

Company no. 3772652
Charity no. 1078768

People In Aid
Report and Financial Statements
31 March 2009

People In Aid

Reference and administrative details

For the year ended 31 March 2009

Company number	3772652	
Charity number	1078768	
Registered office and operational address	The Resource Centre 356 Holloway Road London N7 6PA	
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:	
	Neil Casey	
	Richard DaCosta	
	Idrissa Doucoure	
	Ruth Fraser	resigned 10 September 2008
	Jim Emerson	
	Brian K Martin	
	Richard Marshall	
	Martin McCann	appointed 24 July 2008
	Duncan Milroy	
	June Nash	resigned 19 November 2008
	Roger Smith	resigned 29 April 2009
	Simon Springett	
	Simon Thompson	appointed 19 November 2008
	Ann-Marie Wilson	
	Anne Wozencraft	
Principal staff	Jonathan Potter	Executive Director and Company Secretary
Bankers	COIF Charity Funds 80 Cheapside London EC2V 6DZ	CAF Bank Ltd PO Box 289 West Mailing Kent ME19 4TA
	Co-operative Bank PO Box 250 Delf House Skelmersdale WN8 6WT	
Solicitors	Bates Wells Braithwaite 2-6 Cannon Street London EC4M 6YH	
Auditors	Sayer Vincent Chartered accountants and registered auditors 8 Angel Gate City Road London EC1V 2SJ	

People In Aid

Report of the trustees

For the year ended 31 March 2009

The trustees present their report and the audited financial statements for the year ended 31 March 2009.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005).

Chair's statement, from Roger Smith, Director HR and Education Services at British Red Cross.

One of the challenging things about being a trustee, in my case the Chairman of People In Aid, is keeping pace with everything our organisation achieves. The executive team are tireless in delivering support to our members and our potential members. I've said many times before, we punch well above our weight and our stakeholders really recognise this.

This year particularly has seen the team:

- Continue to produce and deliver quality services responding to sector-wide needs;
- Focus on key internal needs such as communications capability and being staffed ready to face the future;
- Reach key new audiences, particularly line managers and those working in countries where members' work is carried out.

In the background the Board has been working to develop the strategic plan. We've also been working to ensure the complete integration of our Finance, Business and Strategic planning and developed a framework for monitoring and review. Key to our new plan is that we have been able to identify a range of performance indicators that will form a dashboard of information that enables us to track progress against the plan. This is all part of the development of People in Aid and the need we have to demonstrate accountability.

Key to the development of the plan has been our ability to identify four priority objectives to support the executive. They are:

- Maintain a dynamic standard of human resource management in the Code of Good Practice;
- Promote good practice in human resource management within the People in Aid network, and beyond;
- Provide a range of resources to improve and build capacity in human resource management;
- Provide recognition of achievements in good practice.

We are clearly engaging more with NGO and individuals in the South. Numerous and diverse contacts across East Africa through EPN provide a great vehicle for engagement. Our representatives in Australia continue to build links across the Pacific and the Region in general and our work in Central America is slowly growing. One key element of the Board's work this year has been to look at ways of expanding our International Programme and engagement with Stakeholders worldwide and I know this will continue during the next part of our development.

It's a challenging agenda for us especially in respect of the economic environment in which we work.

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Report of the trustees

For the year ended 31 March 2009

This is my last year as Chairman, but as I stand down and Neil Casey takes over, I continue to pledge ongoing support and engagement from the Red Cross and myself. This is a fantastic organisation that I know is making a difference to aidworkers across the world.

People In Aid was established as a company limited by guarantee and not having share capital by its Memorandum and Articles of Association on 31st March 1999 (No. 3772652). It achieved charitable registration later that same year under charity number 1078768. Its mission is to help organisations whose goal is the relief and reduction of poverty and suffering, to enhance the impact they make through better people management and support. It does this by working with humanitarian and development agencies to promote good practice in the management and support of their personnel.

