmental impact of road, rail and air travel by:
  - encouraging the use of travel options that minimise environmental impact;
  - exploring new ways of delivering our work sustainably, such as online training platforms and other types of remote work;
  - being thoughtful as to the necessity and environmental impact of air travel.

To ensure that consideration is given to purchasing environmentally sustainable products and services and develop sustainable supply chains by using suppliers that have environmental standards compatible with our own. By having robust procurement guidelines in place so that the environment is considered as part of our decision making processes.

# FINANCIAL REVIEW

The financial statements for the charity were prepared 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') issued in 2014 and Financial Reporting Standard 102: the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended) Statement of Recommended Practice (SORP), FRS 102 and Charities Act 2011. The applicable accounting policies are set out on pages p35 - 38.

Mercy Corps Europe funding portfolio is primarily made up from government awards from ministries, major institutions and fundraising activities. Coming out of a COVID-19 pandemic disrupted year, we had a good financial performance which was better than we had planned. Net assets increased to £20.4m (FY 2021: £16.8m)

## Income

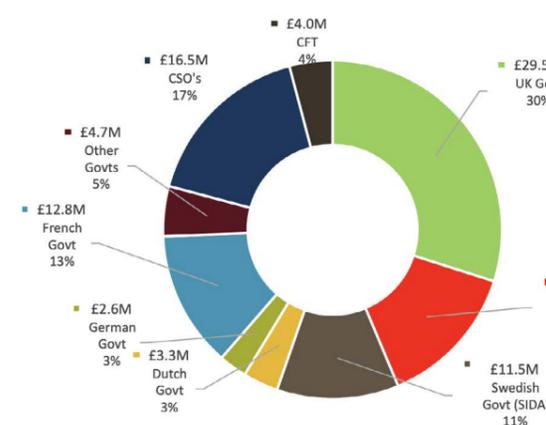
Our total income for FY 2022 was £103.4m (FY 2021 £143.4m), down by £40.0m which represents a 28% decrease year-on-year (like-for-like excluding foreign exchange losses of £0.99m in FY 2022 and gain of £0.67m in FY 2021). The decrease saw reduced programme funding from the Foreign, Commonwealth and Development office (FCDO). With Overseas Development Aid (ODA) cuts announced by the UK Government, follow-on programme funding was delayed or significantly reduced including the cuts to external procurement decisions and contracts. Included in the decrease was the temporary, followed by full suspension of all institutional development infrastructure programme activity in Afghanistan. Included in the total income is £98.6m (FY 2021: £142.6m) charitable income, all restricted to international programmes.

The FCDO continues to be our largest donor however we saw programme funding decline to 29.9% (FY 2021: 41%) of total programme income. The successful outcome of our new Framework Partnership Agreement was received late in the financial year to have any impact on performance. In maintaining good continuity of programming we pivoted to be sub-awardee to a number of flagship ECHO awards through other European international NGOs partnerships, however going forward we see growing programme funding as lead with DG-ECHO through our affiliated entity Mercy Corps Netherlands. In pursuing our strategy of diversifying funding sources (along with UK leaving the EU planning) we saw restricted funding increases with our other key donors: European Commission, Swedish International Development Cooperation agency (SIDA), AFD and French Embassy, SDC and corporate foundation and trusts. As MCE continues to expand our work with other European partnerships in order to reduce this reliance and in particular the dependency across the three main donors (FCDO, EC and ECHO) is now 44% (FY 2021: 55%).

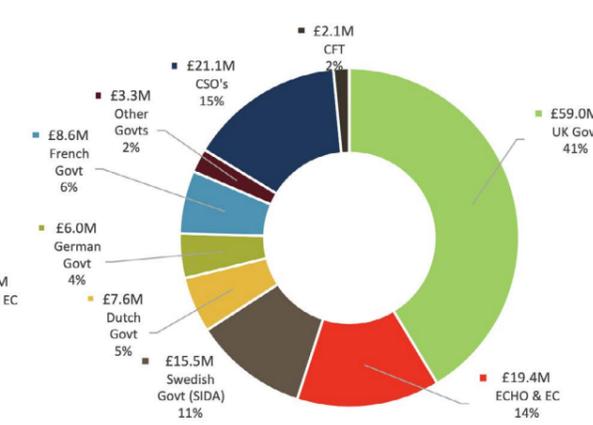
The COVID-19 impact on fundraising activities saw less campaigns and currently an organisational review is being undertaken. The Charity unrestricted voluntary donations decreased to £490k (FY 2021: £758k). The anticipated legacy income did not arrive in the financial year thus contributing to the decrease.

Full detail on sources of income by charitable activity and donors are provided in note 2 in the accounts.

Institutional Donor Sources FY 2022



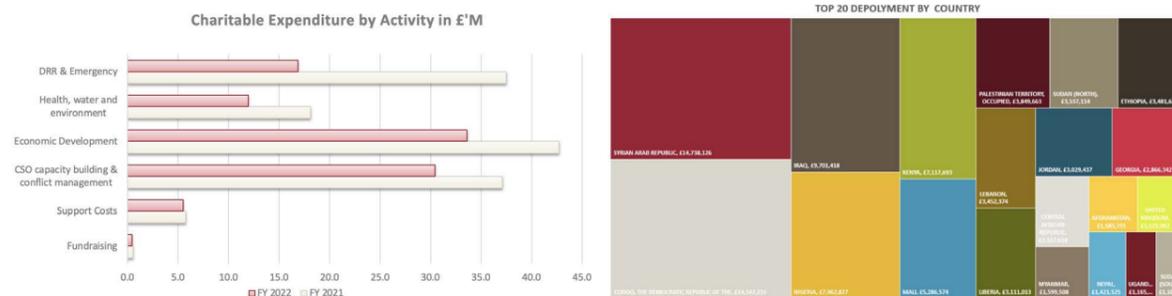
Institutional Donor Sources FY 2021



## Charitable Expenditure

Our total expenditure was £98.8m, down by £42.9m, or 30% on the previous year. Overall charitable expenditure in the year was £92.8 (FY 2021: £135.4m) and continued to reach those who most needed our help in the world's most fragile and challenging places. The decrease was a reflection of large multi year programmes ending as well as the reduced programme funding from the UK government impacting the sector as a whole.

MCE was active in 36 countries with the low and middle income countries dominating our expenditure. 94% of spend is attributed to charitable activities and projects contributing to our areas of strategic focus (FY 2021: 95%). The chart below shows the distribution by the size of our charitable activities.



The majority of funds went to sub-Saharan Africa, Horn of Africa and the Middle East regions to support the significant numbers of people who are in need of humanitarian assistance including those who have been displaced from their homes, both internally and as refugees. In Africa, MCE was active in 15 countries, most notably DR Congo, Nigeria, Kenya, Mali, Ethiopia, South Sudan and Sudan supporting communities with food security, water and sanitation, conflict management and economic development activities, as well as responding to natural disasters, displacement and disease outbreaks. In the Middle East, MCE increased its direct cash distributions to vulnerable households in Palestine and continued to provide life-saving assistance inside Syria and to Syrian refugees in Lebanon, Jordan and Iraq. Additionally, our work in Asia continued to expand, meeting the needs of vulnerable communities in Afghanistan, Nepal and Myanmar, all of which suffered from significant upheaval in the past year. In the Americas, MCE continues to address the needs of displaced and vulnerable populations in Colombia, Venezuela and Haiti. Across all countries and regions where MCE is active, our programmes have pivoted to respond to needs arising from the COVID-19 pandemic, including public health, support to those whose livelihoods have been negatively impacted, and in mass communication and information sharing.

Indirect cost recovery practice is consistent with last financial year and is in accordance with the statement of recommended practice for charities' accounting and reporting. It includes the costs of general administration and management. Excluding expenditure of raising funds, the costs incurred have been attributed completely to the charitable activities which they support. Total support costs across the group have decreased to £5.9m (FY 2021: £6.3m). While there are planned efficiencies driving these savings, we continue to see significant reductions in travel costs due to extended COVID-19 related restrictions and our business essential travel policy during the year. These reductions are offset by continued investment to better enable team members to operate remotely.

## Financial Risk and Cash

Cash flow risk is managed by continuously monitoring the cash flow sensitivity resulting from timely delivery of international programmes and timely recognition of unrestricted income. We monitor our global risks closely with oversight by the global Enterprise Risk Management Committee and the Boards' Audit and Risk Committee. In addition, MCE has an entity-specific risk management framework and accompanying Corporate Risk Register. More information is provided in the directors report on page 15, with the COVID-19 pandemic as well as Afghanistan and Ukraine dominating our thoughts and actions. As also referenced in our risk statement significant risks are categorised as external, strategic, financial and operational. These are managed through effective collaborations taking a risk based approach to mitigate them with regular updates to the Board. Exposure to foreign exchange is managed by matching currencies. Such risks arising from funding in GBP, Euros or US dollars is managed by holding restricted donor funds in that currency until transferred or settled to the relevant country operation.

Globally we are continually reviewing our preparedness and mitigation measures to safeguard the health and wellbeing of our teams and the communities with which we work. In many locations, including our European locations, this includes working from home, while in others, this involves activating extensive protocols and approaches to mitigate COVID-19 exposure and its spread. As the pandemic restrictions are gradually lifted we will continue to adopt best practice and continue to follow government guidelines.

Agency wide cost control measures activated in the prior year were lifted as we saw the easing of COVID-19 restriction across UK and devolved governments. However as best practice the European Leadership Team maintains a number of financial scenarios ensuring cash flow and available funds are tightly monitored. The going concern scenarios in note 1 demonstrate that funds and general reserves are available and will be utilised during the coming fiscal year to support operational requirements as necessary.

MCE and MCNL hold cash in current and deposit accounts with NatWest Bank, Barclays, Rabobank and Bank of Scotland. Cash is held in donor currencies and the equivalent GBP holdings stand at £49.8m (FY 2021: £45.7m). The growth in restricted cash is largely a reflection of advances from donors ahead of expenditures, often across multiyear programmatic activity. MCG advances cash for MCE donor funded programmes and is then subsequently reimbursed by MCE after the programmatic expenditures for the advances are accounted and reconciled. The MCG intercompany balance (see note 10) was £11.8m (FY 2021: £14.2m).

The monies due from donors stand at £18.1m (FY 2021: £16.1m). A growing number of high value MCE grants are from government organisations who apply retention payments until satisfactory evidence of financial and programmatic delivery, reporting and acceptance. This can take up to 180 days to clear.

## Reserve Policy and Reserves

Financial and cash flow risk mitigation is further provided by the annual budgeting process along with annual review of the reserve policy and the setting of our core operating costs.

The charity has best practices in place to manage its reserves and aims to hold reserves against the risk of unexpected losses and to help ensure the prudent financial management of the organisation and to mitigate any other unanticipated financial risks. Our total reserves stand at £20.4m (FY 2021: £16.8m), with the restricted reserve amount at £4.4m (FY 2021: £0.8m). The increase in restricted reserves materialised in Q4 from the Ukraine Emergency Response programme funding.

Unrestricted funds are free from any restriction applied by the donor. Unrestricted reserves are the general funds of the charity that enable it to meet its objectives. It excludes the restricted funds and any designated funds and the value tied up in tangible fixed assets. The Trustees have examined the requirement for unrestricted funds. In arriving at a target figure they have considered the following points:

- The nature of our work and the vulnerability of grants, contracts, and donation funding flows.
- Quick response to emergencies where immediate mobilisation funds are needed.
- Adequate working capital to meet cash flow needs.
- Cover for potential long term commitments relating to staff and leases.
- Funders' viability criteria and other financial risks.

The Trustees aim to maintain a target of unrestricted funds representing at least six months' operating expenditure, achieved with our general unrestricted reserves and excluding funds utilised for fixed assets. The £13.9m (FY 2021: £12.9m) represents 22 months (FY 2021: 21 months) of core operating expenditure.

The aim is to hold general reserves sufficient to protect MCE against unexpected loss of income, any unanticipated financial risks and provide for investment in the longer term sustainability of the organisation. The Trustees are mindful of the shifting landscape, impact on global inflation and the UK Overseas Development Assistance (ODA) funding reduction in our sector. Consequently, they wish to adopt the prudent approach to reserves set out herewith and remain as a going concern knowing the stronger position to cover for uncertainties presented in this annual report going into FY23.

### Outlook and Going Concern

We have prepared our budget for FY23 expecting reduction to our programme funding below current levels resulting from the reduction of the UK ODA budget for MCE. We continue to monitor developments and respond accordingly, using our best judgements when information may not be perfect. The cash flow forecast, representing 12 months from the approval of these financial statements takes into account only the downside impact on its operations and financial resources anticipated above with general reserves providing operating cover at 21 months. This stress test represents what management believes to be the worst case scenario.

The note 1 to the accounts describes the considered scenarios. We have guidance and governance structures in place to control operations and the European Leadership Team are continually proactively reviewing, revising and adapting in line with the changing scenarios. Communication with our Board is frequent, full and timely. In line with our reserve policy, the Group and Charity will have sufficient funds to meet its liabilities as they fall due and we have prepared these financial statements on a going concern basis.

### Mercy Corps Netherlands

Mercy Corps Netherlands (MCNL) is registered in The Hague, Netherlands as an Association under the Dutch Trade number 70333564 and came into operation on 19 December 2017. The relationship between MCE and MCNL is governed by a Governance Agreement and Memorandum of Understanding that also includes MCG and which covers matters relating to programmes, funding, governance, intellectual property and other legal affairs. MCNL is an affiliated entity, MCE has consolidated MCNL.

**The Strategic Report and Accounts was approved by the Board of Directors on 18 October 2022 and signed on their behalf by:**



**Iman Dakhil**  
Board Chair, Mercy Corps Europe

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF MERCY CORPS EUROPE

## Opinion

We have audited the financial statements of Mercy Corps Europe ("the charitable company") for the year ended 30 June 2022 which comprise the Consolidated Statement of Financial Activities and Income and Expenditure Account, Charity Statement of Financial Activities and Income and Expenditure Account, Consolidated and Charity Balance Sheets, Statement of Cash Flows and Consolidated Statement of Cash and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 30 June 2022 and of the group's and charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

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

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The trustees (who are also directors of the charitable company for the purposes of company law) have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease their operations, and as they have concluded that the group and the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

### Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of trustees and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible judgements made in respect of the timing of revenue recognition, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income which is not directly matched to project expenditure is incorrectly recognised and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation.
- Sampling income which is not directly matched to project expenditure to assess whether income has been recognised appropriately.

### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards) and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies’ legislation and certain aspects of charities legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery and certain aspects of charities legislation recognising the financial nature of the Group’s activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### Other information

The trustees are responsible for the other information, which comprise the Strategic Report, the Director’s Report, the Executive Director’s Message, and the Chair’s Message. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the directors’ report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- the charitable company has not kept adequate and proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### Trustees’ responsibilities

As explained more fully in their statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group’s and the charitable company’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 they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor’s responsibilities

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 our opinion in an auditor’s report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC’s website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

### The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company'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 charitable company, its members as a body and its trustees, as a body, for our audit work, for this report or for the opinions we have formed.

#### Michael Wilkie (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

319 St Vincent Street,

Glasgow, G2 5AS

25 October 2022

## FINANCIAL STATEMENTS

Consolidated Statement of Financial Activities and Income and Expenditure Account for the year ended 30 June 2022  
MERCY CORPS EUROPE - Registered Company SC208829

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
<b>INCOME</b>							
<b>Donations and Legacies</b>	2	<b>490,034</b>	<b>4,319,399</b>	<b>4,809,433</b>	757,762	-	757,762
<b>Income from Investments</b>		<b>(12,053)</b>	-	<b>(12,053)</b>	16,738	-	16,738
<b>Other income</b>		<b>39,521</b>	<b>1,986</b>	<b>41,507</b>	46,080	8,988	55,068
<b>Income from Charitable activities</b>							
Civil Society, Education and Conflict Management	2	<b>6,241,876</b>	<b>25,972,935</b>	<b>32,214,813</b>	9,177,324	30,801,694	39,979,018
Economic Development	2	<b>4,305,765</b>	<b>32,169,640</b>	<b>36,475,405</b>	4,849,196	40,800,655	45,649,851
Public Health, Water and Environment	2	<b>1,258,409</b>	<b>11,058,414</b>	<b>12,316,823</b>	1,856,269	15,945,259	17,801,528
Disaster Risk Reduction and Emergency Response	2	<b>839,412</b>	<b>16,699,847</b>	<b>17,539,259</b>	1,911,844	37,185,747	39,097,591
<b>(Loss) / Gain on Exchange</b>		<b>(983,985)</b>	<b>23</b>	<b>(983,962)</b>	720,124	(49,985)	670,139
<b>Total income</b>		<b>12,178,981</b>	<b>90,222,244</b>	<b>102,401,225</b>	19,335,337	124,692,358	144,027,695
<b>EXPENDITURE</b>							
<b>Expenditure on Raising Funds</b>	4	<b>439,378</b>	-	<b>439,378</b>	525,700	2,115	527,815
<b>Expenditure on Charitable activities</b>							
Civil Society, Education and Conflict Management	4	<b>6,348,127</b>	<b>25,895,984</b>	<b>32,244,111</b>	7,812,067	30,775,056	38,587,123
Economic Development	4	<b>3,769,813</b>	<b>31,816,465</b>	<b>35,586,278</b>	3,937,262	40,654,335	44,591,597
Public Health, Water and Environment	4	<b>1,079,524</b>	<b>11,590,160</b>	<b>12,669,684</b>	1,294,476	17,728,906	19,023,382
Disaster Risk Reduction and Emergency Response	4	<b>990,062</b>	<b>16,861,133</b>	<b>17,851,195</b>	1,477,014	37,474,586	38,951,600
<b>Total expenditure</b>		<b>12,626,904</b>	<b>86,163,742</b>	<b>98,790,646</b>	15,046,519	126,634,998	141,681,517
<b>Net income before transfers</b>		<b>(447,923)</b>	<b>4,058,502</b>	<b>3,610,579</b>	4,288,818	(1,942,640)	2,346,178
<b>Transfers between Funds</b>	12,13	<b>392,257</b>	<b>(392,257)</b>	-	293,386	(293,386)	-
<b>Net movement in funds</b>		<b>(55,666)</b>	<b>3,666,245</b>	<b>3,610,579</b>	4,582,204	(2,236,026)	2,346,178
<b>Balances brought forward</b>		<b>16,049,296</b>	<b>783,604</b>	<b>16,832,900</b>	11,467,091	3,019,631	14,486,722
<b>Balances carried forward</b>		<b>15,993,630</b>	<b>4,449,849</b>	<b>20,443,479</b>	16,049,296	783,604	16,832,900

The charity has no recognised gains and losses other than the results for the year as set out above. All of the activities of the charity are classed as continuing. The notes on pages 35 - 56 form part of these financial statements.