Governance

People In Aid is a membership organisation, working with and for its members and the wider humanitarian and development sector. Our activities reflect the priorities of members and in shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit.

People In Aid is governed by a Board of Trustees who are elected by the member organisations at Annual General Meetings. The Articles of Association permit up to 15 trustees, but throughout the year the actual number of trustees has varied between 13 and 14. A maximum of 5 'independent' Trustees can be co-opted from outside People In Aid's membership. During the year the AGM agreed to changes to the Memorandum and Articles of Association, to conform to the Companies Act 2006 and to incorporate existing good practice. They covered areas such as conflict of interest, use of technology in decision-making and elimination of the Chair's casting vote. Also during the year a decision was made to register People In Aid as a foreign entity in Australia: this allows our consultants to work more effectively and to raise funds, while not taking any governance or financial powers out of the hands of the Board in England and Wales.

During the year there were 10 People In Aid members represented on the Board of Trustees. At the end of the year there were 5 independents. During the year 2 Trustees were coopted and elected, both through open recruitment processes. Trustees are selected on their fit with the Board's needs, based on an annually-updated chart of 'perspectives' which reveals areas where more experience or knowledge would be valuable. Individual induction was carried out for all new Trustees. Following the review mentioned last year, the Trustees made the Director's salary review process more transparent, reviewed the Board's structure and focussed, during the planning process, on strategic priorities for 2009-12. Trustee succession planning, alongside a review of the perspectives and a peer appraisal will take place in summer 2009.

The Trustees meet five times a year. One of these meetings was a full-day strategy discussion, and risks are considered at every meeting, sometimes in the form of an environmental scan to gauge future risks and opportunities. There are two sub-committees tasked to advise and make recommendations to the Board. These are the Finance and Resources sub-committee (FR) and the Organisational Risk and Governance sub-committee (ORG). The ORG oversees the proper governance functioning of the Board, including recruitment and appraisal, and has oversight of the risk management processes. The FR oversees financial and staff issues ensuring that financial policies exist and are regularly reviewed, and that financial risks are regularly assessed. Day-to-day management of the organisation is delegated to the Executive Director.

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Report of the trustees

For the year ended 31 March 2009

As pledged in last year's report, the Board concentrated on firming up the full business cycle. During the year the Board produced a strategic plan for 2009-12, slightly altering the priorities and reducing the number of measures (key performance indicators KPIs). A coherent annual business cycle was produced, the executive's business plan for the period was approved, and a reporting format established.

The Board's KPIs for the organisation were tested again on members, with 57% of members responding. Improvements from last year included the Code's usefulness as a resource and People In Aid's role as a forum for new ideas. We need to provide more evidence we are having an impact. A second survey, focussing on communications, brought in responses from those not usually asked, including member employees in the field. It was encouraging that field contacts felt more strongly that we helped their agency improve and build capacity in HR. Some of the field respondents' comments were: "Provides excellent resource for HR professionals, encourages good people management and commitment to good practices, in addition to written policies" and listing key member benefits as being "Independence of perspective - an external standard; sharing best practice; obliging us to be accountable".

The four strategic objectives of People In Aid for the year remained to:

- maintain a dynamic standard of human resource management in the Code of Good Practice;
- provide a range of resources to improve and build capacity in human resource management;
- promote good practice in human resource management within the People In Aid network, and beyond;
- provide recognition of achievements in good practice.

Achievements and performance

In last year's report we identified that recognition of agencies' performance and extension, internationally, of our impact and range of services would be key foci for the year. As last year, metrics have all gone in the right direction, with more members, more certification, more output, and a geographically wider reach. Expenditure increased by 7.7% reflecting the greater activity, and income decreased by 8%. Overall People In Aid continues to offer its members, the sector and its donors extraordinary value-for-money.