## Charity Statement of Financial Activities and Income and Expenditure Account for the year ended 30 June 2022

Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £	
<b>INCOME</b>							
Donations and Legacies	2	474,731	1,576,260	2,050,991	708,236	-	708,236
Income from Investments		1,443	-	1,443	17,022	-	17,022
Other income		39,521	1,986	41,507	46,080	8,988	55,068
<b>Income from Charitable activities</b>							
Civil Society, Education and Conflict Management	2	6,034,883	22,902,909	28,937,792	9,169,893	30,628,942	39,798,835
Economic Development	2	3,935,154	27,818,796	31,753,950	4,711,802	39,212,804	43,924,606
Public Health, Water and Environment	2	1,092,818	8,969,832	10,062,650	1,683,321	15,124,104	16,807,425
Disaster Risk Reduction and Emergency Response	2	773,472	15,843,421	16,616,893	1,910,000	37,159,400	39,069,400
(Loss) / Gain on Exchange		(846,748)	-	(846,748)	870,473	-	870,473
<b>Total income</b>		<b>11,505,274</b>	<b>77,113,204</b>	<b>88,618,478</b>	<b>19,116,827</b>	<b>122,134,238</b>	<b>141,251,065</b>
<b>EXPENDITURE</b>							
Expenditure on Raising Funds	4	421,501	-	421,501	525,506	2,115	527,621
<b>Expenditure on Charitable activities</b>							
Civil Society, Education and Conflict Management	4	6,140,475	22,825,958	28,966,433	7,786,392	30,602,304	38,388,696
Economic Development	4	3,475,530	27,465,621	30,941,151	3,659,829	39,066,484	42,726,313
Public Health, Water and Environment	4	930,387	9,385,238	10,315,625	1,035,769	16,248,235	17,284,004
Disaster Risk Reduction and Emergency Response	4	932,135	16,004,706	16,936,841	1,472,410	37,448,239	38,920,649
<b>Total expenditure</b>		<b>11,900,028</b>	<b>75,681,523</b>	<b>87,581,551</b>	<b>14,479,906</b>	<b>123,367,377</b>	<b>137,847,283</b>
<b>Net income before transfers</b>		<b>(394,754)</b>	<b>1,431,681</b>	<b>1,036,927</b>	<b>4,636,921</b>	<b>(1,233,139)</b>	<b>3,403,782</b>
Transfers between Funds	12,13	392,257	(392,257)	-	293,386	(293,386)	-
<b>Net movement in funds</b>		<b>(2,497)</b>	<b>1,039,424</b>	<b>1,036,927</b>	<b>4,930,307</b>	<b>(1,526,525)</b>	<b>3,403,782</b>
<b>Balances brought forward</b>		<b>15,293,200</b>	<b>654,424</b>	<b>15,947,624</b>	<b>10,362,892</b>	<b>2,180,950</b>	<b>12,543,842</b>
<b>Balances carried forward</b>		<b>15,290,703</b>	<b>1,693,848</b>	<b>16,984,551</b>	<b>15,293,200</b>	<b>654,424</b>	<b>15,947,624</b>

The charity has no recognised gains and losses other than the results for the year as set out above. All of the activities of the charity are classed as continuing. The notes on pages 35 - 56 form part of these financial statements.

## Consolidated and Charity Balance Sheets as at 30 June 2022

Note	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £	
<b>FIXED ASSETS</b>					
Tangible assets	7	246,876	246,876	327,875	327,875
<b>CURRENT ASSETS</b>					
Debtors	8	20,570,084	18,678,497	19,350,105	19,184,509
Cash at bank and in hand	9	49,834,424	41,492,689	45,653,529	41,093,692
		70,404,508	60,171,186	65,003,634	60,278,201
CREDITORS: amounts falling due within one year	10	(50,207,905)	(43,433,511)	(48,498,609)	(44,658,452)
<b>NET CURRENT ASSETS</b>		<b>20,196,603</b>	<b>16,737,675</b>	<b>16,505,025</b>	<b>15,619,749</b>
<b>NET ASSETS</b>		<b>20,443,479</b>	<b>16,984,551</b>	<b>16,832,900</b>	<b>15,947,624</b>
<b>FUNDS</b>					
Restricted	13	4,449,849	1,693,848	783,604	654,424
Unrestricted - designated	12	1,793,386	1,432,337	2,777,416	2,279,084
Unrestricted - general	12	14,200,244	13,858,366	13,271,880	13,014,116
<b>Total</b>		<b>20,443,479</b>	<b>16,984,551</b>	<b>16,832,900</b>	<b>15,947,624</b>

The notes on pages 35 - 56 form part of these financial statements.

These financial statements were approved by the Board of Directors on 18 October and signed on their behalf by:

Iman Dakhil  
Board Chair, Mercy Corps Europe

Statement of Cash Flows and Consolidated Statement of Cash Flows for the year ended 30 June 2022

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
<b>Cash flows from operating activities</b>				
Net income	3,610,579	1,036,927	2,346,178	3,403,782
Income from investments	(12,053)	1,443	(16,738)	(17,022)
Depreciation	80,999	80,999	164,585	164,585
(Increase) in debtors	(1,219,979)	506,012	683,047	762,085
Increase in creditors	1,709,296	(1,224,941)	(15,894,265)	(17,803,628)
<b>Cash provided by / (used in) operating activities</b>	<b>4,168,842</b>	<b>440,440</b>	(12,717,193)	(13,490,198)
<b>Cash flows from investing activities</b>				
Interest received	12,053	(1,443)	16,738	17,022
Purchase of fixed assets	-	-	(5,165)	(5,165)
<b>Cash generated by / (used in) investing activities</b>	<b>12,053</b>	<b>(1,443)</b>	11,573	11,857
<b>Increase / (decrease) in cash and cash equivalents at the end of the year</b>	<b>4,180,895</b>	<b>398,997</b>	(12,705,620)	(13,478,341)
Cash and cash equivalents at the beginning of the year	45,653,529	41,093,692	58,359,149	54,572,033
<b>Total cash and cash equivalents at the end of the year</b>	<b>49,834,424</b>	<b>41,492,689</b>	45,653,529	41,093,692
<b>Cash and cash equivalents comprise:</b>				
Cash in hand	664	664	615	615
Bank accounts	49,833,760	41,492,025	45,652,914	41,093,077
<b>Total</b>	<b>49,834,424</b>	<b>41,492,689</b>	45,653,529	41,093,692

The notes on pages 35 - 56 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting Policies

Mercy Corps Europe is a company limited by guarantee incorporated in Scotland, United Kingdom. The registered office is 96/3 Commercial Street, Edinburgh, EH6 6LX and company number is SC208829. The charity is a "Public Benefit Entity".

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom, the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice – Accounting and Reporting by Charities (revised 2015) and in accordance with Financial Reporting Standard 102 (FRS 102). The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides of programming activity in Afghanistan, the Overseas Development Aid (ODA) reduction announced by the UK Government on one hand and the new funding due to aid alignment with UK foreign policy. The growing diversification of our donor portfolio with Swedish, French, Swiss and Dutch governments, including corporate foundations and trusts are resulting in upsides, offsetting the reduction with UK government and the declining impact of COVID-19 delays on the operations and its financial resources, the Group and Charity will have sufficient funds to meet its liabilities as they fall due for that period.

The cashflow forecast considered inflationary increases across people costs, utilities and external services to our base case and scenarios involving the movements above (overall net decrease in revenue to budget) and an increase in expenditure run rate beyond the budget period (Jul-Oct). The forecasts were also subject to stress-tests where unrestricted project income declined by a further 20% and costs remained consistent. A 20% reduction has been considered as the worst case possible downside scenario based on our experience of activities on government grants. Historically, we have seen pause and resumption of programmatic activity in Syria, Sudan, Somalia and Palestine and recently in Afghanistan. Our exposure to foreign exchange risk is managed by matching currencies. FX arising from funding in GBP, Euros or US dollars is managed by holding restricted donor funds in that currency until settled to the relevant country programme activity.

The Directors also considered where restricted income ceased, and its subsequent impact on the activities of the Charity. Owing to the nature of this restricted income, any cessation or reduction would be matched by an equal reduction in project expenditure, resulting in no impact on the financial position of the Charity during the normal course of business.

Consequently, the Directors are confident that the Group and Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### Fund accounting

The general fund is an unrestricted fund which is available for use, at the discretion of the directors, in furtherance of the general objectives of the charity and which has not been designated for other purposes.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the directors for particular purposes. There are two designated funds:

- a foreign exchange fund used to offset future foreign exchange losses.
- a fund to support the development of the European platform.

Restricted funds are funds to be used in accordance with specific restrictions imposed by donors.

#### Income

Income is recognised in the period in which there is legal entitlement, any performance conditions attached to the income have been met, the amount can be quantified with reasonable accuracy and there is probability of receipt.

Income is shown within four main categories in the Statement of Financial Activities: donations and legacies, investment income, income from charitable activities and gains on exchange.

#### Restricted income

Restricted income relates to funds received from sources which are subject to specific conditions imposed by the donor and binding on the company.

#### Revenue donations

The charity receives donations in cash, which are recognised on receipt in the statement of financial activities and income and expenditure account. Donations in kind are recognised at the value of the gift to the charity, as agreed between the donors and the directors of Mercy Corps Europe.

#### Income from charitable activities

This comprises grants and contracts which are recognised using the performance model. Funds are recognised as income from charitable activities once there is entitlement, reasonable probability of receipt and the amount can be measured with sufficient reliability. Many projects are funded on the basis of claims made for actual expenditure incurred and are subject to post-project operational and financial reports. There remains the possibility that certain expenditure may be disallowed, and all income may not be spent.

Where grant funding is received in advance of MCE meeting any performance-related conditions, receipts are credited to deferred income until such times as those conditions have been met. The donors have the right to repayment of disallowed expenditure and/or unused funds. Consequently, such income remains deferred until used or repaid, rather than being treated as unspent funds.

Funding is often received subject to match funding for a proportion of the total expenditure being available. Where the match funding has not yet been obtained a transfer from unrestricted to restricted funds is made. This is normally temporary and when the funding is subsequently obtained a transfer back to unrestricted funds is made. In the rare situations where match funding cannot be obtained the shortfall is either covered from unrestricted funds or by Mercy Corps Global (MCG) and the matched funding requirement would be met from this source.

#### Interest receivable

Interest is recognised in the income and expenditure account and the statement of financial activities in the period in which it is receivable.

#### Analysis of expenditure

Wherever possible, expenses are attributed to the expenditure on raising funds, or to the charitable activities directly. Where this is not possible, they are apportioned among the functions to which they relate on the basis of time allocation.

#### Pensions

The company contributes to defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the company. Contributions are charged to the income and expenditure account and the statement of financial activities in the period in which they are incurred.

#### Leasing and hire purchase agreements

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the income and expenditure account and the statement of financial activities over the period of the lease. Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against the income and expenditure account and the statement of financial activities as incurred.

#### Fixed assets

Fixed assets purchased directly by Mercy Corps Europe (MCE) with a cost exceeding £2,500 are included at cost. Donated fixed assets are included at fair market value having regard to the age and condition of the assets concerned. All assets financed by donor funding for specific projects are written off at the time of purchase through the statement of financial activities because in the majority of cases the projects are of limited duration and at the end of which the assets can be donated to the ongoing project. Therefore, such assets have not been incorporated in the balance sheet.

#### Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives or lease terms. The rates used are as follows:

Item	Rate
Leasehold improvements - London	21% straight line
Leasehold improvements – Edinburgh	10% straight line
Equipment	25% straight line
Computers	33% straight line

#### Overseas Operations/Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date with all foreign currency transactions for the year being translated at the official EC monthly rate. The exchange difference resulting from the restatement of the opening reserves denominated in foreign currencies, as at 30 June 2022, has been taken to the related reserves.

All transfers between foreign currency bank accounts are reflected in the financial statements at the average monthly rates applicable. Exchange gains or losses are treated as unrestricted except where restricted by contract and taken to the statement of financial activities and income and expenditure account.

Foreign exchange gains and losses are taken to the Statement of Financial Activities in the year in which they arise.

#### Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### Cash and Cash Equivalents

Cash and Cash equivalents comprise cash at bank and monies held in short term deposits. Cash and cash equivalents are measured at fair value.

#### Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a 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.

#### Financial Instruments

The charity 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.

#### Taxation status

The company is recognised by HM Revenue & Customs as a charity and accordingly is exempt from corporation tax on its charitable activities.

#### Value Added Tax

The company is not registered for VAT. Accordingly all expenditure is stated inclusive of VAT where applicable.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

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

In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.

Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

#### Group financial statements

The financial statements consolidate the results of the charity and its subsidiary Mercy Corps Netherlands (MCNL) on a line-by-line basis.

MCNL is an association having its corporate seat in the municipality of The Hague and offices at Fluwelen Burgwal 58, 2511 CJ Den Haag, Netherlands. Mercy Corps Netherlands (MCNL) is registered in The Hague, Netherlands as an Association under the Dutch Trade number 70333564 and came into operation on 19 December 2017. The relationship between MCE and MCNL is governed by a Governance Agreement and Memorandum of Understanding that also includes MCG and which covers matters relating to programmes, funding, governance, intellectual property and other legal affairs. MCNL is an affiliated entity, MCE has consolidated MCNL.

## 2. Income

### Donations and legacies - Group

	Group Unrestricted		Group Restricted		Totals	
	2022 £	2021 £	2022 £	2021 £	2022 £	2021 £
Donations in cash	490,034	757,762	4,319,399	-	4,809,433	757,762

### Donations and legacies - Charity

	Group Unrestricted		Group Restricted		Totals	
	2022 £	2021 £	2022 £	2021 £	2022 £	2021 £
Donations in cash	474,731	708,236	1,576,260	-	2,050,991	708,236

Restricted donations are held in the appropriate fund until they can be spent for the purposes for which they were given. Restricted donations vary from restricted grants in that the donor has placed restrictions on the nature of the spend, but not over the detailed expenditure itself.

During the year unconditional donations of £13,290 (2021: £1,000) were received from trustees.

### Income from charitable activities by Donor

Donor		Group	Charity	Group	Charity
		2022	2022	2021	2021
		£	£	£	£
<b>European Commission</b>	European Commission	13,587,378	12,563,534	11,540,959	11,540,959
	ECHO	(23,699)	(23,699)	7,906,459	7,906,459
	Total	13,563,679	12,539,835	19,447,418	19,447,418
<b>United Nations</b>	UNDP	-	-	(23,900)	(23,900)
	UNHCR	-	-	3,309	3,309
	UNLIFT	2,480	2,480	-	-
	UNOPS	-	-	(14,493)	(14,493)
Total	2,480	2,480	(35,084)	(35,084)	
<b>UK Government</b>	British Council	118,186	118,186	49,052	49,052
	DFID	9,120,843	9,120,843	42,844,807	42,844,807
	FCDO	20,146,392	20,146,392	16,079,161	16,079,161
	Scottish Government	109,415	109,415	19,789	19,789
Total	29,494,836	29,494,836	58,992,809	58,992,809	

**Income from charitable activities by Donor (Continued)**

<b>Non-UK Government</b>	French Government (AFD)	<b>9,497,637</b>	<b>9,497,637</b>	8,573,805	8,573,805
	GIPA	<b>20,241</b>	<b>20,241</b>	72,056	72,056
	GIZ	<b>993,514</b>	<b>993,514</b>	3,668,796	3,668,796
	Ministry of Foreign Affairs of UAE	-	-	585,670	585,670
	Dutch Ministry of Foreign Affairs	-	-	7,586,941	7,558,989
	Swedish International Development Agency (SIDA)	<b>11,476,953</b>	<b>11,476,953</b>	15,499,193	15,499,193
	Swiss Agency for Development and Cooperation (SDC)	<b>3,534,135</b>	<b>3,534,135</b>	1,795,422	1,795,422
	Belgian Development Agency	<b>107,498</b>	<b>107,498</b>	22,354	22,354
	Regional Development Programme for LB, JO & IQ	<b>1,107,224</b>	<b>1,107,224</b>	858,427	858,427
	Austrian Development Agency	<b>104,370</b>	<b>104,370</b>	-	-
	Dutch Embassy	<b>2,986,673</b>	<b>2,986,673</b>	-	-
	French Embassy	<b>3,260,625</b>	<b>3,260,625</b>	-	-
	Jersey Overseas Aid Commission	<b>(150,000)</b>	<b>(150,000)</b>	-	-
	Kingdom of the Netherlands	<b>329,261</b>	<b>329,261</b>	-	-
	MOFA (France) Crisis & Support Centre	<b>84,512</b>	<b>84,512</b>	-	-
	<b>Total</b>	<b>33,352,643</b>	<b>33,352,643</b>	38,662,664	38,634,712
	<b>Foundations, Corporates &amp; CSOs</b>	AB World Foods	<b>57,730</b>	<b>57,730</b>	13,747
Action Aid		<b>295,490</b>	<b>295,490</b>	348,898	348,898
Aga Khan Foundation		-	-	528,804	528,804
Artemis		-	-	(21,448)	(21,448)
Argidius		-	-	7,510	7,510
Asfari		<b>48,682</b>	<b>48,682</b>	97,136	97,136
Bayer Cares Foundation		<b>1,112,881</b>	-	375,319	-
Blockchain Charity Foundation		-	-	3,022	3,022
Cadena Guatemala		-	-	14,932	14,932
Cardno Emerging Markets		-	-	40,798	40,798
CARE		<b>2,790,928</b>	<b>2,180,558</b>	2,533,790	2,387,404
Climate KIC		<b>7,943</b>	<b>7,943</b>	45,265	45,265
Concern Worldwide		<b>85,852</b>	<b>85,852</b>	132,543	132,543
Cooperazione Internazionale		<b>260,284</b>	-	-	-
Cowater Sogema International		<b>351,113</b>	<b>351,113</b>	330,471	330,471
Crown Agents		<b>698,788</b>	<b>698,788</b>	1,033,447	1,033,447
Danish Refugee Council		<b>2,739,085</b>	<b>1,424,871</b>	5,091,536	4,654,303