Throughout 2008-09 the Board received detailed operational reports at each Board meeting and was satisfied that the activities and achievements of the organisation during the year were successfully fulfilling the objectives. Funds were spent on a continued wide range of high-quality, well-received, and operationally relevant products and services for the humanitarian and development sector and once again the relevance, quality and practical side to our services were praised (just 1.3% survey respondents disagreeing with this).

We remain responsive to our members: in the 2007 survey they said we did not promote ourselves well enough so we commissioned consultants to analyse our message and our communication needs. Their interviews and survey results inform this report and their recommendations, delivered to us at the end of March, will focus our communications more effectively.

People In Aid

Report of the trustees

For the year ended 31 March 2009

The network: membership of People In Aid grew again, with good diversity, showing the perceived value of the network and its services. At April 2008 membership was 131 and by the end of the year had grown to 143 (9.5% increase). We welcomed two federations into the membership: CARE International and the 13 members of its federation, and ActionAid International and its associates. The financial downturn was beginning to hit by the year-end and we have already lost members sadly unable to find the modest fee in their unrestricted budgets. We nearly hit our target of 15 members from the South (14) but recognise this is still low. Members are of all sizes and are based in 29 countries ('08: 27).

In January we launched a new membership category, Partner Membership, where existing Full Members can nominate their local NGO partners. VSO Kenya and Acceso in Costa Rica were the first to apply. In late March we launched a membership category aimed at networks in the South. Both of these forms of membership enable us to reach Southern NGOs through gatekeepers, to hear their experiences and offer them the benefits of membership. Said one Asian network, by return, "For me it is a magnificent platform for the intervention in management of staff".

Our network is of necessity considerably wider than the members: we meet UN bodies, we spoke at the Federation of the Red Cross' annual HR conference, we do joint work with other sector initiatives such as Sphere and HAP. We learn from for-profit organisations, as conference speakers for example, while private sector organisations in Australia are keen to implement our Code.

One result of the communications survey undertaken during the year was an assessment of the benefits valued by members. The top two were the resources we provide and the Code of Good Practice, the two strategic priorities to which the Board and executive have traditionally attached most weight. The consultants noted that "The Code [was] far and away cited as the most important benefit [of membership]".

We have also created further networks, to ensure all voices can be heard. One highly successful example is EPN Online, launched in March 2008 and now connecting over 600 HR and programme professionals in 83 countries and 143 organisations (including 62 local NGOs). As examples: a request from the US on maternity policies was answered from Sudan, Sweden, Netherlands and Pakistan; a discussion on nationalising programmes drew advice and examples from organisations in Canada, Thailand, Sudan, Australia and more. Also, we have opened group discussion areas on our website for those participating in our special interest groups such as Health and Safety or Rewards.

The Code and Recognition: The People In Aid Code remains the sector's quality standard for managing people, and is recognised as one of the key tools for professionalism in the sector. During the year we awarded 5 certificates to members. Members find the process of Code implementation rewarding but lengthy, and we continue to maintain the high standard required while adding ever more support. This year we piloted an alternative method, still within the scope required by social audit, and successfully completed by Save the Children UK. We worked alongside others to ease the process also: an agreement with a specialist in employee engagement helped CAFOD benefit more substantially from the Code process; while conducting our first joint analysis of a mutual member with HAP (Humanitarian Accountability Partnership) led to MERLIN achieving the first quality mark – and the prospect of other mutual members following. Close to 10 further members are close to qualifying for quality marks, in the UK, Germany, USA, Australia, Ireland and Uganda. We are noting a higher proportion of new members joining specifically for certification.

After several years of collaboration we were delighted to award 13 certificates to Ugandan partners of the Viva Network, who had incorporated the Code into their Quality Improvement System.

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Report of the trustees

For the year ended 31 March 2009

The People In Aid Code itself remains the focus of our work and the sector's accepted standard of Good Practice in managing people. 96% of field-based survey respondents felt it to be extremely or very important to them, and it was downloaded from the website nearly 10,000 times. It is used by non-members also: as a reference for donors, in Australia for example, or as an evaluation tool, with UK's DEC focussing its Congo evaluation on its members' application of the Code.