**Income from charitable activities by Donor (Continued)**

Dubai Cares	<b>432,583</b>		287,898	-
Dynasafe Minetech Ltd	<b>314</b>	<b>314</b>	-	-
East-West Seed	<b>10,674</b>	-	30,036	30,036
EOSPHERE Ltd	<b>29,003</b>	<b>29,003</b>	62,329	62,329
Evergreen Renewable Co Limited	<b>(5,922)</b>	<b>(5,922)</b>	89,448	89,448
Expo DUBAI	-	-	159,430	159,430
Farm Africa	<b>166,079</b>	<b>166,079</b>	117,632	117,632
Frankfurt School	<b>91,415</b>	<b>91,415</b>	111,147	111,147
GOAL	-	-	1,384,932	1,384,932
Google	<b>7,068</b>	<b>7,068</b>	27,726	27,726
Handicap International	<b>(17,633)</b>	<b>(17,633)</b>	192	192
Heineken Africa Foundation	<b>163,961</b>	-	-	-
HIVOS	<b>25,294</b>	<b>25,294</b>	-	-
Human Dynamics	-	-	37,202	37,202
International Centre for Migration Policy Development	-	-	122,945	122,945
International Organisation for Migration	<b>552,350</b>	-	131,234	-
Initiative France	-	-	4,380	4,380
ICU	<b>93,393</b>	<b>93,393</b>	-	-
IPE	<b>106,147</b>	<b>106,147</b>	672,009	672,009
IRC	<b>1,462,044</b>	-	201,366	173,761
Irish Aid	<b>85,979</b>	-	124,626	-
KFW Development Bank	<b>1,629,208</b>	<b>1,629,208</b>	2,308,781	2,308,781
Konrad Adenauer Stiftung	-	-	5,038	5,038
Lloyds of London	<b>2,586</b>	<b>2,586</b>	10,648	10,648
Martin Bauer Group	-	-	13,409	13,409
NESTA	-	-	51,098	51,098
The Netherlands Enterprise Agency (RVO)	-	-	9,760	-
Netherlands Organisation for Scientific Research	-	-	46	46
Netherlands Water Partnership	<b>2,167</b>	-	7,396	-
NIRAS	-	-	15,957	15,957
Norwegian Refugee Council	<b>2,972,257</b>	<b>148,376</b>	3,499,611	2,649,155
Overseas Development Institute (ODI)	<b>49,631</b>	<b>49,631</b>	24,712	24,715
Oxfam	<b>569,576</b>	-	246,829	218,639
Oxford Policy Management Ltd	<b>(9,080)</b>	<b>(9,080)</b>	12,481	12,481
PATRIP Foundation	<b>624,643</b>	<b>624,643</b>	802,468	802,468
Peace Support Fund	<b>190,479</b>	<b>190,479</b>	255,380	255,380
People in Need	-	-	(42)	(42)
Pesitho Holdings	<b>70,128</b>	<b>70,128</b>	23,781	23,781
Play International	<b>166,495</b>	<b>166,495</b>	93,390	93,390
Porticus	<b>7,462</b>	<b>7,462</b>	8,067	8,067

**Income from charitable activities by Donor ( Continued)**

Practical Action	<b>3,942</b>	<b>3,942</b>	1,951	1,951
Private	-	-	(69,144)	(69,144)
Proparco	<b>323,623</b>	<b>323,623</b>	-	-
Rabobank Foundation	-	-	27,501	-
Rheatech	-	-	62,168	62,168
Save The Children	<b>32,899</b>	<b>32,899</b>	337	337
Shell	<b>558,894</b>	-	393,814	(338)
SNV Netherlands Development Org	<b>479,514</b>	<b>479,514</b>	643,431	643,431
Somalia Stability Fund	<b>(368)</b>	<b>(368)</b>	73,596	73,596
Solidarites International	<b>104,312</b>	-	-	-
Soneva	<b>146,976</b>	<b>146,976</b>	33,009	33,009
Spark	<b>1,975</b>	-	-	-
Start Network	<b>61,746</b>	<b>61,746</b>	335,755	335,755
Stichting Wageningen Research	<b>85,026</b>	-	52,013	-
Street Football World	-	-	(2,350)	(2,350)
Swiss Contact	<b>83,217</b>	<b>83,217</b>	164,883	164,883
Technical Centre for Agriculture	<b>12,058</b>	<b>12,058</b>	-	-
Trocaire	-	-	115,924	115,924
Twinings	<b>110,976</b>	<b>110,976</b>	135,700	135,700
Vitol	<b>384,105</b>	<b>384,105</b>	320,396	320,396
VSF International	<b>639,043</b>	<b>639,043</b>	944,292	944,292
Women for Women	-	-	15,418	15,418
Women's Refuge Commission (WRC)	<b>27,722</b>	<b>27,722</b>	-	-
World Vision	-	-	55,935	55,935
Worldfish	<b>83,933</b>	<b>83,933</b>	49,488	49,488
Zurich	<b>1,107,499</b>	<b>1,107,499</b>	634,047	634,046
<b>Total</b>	<b>22,174,169</b>	<b>12,022,998</b>	25,517,276	22,617,509
<b>Total</b>	<b>98,587,807</b>	<b>87,412,792</b>	142,585,083	139,657,364

**Total**
**Income from charitable activities by Region**

	<b>Group 2022 £</b>	<b>Charity 2022 £</b>	Group 2021 £	Charity 2021 £
Americas	<b>1,146,830</b>	<b>526,417</b>	1,602,925	1,574,735
Africa	<b>52,387,961</b>	<b>48,591,542</b>	67,032,960	66,248,163
Middle East	<b>34,556,447</b>	<b>28,953,897</b>	58,216,761	56,901,466
Asia	<b>8,917,513</b>	<b>8,068,584</b>	14,104,284	13,607,151
HQ Managed	<b>1,579,056</b>	<b>1,272,352</b>	1,628,153	1,325,849
<b>Total</b>	<b>98,587,807</b>	<b>87,412,792</b>	142,585,083	139,657,364

### 3. Team member numbers and costs

	2022	2021		
The average monthly number of team members was:	<b>158</b>	157		
Comprising - UK based employees	<b>101</b>	102		
Expat employees	<b>33</b>	37		
Continental Europe based employees	<b>24</b>	18		
	<b>Group 2022</b>	<b>Charity 2022</b>	<b>Group 2021</b>	<b>Charity 2021</b>
	£	£	£	£
Wages and salaries:				
Employed by the charity	<b>6,824,639</b>	<b>5,726,012</b>	7,640,075	6,819,877
Termination payment	-	-	25,000	25,000
(Less seconded to MCG & MCNL)	<b>(3,448,374)</b>	<b>(2,716,802)</b>	(2,670,225)	(2,151,281)
Field team members seconded from MCG	<b>19,124,681</b>	<b>16,832,257</b>	25,696,183	24,827,126
<b>Total</b>	<b>22,500,946</b>	<b>19,841,467</b>	30,691,033	29,520,722
Social security				
Employed by the charity	<b>671,239</b>	<b>595,289</b>	718,403	620,006
(Less seconded to MCG & MCNL)	<b>(289,497)</b>	<b>(266,681)</b>	(226,380)	(169,160)
<b>Total</b>	<b>381,742</b>	<b>328,608</b>	492,023	450,846
Other benefits				
Employed by the charity	<b>102,468</b>	<b>62,048</b>	-	-
(Less seconded to MCG & MCNL)	<b>(59,242)</b>	<b>(36,381)</b>	-	-
Field team members seconded from MCG	<b>8,130,206</b>	<b>7,080,895</b>	10,182,088	9,848,421
<b>Total</b>	<b>8,173,432</b>	<b>7,106,562</b>	10,182,088	9,848,421
Pension costs				
Employed by the charity	<b>396,038</b>	<b>351,327</b>	465,090	401,712
(Less seconded to MCG & MCNL)	<b>(202,673)</b>	<b>(173,749)</b>	(170,564)	(138,524)
<b>Total</b>	<b>193,365</b>	<b>177,578</b>	294,526	263,188
<b>Team Member Costs Total</b>	<b>31,249,485</b>	<b>27,454,215</b>	41,659,670	40,083,177

Salary Band	Group 2022 Number of Employees	Charity 2022 Number of Employees	Group 2021 Number of Employees	Charity 2021 Number of Employees
60-70k	<b>13</b>	<b>11</b>	15	14
70-80k	<b>12</b>	<b>9</b>	11	8
80-90k	<b>5</b>	<b>3</b>	5	4
90-100k	<b>6</b>	<b>5</b>	3	3
100 - 110k	<b>3</b>	<b>2</b>	3	3
110 - 120k	<b>2</b>	<b>2</b>	0	0
120 - 130k	<b>1</b>	<b>1</b>	1	1
150 - 160k	-	-	1	1
<b>Total</b>	<b>42</b>	<b>33</b>	39	34

Retirement benefits accrue to these employees under defined contribution schemes. Contributions made by the company on their behalf to secure benefits totalled £154,246 (2021: £154,192).

Mercy Corps Europe seconded equivalent of 25 team members within salary bands exceeding £60,000 to Mercy Corps Global in 2022 (2021: 18), and the equivalent of 7 team members with salary band exceeding £60,000 to Mercy Corps Netherlands (2021 : 2).