Promoting good practice in human resource management: Our websites, conferences and newsletter remain the key media through which our audiences can keep up to date with trends and ideas in practice and policy.

We continue to reach new audiences, particularly in the South. EPN Online (see above) is an example but we have been pleased that 41% of our workshop attendees are Southern-based. Database numbers have grown to 5,830 ('08: 3118) following some good work on the new database, and 23% are in the South ('08: 20%). There was also a significant growth in participation by line managers, as we had planned.

The number of hits on our website increased to 50,214 in the year ('08: 39,561). We are keeping the website dynamic and will restructure it during 09-10.

To share our knowledge and learn from others we organised 4 conferences (Washington, Istanbul, Nairobi and London) focussing on some of our members' key issues: talent management, managing cultural difference, facilitating change and staff care (a simulation). Each achieved its objectives. We also spoke at 8 conferences organised by others, and organised a day at the first World Conference on Humanitarian Studies which brought together 8 papers on 'humanitarian work: career or calling'. We sent out 4 newsletters covering themes such as strategic HR and using technology, with circulation growing to 3678 ('08: 3089).

Providing resources to improve and build capacity in human resource management:

The range of services we offer meets diverse needs and is widely appreciated. We enhance the professionalism of our HR contacts, of line managers and senior managers and of organisations as a whole. 'People In Aid is a key resource for international agencies in relation to learning, workshops, policy guidance and practice' said the CEO of one of the UK's larger NGOs. We offered 12 workshops in Nairobi, Melbourne, Vanuatu and London covering topics such as coaching, distance management, people management for line managers. We ran special interest groups, launched an HR jobs website, ran 6 Quickpolls and created and promoted case studies of good practice. The Rewards benchmarking group attracted 49 participants ('08:39) from Europe and North America and we launched a similar in-country reward survey, with other partners, attracting subscriptions from 277 organisations in 20 developing countries.

For Trustee Boards we produced research on executive compensation and HR in governance. We produced background material for agencies working in Myanmar and East Africa and promoted several publications which would inform organisations coping with financial pressures. For example we noted over 19,000 downloads of our research into staff motivation for local NGOs, which emphasises the durability and continuing relevance of a small investment of our funds.

We uploaded 10 new policy guidelines onto the Policy Bank which was one of the most visited areas of the site, now with 93 policies provided by members. We counted 104,906 ('08: 57,000) of our publications accessed or downloaded from websites, including a huge growth of interest in the French and Spanish translations we made last year.

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Report of the trustees

For the year ended 31 March 2009

Cross-cutting themes: the executive identified areas of activity for 08-09 which cut across the strategic objectives, and reported on them to the Board.

Being international was the first: work in our chosen regions goes well. We have two excellently qualified consultants job-sharing for us in Australia/Pacific, recruiting and supporting members, raising funds, registering us as a company, putting on events and building networks. Our main contact in Central America has emerged stronger from organisational restructure, though our workplan was delayed. Our arrangement in East Africa, with the local Inter-Agency Working Group, has proved resilient and allowed us to reach agencies and run events, with 30 people attending each of 3 workshops in the same week in October. Our relationship with key actors in the USA remains strong and we visited three times, delivering our own simulation and addressing two major conferences. Outside our focus areas we have addressed HR working groups, and other events, in Switzerland, Spain, Netherlands, Nepal, India and Australia.

Working in partnership was the second: we remain respected in the sector, with many organisations willing to work with us. We have signed agreements with a number of organisations to help us deliver services. We entered into partnerships with others (rewards benchmarking, course development, joint conference) and undertaken some joint work (producing training materials for Quality Initiatives, funding bid). We continue to participate in sector-wide networks such as Keeping Children Safe and a new joint approach to research and training by NGOs and the Higher Education sector.