Key management remuneration (including National Insurance and Pension contributions) – comprising members of the European Senior Leadership Team and proportion of Global CEO's remuneration which relates to MCE - were as follows: -

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Total Employment Benefits	<b>1,118,917</b>	<b>925,146</b>	<b>981,332</b>	<b>886,837</b>

None of the Board of Directors (who are also Trustees) received any remuneration (2021: nil) from MCE. One MCE Director position was held successively in FY22 who was an employee of MCG, registered in the USA, a related party (see note 15), and received remuneration from MCG in respect of that employment as Global CEO. Their employment income from MCG is not in respect of their role as ex-officio directors of MCE. We recognise the position of Global CEO as Key Management Personnel of MCE, and £16,548 (2021 : £9,463) salary as the allocation of the remuneration related to MCE for this position was paid for by MCG therefore the remuneration figure included and relating to MCE is a proportion of the overall package that they receive which includes the benefits and allowances available to all US-based employees. The Global CEO is occupying multiple roles in the Global organization therefore the remuneration figure included and relating to MCE is a proportion of the overall package that they receive. This proportion uses an allocation basis considered reasonable to assign the Global salary based on time spent on MCE related work of 3% (2021: 3%). Expenditure of £29,114 (2021: £2,308) relating to all the directors was made during the year, either by the reimbursement of business expenses or payments to suppliers. The charity has third party indemnity insurance on behalf of the directors.

Pension costs relate to defined contribution pension schemes contributed to during the year. The funds in these schemes are held separately from the charity. Contributions of £51,644 (2021: £57,280) were outstanding at the year end.

#### 4. HQ support costs allocation – Unrestricted Funds

HQ support costs of £6.0m (2021: £6.6m) comprising Executive, Finance, Programmes, Fundraising, Governance, IT, Human Resources and Office Administration are allocated to the Statement of Financial Activities and Income and Expenditure account as per the following tables.

- Allocate IT, Office Administration and Human Resources to Executive, Finance, programmes and Fundraising on the basis of team members numbers.
- Allocate an element of remaining Fundraising costs to Expenditure on Raising Funds.
- Allocate an element of Fundraising, Executive, Finance and Programmes expenditure to Governance on the basis of time spent by departmental managers on governance matters.

##### Group

	2021 Costs £	2022 Costs £	Allocate Office Admin £	Allocate IT £	Allocate HR £	Allocate to Governance (note 5) £	Remove expenditure on raising funds £	To be allocated in stage 2 £
<b>Stage 1</b>								
Executive	247,078	245,580	27,013	7,576	41,495	(21,162)	-	300,502
Finance	1,215,640	1,284,756	292,845	59,629	365,769	(131,777)	-	1,871,222
Programmes	1,994,925	1,756,223	363,759	64,516	418,646	(171,259)	-	2,431,885
Fundraising	770,425	618,578	99,381	23,705	137,093	(57,813)	(439,378)	381,566
Human Resources	720,892	823,944	115,110	23,949	(963,003)	-	-	-
Governance	139,631	138,748	-	-	-	382,011	-	520,759
Office Administration	1,097,671	913,792	(913,792)	-	-	-	-	-
IT	100,809	163,691	15,684	(179,375)	-	-	-	-
<b>Totals</b>	<b>6,287,071</b>	<b>5,945,312</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(439,378)</b>	<b>5,505,934</b>

- Finally, the remaining unallocated Executive, Finance, Programmes, Fundraising and Governance costs are allocated to Expenditure in proportion to direct spend in those areas.

<b>Stage 2</b>	<b>Governance £</b>	<b>Executive £</b>	<b>Finance £</b>	<b>Programmes £</b>	<b>Fundraising £</b>	<b>2022 £</b>	<b>2021 £</b>
Civil Society, Education and Conflict Management	171,180	99,244	613,035	792,191	126,195	1,801,845	1,477,966
Economic Development	187,738	107,624	677,730	887,680	136,386	1,997,158	1,893,813
Public Health, Water and Environment	66,032	37,017	242,077	325,153	46,588	716,867	912,579
Disaster Risk Reduction and Emergency Response	95,808	56,616	338,381	426,861	72,397	990,063	1,477,013
<b>Totals</b>	<b>520,758</b>	<b>300,501</b>	<b>1,871,223</b>	<b>2,431,885</b>	<b>381,566</b>	<b>5,505,933</b>	<b>5,761,371</b>

Cost allocation includes an element of judgement and the charity has to bear in mind the cost / benefit of undertaking detailed calculations.

#### Charity

	2021 Costs £	2022 Costs £	Allocate Office Admin £	Allocate IT £	Allocate HR £	Allocate to Governance (note 5) £	Remove expenditure on raising funds £	To be allocated in stage 2 £
<b>Stage 1</b>								
Executive	247,075	228,683	27,013	7,576	41,495	(20,050)	-	284,717
Finance	1,212,325	1,164,309	212,616	59,629	326,610	(115,998)	-	1,647,166
Programmes	1,851,344	1,520,815	230,044	64,516	353,381	(142,681)	-	2,026,075
Fundraising	770,036	604,933	84,522	23,705	129,841	(55,461)	(421,501)	366,039
Human Resources	690,751	741,982	85,396	23,949	(851,327)	-	-	-
Governance	139,631	138,748	-	-	-	334,190	-	472,938
Office Administration	708,486	655,276	(655,276)	-	-	-	-	-
IT	100,809	163,690	15,685	(179,375)	-	-	-	-
<b>Totals</b>	<b>5,720,457</b>	<b>5,218,436</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(421,501)</b>	<b>4,796,935</b>

<b>Stage 2</b>	<b>Governance £</b>	<b>Executive £</b>	<b>Finance £</b>	<b>Programmes £</b>	<b>Fundraising £</b>	<b>2022 £</b>	<b>2021 £</b>
Civil Society, Education and Conflict Management	157,174	94,621	547,413	673,338	121,648	1,594,194	1,452,288
Economic Development	167,889	101,072	584,731	719,241	129,942	1,702,875	1,616,381
Public Health, Water and Environment	55,973	33,697	194,947	239,791	43,322	567,730	653,872
Disaster Risk Reduction and Emergency Response	91,901	55,326	320,075	393,705	71,129	932,136	1,472,410
<b>Totals</b>	<b>472,937</b>	<b>284,716</b>	<b>1,647,166</b>	<b>2,026,075</b>	<b>366,041</b>	<b>4,796,935</b>	<b>5,194,951</b>

## 5. Governance costs

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
External Audit	99,597	79,000	149,679	108,003
Trustees' indemnity insurance	10,511	7,078	5,320	5,320
Trustees' expenses	-	-	2,308	2,308
Professional Fees	139,466	117,641	79,938	24,000
Apportionment of senior team members costs (based on time spent)	382,011	334,190	404,437	367,160
<b>Total</b>	<b>635,008</b>	<b>541,332</b>	<b>641,682</b>	<b>506,791</b>

## 6. Net income / (expenditure) for the year is stated after charging

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Depreciation	80,999	80,999	164,585	164,585
Operating lease rentals – land and buildings	377,206	332,895	353,282	341,955
Operating lease rentals – other	14,098	14,098	21,011	21,011
Auditors' remuneration – in respect of the audit	103,020	82,423	149,679	108,004
<b>Total</b>	<b>575,323</b>	<b>510,415</b>	<b>688,557</b>	<b>635,555</b>

## 7. Tangible Fixed Assets

	Leasehold improvements London £	Leasehold improvements Edinburgh £	Computers £	Equipment £	Total £
Cost					
At 1 July 2021	365,733	395,549	267,809	101,076	1,130,167
Additions	-	-	-	-	-
<b>At 30 June 2022</b>	<b>365,733</b>	<b>395,549</b>	<b>267,809</b>	<b>101,076</b>	<b>1,130,167</b>
Depreciation					
At 1 July 2021	338,484	111,805	254,000	98,003	802,292
Charge for year	27,249	40,503	10,307	2,940	80,999
<b>At 30 June 2022</b>	<b>365,733</b>	<b>152,308</b>	<b>264,307</b>	<b>100,943</b>	<b>883,291</b>
<b>Net Book Value at 30 June 2022</b>	<b>-</b>	<b>243,241</b>	<b>3,502</b>	<b>133</b>	<b>246,876</b>
Net Book Value at 30 June 2021	27,249	283,744	13,809	3,073	327,875

MCNL do not have any fixed assets to be reported as at 30 June 2022.

## 8. Debtors

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Income tax recoverable	-	-	16,569	16,569
Other debtors	2,160,141	2,043,402	2,988,016	2,974,508
Intercompany	-	20,581	-	-
Prepayments	273,348	255,241	250,120	238,316
Accrued project income	18,136,595	16,359,273	16,095,400	15,955,116
<b>Total</b>	<b>20,570,084</b>	<b>18,678,497</b>	<b>19,350,105</b>	<b>19,184,509</b>

Accrued project income relates to funds due from donors for projects in which expenses have already been paid by Mercy Corps Europe as at 30 June 2022.

## 9. Cash in Bank and in Hand

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Bank accounts	49,833,760	41,492,025	45,652,914	41,093,077
Cash in hand	664	664	615	615
<b>Total</b>	<b>49,834,424</b>	<b>41,492,689</b>	<b>45,653,529</b>	<b>41,093,692</b>

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

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Deferred income	29,577,005	25,130,268	23,786,881	21,193,341
Intercompany balance	11,768,968	9,892,117	14,178,460	13,053,958
Accruals	577,283	280,079	1,771,438	1,721,686
Taxation and social security	184,799	163,633	168,349	158,580
Other creditors	8,099,850	7,967,414	8,593,481	8,530,887
<b>Total</b>	<b>50,207,905</b>	<b>43,433,511</b>	<b>48,498,609</b>	<b>44,658,452</b>

Deferred income above relates to project income received in advance, or the balance of income held for projects, which performance related conditions have not been met. Mercy Corps Global (MCG) intercompany balance represents funds owed by the charity to MCG for funding advances to the charity's projects and in respect of the settlement of expenditure between Headquarters.

	Group £	Charity £
At 1 July 2021	23,786,881	21,193,341
Transfer from accrued project income	(16,095,400)	(15,955,116)
Currency	(812,534)	(916,966)
Grant funds received in year	78,675,256	67,763,260
Grant funds spent during year	(74,113,793)	(63,313,524)
Transfer to accrued project income	18,136,595	16,359,273
<b>At 30 June 2022</b>	<b>29,577,005</b>	<b>25,130,268</b>

## 11. Operating lease commitments

### Group and Charity

The total future minimum lease commitments under non-cancellable operating leases expiring as follows:

	Land and Buildings £	Other £	2022 £	2021 £
In less than 1 year	318,432	28,561	346,993	374,293
In 2 to 5 years	179,954	6,310	186,264	749,954
Over 5 years	-	-	-	-
<b>Total</b>	<b>498,386</b>	<b>34,871</b>	<b>533,257</b>	<b>1,124,247</b>
Lease payments recognised as an expense			366,382	362,858

## 12. Unrestricted funds

### Group

	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers (Out) / In £	Balance at 30 June 2022 £
General Funds	13,271,879	13,162,965	(12,626,857)	392,257	14,200,244
Designated Funds					
Foreign Exchange	2,327,417	-	(984,301)	-	1,343,116
European Platform	450,000	-	-	-	450,000
Total: Designated Funds	2,777,417	-	(984,301)	-	1,793,116
<b>Total</b>	<b>16,049,296</b>	<b>13,162,965</b>	<b>(13,611,158)</b>	<b>392,257</b>	<b>15,993,360</b>

### Charity

	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers (Out) / In £	Balance at 30 June 2022 £
General Funds	13,014,116	12,352,021	(11,900,027)	392,257	13,858,367
Designated Funds					
Foreign Exchange	1,829,084	-	(846,748)	-	982,336
European Platform	450,000	-	-	-	450,000
Total: Designated Funds	2,279,084	-	(846,748)	-	1,432,336
<b>Total</b>	<b>15,293,200</b>	<b>12,352,021</b>	<b>(12,746,775)</b>	<b>392,257</b>	<b>15,290,703</b>

## 12. Unrestricted funds (cont)

### Group and Charity

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers (Out) / In £	Balance at 30 June 2021 £
<b>General Funds</b>	9,939,007	18,615,214	(15,046,519)	(235,822)	13,271,880
<b>Designated Funds</b>					
Dilapidations					
Foreign Exchange	1,078,084	720,124	-	529,208	2,327,416
European Platform	450,000	-	-	-	450,000
New Modalities					
Total: Designated Funds	1,528,084	720,124	-	529,208	2,777,416
<b>Total</b>	<b>11,467,091</b>	<b>19,335,338</b>	<b>(15,046,519)</b>	<b>293,386</b>	<b>16,049,296</b>

The directors have reviewed unrestricted funds and their potential use and are mindful of future calls on the funds which they now specifically designate as above.

The transfer into general funds in the year was £392,257 (2021: £293,386). There was a net increase as a result of foreign exchange of £392,257 (2021: £293,386).

## 13. Restricted funds

### Group

	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers (Out) / In £	Balance at 30 June 2022 £
Grants	(60,983)	90,222,244	(86,163,743)	870,305	4,867,823
Donations	844,588	-	-	(1,262,562)	(417,974)
<b>Total</b>	<b>783,605</b>	<b>90,222,244</b>	<b>(86,163,743)</b>	<b>(392,257)</b>	<b>4,449,849</b>

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers (Out) / In £	Balance at 30 June 2021 £
Grants	(2,538)	124,683,370	(126,632,884)	1,891,068	(60,984)
Donations	3,022,169	8,988	(2,115)	(2,184,454)	844,588
<b>Total</b>	<b>3,019,631</b>	<b>124,692,358</b>	<b>(126,634,999)</b>	<b>(293,386)</b>	<b>783,604</b>

## Charity

	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers (Out) / In £	Balance at 30 June 2022 £
Grants	(10,908)	<b>77,113,204</b>	<b>(75,681,524)</b>	<b>870,305</b>	<b>2,291,077</b>
Donations	665,333	-	-	<b>(1,262,562)</b>	<b>(597,229)</b>
<b>Total</b>	<b>654,425</b>	<b>77,113,204</b>	<b>(75,681,524)</b>	<b>(392,257)</b>	<b>1,693,848</b>

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers (Out) / In £	Balance at 30 June 2021 £
Grants	(1,640)	<b>122,125,250</b>	<b>(123,365,263)</b>	<b>1,230,744</b>	<b>(10,909)</b>
Donations	2,182,590	<b>8,988</b>	<b>(2,115)</b>	<b>(1,524,130)</b>	<b>665,333</b>
<b>Total</b>	<b>2,180,950</b>	<b>122,134,238</b>	<b>(123,367,378)</b>	<b>(293,386)</b>	<b>654,424</b>

Transfer in to Restricted Grants of £870,305 (2021: Transfer in of £1,891,067) comprises restricted donations used to cover programmatic expenditure in line with the terms of the donation. The transfer out of donations of £1,262,562 (2021: £2,184,454) includes the transfers in to Restricted Grants, along with the replenishment of General Funds for programme expenditure that was previously covered temporarily from unrestricted reserves, where co-financing has now been secured. These movements show a net transfer out of £392,257 (2021: net transfer out £293,386).

Restricted Funds are country or project specific and allocated to projects as expenditure is incurred. The balances held on individual restricted funds are listed below.

### Nature of Restriction

		Balance at 30 June 2022 £	Balance at 30 June 2021 £
To co-finance projects	Central African Republic	<b>13,639</b>	13,639
	Gaza	<b>12,041</b>	10,250
	Iraq	<b>13,446</b>	13,446
	Lebanon	<b>41,045</b>	41,169
	Nepal	<b>29,818</b>	-
	Niger	<b>28,867</b>	-
	Syrian Arab Republic	<b>59,139</b>	57,848
	Yemen - 1	<b>13,364</b>	13,364
	Yemen - 2	<b>3,569</b>	10,876
	Other	COVID-19 Resilience Fund	<b>67,912</b>
Ukraine		<b>4,160,674</b>	-
Other funds (under £10,000)		<b>6,335</b>	36,647
<b>Total</b>		<b>4,449,849</b>	783,282

## 14. Analysis of Net Assets between Restricted and Unrestricted Funds

### Group

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Tangible fixed assets	<b>246,876</b>	-	<b>246,876</b>	327,875
Other net assets	<b>15,746,754</b>	<b>4,449,849</b>	<b>20,196,603</b>	16,505,025
<b>Total</b>	<b>15,993,630</b>	<b>4,449,849</b>	<b>20,443,479</b>	16,832,900

### Charity

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Tangible fixed assets	<b>246,876</b>	-	<b>246,876</b>	327,875
Other net assets	<b>15,043,827</b>	<b>1,693,848</b>	<b>16,737,675</b>	15,619,749
<b>Total</b>	<b>15,290,703</b>	<b>1,693,848</b>	<b>16,984,551</b>	15,947,624

### Group and Charity

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Tangible fixed assets	<b>327,875</b>	-	<b>327,875</b>	487,295
Other net assets	<b>15,721,420</b>	<b>783,605</b>	<b>16,505,025</b>	13,999,427
<b>Total</b>	<b>16,049,295</b>	<b>783,605</b>	<b>16,832,900</b>	14,486,722

## 15. Related Party transactions

Mercy Corps Global (MCG) is a charitable company registered in the United States of America. The registered office is 45 SW Ankeny Street, Portland Oregon 97204.

As detailed in the Trustees Annual Report, Mercy Corps Europe works with MCG globally to deliver services in the name of Mercy Corps.

In recognition of this joint arrangement the following directors of Mercy Corps Europe were also directors of Mercy Corps Global and Mercy Corps Netherlands during the year.

Name	Title	Related Party
Iman Dakhil	Chair of the Board of Mercy Corps Europe	MCNL, MCG
Tjada D'Oyen McKenna	Chief Executive Officer of Mercy Corps Global	MCNL General Meeting, MCG

No directors received any remuneration from Mercy Corps Europe. During FY22, one MCE director position was held by Tjada D'Oyen McKenna. They were an employee of and remunerated by Mercy Corps Global, registered in the USA, in respect of that employment relationship and services provided to MCG. As explained in note 3, the Director position received remuneration from MCE for time spent on MCE related work via a related party transaction with MCG. Mercy Corps Europe, Mercy Corps Global and Mercy Corps Netherlands work closely together under two

Memorandums of Understanding. In some instances, organisations will pool administrative and technical resources for the benefit of their respective projects. In such cases a re-charge of the actual costs incurred will be made between Mercy Corps Europe, Mercy Corps Global and Mercy Corps Netherlands.