Measuring impact was the third: we evaluate every event and have re-evaluated several some months afterward, showing that our work is well-targeted, well-used and having a positive impact at both individual and organisational level. Following our workshops, for example, several Nairobi-based NGOs reported that more funding and a role in strategic planning had been granted to the HR function. For People In Aid's overall impact it was gratifying that just 2.7% of respondents could disagree with: 'I believe that People In Aid helps my agency improve and build capacity in human resources management.'

Internal resources: As signalled last year the social auditor studied our report related to our own implementation of the Code and confirmed we were compliant. External assessors agreed that we could award ourselves the second quality mark 'verified compliant with the People In Aid Code', a signal success for a small organisation. On 1 April 2009 we retain four of the staff who started last year. In October we began to plan for a downturn. One redundancy and two departures allowed us to reconfigure staff responsibilities and reporting lines to cope better with the existing work and likely future constraints. Examples are the recruitment of a Communications Officer and a part-time HR expert to focus on audit and certification. Consultancy time was bought in, bringing expertise on specific topics, amounting to the full-time equivalent of another 2.02 (08:1.55) members of staff.

Financial review

Financial policies: each year the Finance and Resources sub-committee reviews the financial policies and recommend them to the Board. These policies and associated systems, which reflect good practice for an organisation such as People In Aid, cover reserves, income, financial risk, financial reporting, investment, tendering, expenses, bad debts and capitalisation.

People In Aid

Report of the trustees

For the year ended 31 March 2009

The reserves policy: The reserves policy states: "Charity Commission guidance defines unrestricted reserves as 'income which becomes available to the charity and is to be expended at the Trustees' discretion in furtherance of the charity's objects, but is not yet spent, committed or designated.' The trustees have considered the level of reserves required:

- to ensure the continuance of the organisation's core activities given their understanding of the risk profile of future funding streams, and
- to allow an orderly winding up of the charity's business in the unforeseen event that the charity has to be closed.

The reserves policy will be reviewed regularly as part of normal budgetary procedure." The range for the reserves was considered and approved by the Board in April 2008. The required level of reserves is based on 3 months of our core costs plus 5% of expenditure as contingency, and for the coming financial year this level is £115,000.

The Board takes the view that prudence requires that this level of reserves must be maintained, but that it is inappropriate for the charity to accumulate significantly greater reserves. In 2008-09 reserves of £214,000 were brought forward as at 1 April 2008, and the required level was £129,000. Following the policy, the Board agreed to maintain planned activity through the year despite some reduction in forecast income; reserves at the year end stood at £151,000. In managing reserves a financial range is set, along with a system of red and amber lights indicating whether urgent action or attention is required.

Investment: The investment policy looks to investment of funds in a safe and secure manner, and in organisations that are consistent with People In Aid's values and can offer a reasonable rate of return. The policy specifically excludes the use of high return speculative investments. Cash funds surplus to immediate operational requirements continue to be invested with COIF in a deposit fund, whose performance is reviewed every half-year by the Treasurer. In 2008-9 COIF continued to perform well in comparison to its performance benchmark. Importantly in the current financial climate the fund maintains its AAA credit rating from Fitch.

Change in accounting policy: People In Aid has amended the threshold for capitalisation of assets with a long term life such that purchases over £1,000 will now be treated as Fixed Assets. Previously the threshold was £5,000, and this has been amended to conform with general good practice.

Financial performance: Our expenditure for the year was £540,319 (2008: £501,755), an increase of 7.7%. The Board believes that, through the Executive Director, People In Aid continues to use member and donor funds cost-efficiently to deliver against its objectives. Income was £483,604 (2008: £525,722), a decrease of 8% year on year. Planned increases in income were not secured, with fewer restricted grants brought in during the year, though the workplan was delivered using the income achieved. A higher amount of income has been deferred than usual, £34,000 (2008: £14,000), primarily related to the EPN conference for May 2009. Given the high level of reserves carried (see Reserves Policy above) the Board had, as signalled in the Trustees' Report for 2008 / 9, asked the executive to spend the surplus reserves being carried forward from previous years.