For the purposes of this note, related party transactions include (a) any expenditure made by Mercy Corps Europe on behalf of Mercy Corps Global, (b) any expenditure made by Mercy Corps Global HQ or field offices in relation to Mercy Corps Europe core HQ departments and (c) any expenditure made by Mercy Corps Europe on behalf of Mercy Corps Netherlands. Direct expenditure by field offices and / or Mercy Corps Global on Mercy Corps Europe or Mercy Corps Netherlands programmatic activity is not treated as related party expenditure.

During the year the following transactions arose:

Expenditure on behalf of Mercy Corps Global by Mercy Corps Europe: £2,453,773 (2021: £2,976,385).

Expenditure on behalf of Mercy Corps Europe by Mercy Corps Global: £381,160 (2021: £397,621).

Expenditure on behalf of Mercy Corps Europe by Mercy Corps Netherlands: £455,883 (2021: £279,806).

At the year-end MCE's liability with MCG was £9,871,536 (2021: £13,053,958).

At the year-end MCNL's liability with MCE was £20,581 (2021: £9,037).

## 16. Contingencies

The directors have confirmed that there were no contingent liabilities which should be disclosed at 30 June 2022 (2021 none).

## 17. Capital Commitments

The directors have confirmed that there were no capital commitments at 30 June 2022.

## 18. Ultimate Controlling Party

The company is limited by guarantee and the directors have each agreed to contribute £1 in the event of the company being wound up. The directors control the company.

In view of the global nature of work undertaken by Mercy Corps, the agency to which Mercy Corps Europe contributes and the joint management that is exercised by JBEC, Mercy Corps will produce consolidated accounts which include the results of MCE. The next period of consolidation will be for the year ended 30 June 2023.

## 19. FCDO– Schedule to Financial Statements

Projects implemented on behalf of the Foreign, Commonwealth and Development Office (FCDO) during period from 1 July 2021 to 30 June 2022. We certify that each of the FCO grants below were expended in accordance with the terms agreed with FCDO.

Country	Cost Centre	Instalments received/ (returned) £	Expended during the financial year £
Democratic Republic of Congo	91083	1,935,954	1,882,099
Democratic Republic of Congo	91412	-	96,837
Democratic Republic of Congo	91499	5,572,705	7,079,457
Democratic Republic of Congo	91551	5,714,676	4,324,530
Iraq	91251	-	350,276
Iraq	91387	(3,504)	24,216
Jordan	91146	72,874	228,490
Mali	91462	467,799	514,355
Mali	91537	592,815	2,126,266
Myanmar	91550	350,688	330,174
Nepal	91220	127,968	9,439
Nepal	91473	406,094	146,347
Nepal	91514	24,770	-
Nigeria	91271	(264,295)	2,533
Syria	91517	741,726	808,096
Syria	91528	6,000,000	5,599,220

FCDO supports Mercy Corps work in numerous countries to meet urgent humanitarian needs, provide long-term and innovative solutions in economic recovery, resilience building, food security, peace and conflict management, water and sanitation and girls' education, and support social cohesion and peaceful solutions as well as economic opportunities for vulnerable groups.

## 20. British Council - Schedule to Financial Statements

Projects implemented on behalf of British Council during the period from 1 July 2021 to 30 June 2022. We certify that each of the British Council grants below were expended in accordance with the terms agreed with British Council.

Country	Cost Centre	Instalments received/ (returned) £	Expended during the financial year £
Myanmar	91515	51,889	99,470

The British Council supports Mercy Corps work to support community-based dispute resolution and vocational training.

## 21. Financial Instruments

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
<b>Carrying amount of financial assets</b>				
Debt instructions measured at amortised cost	<b>2,658,552</b>	<b>2,541,814</b>	3,004,585	2,974,509
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	<b>20,944,514</b>	<b>18,617,442</b>	24,543,378	23,306,530

Debt instruments measured at amortised cost comprises trade debtors, other debtors, and amounts owed by group undertakings.

Liabilities measured at amortised cost comprises trade creditors, payments received on account, accruals, other creditors, and amounts due to group undertakings.

## 22. Affiliates

The following company has been fully consolidated into the account of MCE:-

Jointly Controlled entity	Principle Activity
Mercy Corps Netherlands	Public benefit entity

### Results of affiliate for the year ended 30 June 2021

	Turnover £	Expenditure £	Net Profit £	Aggregate net assets £
<b>Mercy Corps Netherlands</b>	13,782,747	11,209,094	2,573,653	3,458,928

## OUR SUPPORTERS

The work of Mercy Corps globally would not be possible without the support of Mercy Corps Europe's many partners and funders, both private and public. We would like to take this opportunity to thank all those listed below, all those who participated in or supported events on behalf of Mercy Corps Europe and all of our volunteers who gave up their time in the past year. Thank you also to our supporters who wish to remain anonymous.

### Grants and Funders

Action Aid  
Aga Khan Foundation  
Agence Francaise de Development (AFD)  
Austrian Development Agency  
Belgian Government  
British Council  
Care  
Concern Worldwide  
CoWater Sogema  
Danish Government Overseas Aid (DANIDA)  
Danish Refugee Council  
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)  
Dutch Ministry of Foreign Affairs  
European Commission (EC)  
European Humanitarian Aid and Civil Protection (ECHO)  
Farm Africa  
Foreign, Commonwealth & Development Office (FCDO)  
French Ministry of Foreign Affairs  
Human Dynamics  
International Organisation for Migration  
Initiative For The Palestinian Economy (IPE)  
International Rescue Committee (IRC)  
Italian Development Cooperation  
Irish Aid  
Jersey Overseas Aid  
KFW Development Bank  
Netherlands Development Organisation (SNV)  
Norwegian Refugee Council (NRC)  
Oxfam  
Overseas Development Institute (ODI)  
PATRIP Foundation  
Paung Sie Facility  
Pesitho  
Save the Children  
Scottish Government  
Soneva SLOW LIFE Trust  
SPARK  
Start Network  
Swedish International Development Agency (SIDA)  
Swiss Agency for Development and Cooperation (SDC)  
Swiss Contact  
UK Space Agency  
Veterinaires Sans Frontieres (VSF)  
Wageningen Centre for Development Innovation  
Women's Refugee Commission  
World Vision  
Worldfish

### Corporate & Foundations

AB World Foods  
Allianz  
Argidius Foundation  
Asfari Foundation  
Bayer AG  
Bayer Cares Foundation  
Bayer PACA  
Bolt  
Dubai Cares  
East West Tea Company  
Expo 2020 DUBAI  
Global Warriors  
Golden Peaks Capital Foundation  
Google For Startups  
Heineken Africa Foundation  
Harperstown Power Ltd  
International Foundation of Sport, Tourism and Youth  
Liberty Bank  
Lloyds of London  
Novo Nordisk Fonden  
Shell PLC  
Soneva Foundation  
Surgo Foundation  
The Hollyhock Charitable Foundation  
The Mickel Fund  
Twinings  
Vitol Foundation  
YSC Limited  
Z Zurich Foundation

### Organisations

2 Bedford Row  
18 St John Street Chambers  
Dumfries Musical Theatre Company  
Nomads Tent  
Pitlochry Station Charity Bookshop  
The Bellinger Donnan Charitable Trust  
The Grace Trust  
The St Mary's Charity

In addition, in FY21 Mercy Corps Europe also gratefully received donations from local organisations including schools, community and religious groups.

## OUR ADVISORS

---

### External Auditors

#### **KPMG LLP**

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

### Bankers

#### **Bank of Scotland**

Community Banking  
2nd Floor  
38 St Andrew Square  
Edinburgh  
EH2 2YR

#### **NatWest**

Edinburgh Commercial Banking Office  
2nd Floor, The Gemini Building  
24/25 St Andrew Square  
Edinburgh  
EH2 1AF

#### **Rabobank**

Bezuidenhoutseweg 5  
2594AB Den Haag  
Postbus 11695, 2502AR Den Haag  
Netherlands

#### **Barclays**

Level 11  
1 Churchill Place  
London  
EH14 5HP

### Registered Office

Mercy Corps Europe  
96/3 Commercial Quay  
Edinburgh  
EH6 6LX

Tel: +44 (0)131 662 5160  
Fax: +44 (0)131 662 6648  
Email: [eu-info@mercycorps.org](mailto:eu-info@mercycorps.org)  
Website: [www.mercycorps.org.uk](http://www.mercycorps.org.uk)

Mercy Corps Europe is a registered charity no: SC030289  
Company registered in Scotland no: S208829

### Lawyers

#### **Morton Fraser**

Quartermile Estates Ltd  
2 Lister Square  
Edinburgh  
EH3 9GL

#### **Addleshaw Goddard LLP**

Exchange Tower  
19 Canning Street  
Edinburgh  
EH3 8EH

#### **Squire Patton Boggs**

7 Devonshire Square  
London  
EC2M 4YH

Back Page Photograph: April 2022, Lviv, Ukraine. Valeria Stashkin holds her one year-old daughter Eugenia in a theater which has been turned into a shelter for those fleeing the war. © Ezra Millstein/Mercy Corps



**MERCY  
CORPS**



## **MERCY CORPS EUROPE**



96/3 Commercial Quay, Edinburgh, EH6 6LX  
Tel +44 (0)131 662 5160  
Fax +44 (0)131 662 6648