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Report of the trustees

For the year ended 31 March 2009

Later in the year, with minimal impact on the delivery of the workplan for the membership and, in the light of the worsening economic situation, it was agreed to hold back expenditure and carry forward more to 2009/10. The organisation carried forward funds of £172,685 (2008: £229,400), of which £8,328 (2008 £14,977) were restricted. No new funds were designated (2008 £13,000); the funds designated for the office move in 2008/9 were largely expended in the year, and the residual balance, expended on fixed assets, will be written off over the useful life of those assets. The charity enters the new financial year with reserves of £151,098, which is still significantly higher than the level of £129,000 required under the reserves policy for 2008/9 and will provide even greater headroom over the reserves level required in the coming financial year (£120,000), reduced to reflect the lower levels of planned activity.

2008/9 was a rather disappointing year for income generation, but in other respects the Board is satisfied with People In Aid's financial performance and is confident that People In Aid is in a good financial position as it enters a new and challenging financial year.

Principal funding sources: our income policy follows three principles: diversity, sustainability and approach.

Sustainability: the executive is asked to bring in unrestricted funding and ensure funding is as predictable as possible. 91% of the funds brought in were unrestricted ('08: 82%). The year saw the second year of a two-year grant from Irish Aid and the third of a five-year grant of £1.3m from DFID's CHFA. The Trustees are very grateful for this support from the two governments.

Diversity: Our principal funding sources are government donors 67% ('08: 59%) and NGOs – primarily members, and including project grants from NGOs - 29% (2008: 37%). Moving to a greater diversity of income sources remains challenging, and targets for introduction of new income sources during the year were not met. Fundraising efforts are being maintained and enhanced during a period of financial stress in the global economy, reflected throughout the sector.

Approach: all restricted funds were raised for work furthering our remit, whether funding for projects specifically listed on the workplan (EPN conference for example) or work where the workplan specifies only 'research' for example and consultation, as with Executive Compensation for example, decides the topic. There was no pursuit of funding sources for the sake of increasing income, with the income policy ensuring a focus on our strategic objectives and our impact. During the year restricted expenditure included £31,000 (2008: £43,000) of staff time spent on restricted fund activities, reflecting the reduction in restricted fund grants. Procedures have been developed to keep restricted funding and the self-sufficiency of each expenditure area under review through the year.

Risks

During the year the Board continued to discuss and update the risk management matrix. Most risks, and the activities in place to mitigate against them, are first considered by sub-committees. The Director reports at each Board meeting on whether any risk rating may be changing. A new Risk Area (international work) has been recognised by the Board in the light of the organisation's active expansion to new areas and the full range of risks is continually assessed. The Board of Trustees is satisfied that systems are in place to mitigate exposure to the major risks.

People In Aid

Report of the trustees

For the year ended 31 March 2009

Future plans

The Board and sub-committees have spent considerable time considering the impact of the recession on People In Aid. We believe that times will be hard for our members, and for a second-tier organisation such as People In Aid, up until at least the 2012-13 financial year. While we believe that the need and use for our services will grow as members need to cut resources, this will not be compensated by an increase in funding from the NGOs, nor from governments whose funding is also reducing. The prioritisation of time and resources to address/mitigate these issues has been a key part of budget and workplan preparation for 2009-10.

During 2009-10, we will be focussing on the following:

- Continuing to prove our value, with a clear focus on the needs of members and the sector in the difficult current climate.
- Be a voice for the quality of work being undertaken in humanitarian and development sector.
- Maintain focus on diversity and sustainability of income.
- Drive forward the delivery of the new strategic plan.
- Embed a performance-management culture for the Board.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Statement of responsibilities of the trustees

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements the trustees are required to:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

People In Aid

Report of the trustees

For the year ended 31 March 2009

Each of the trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the trustees also confirms that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2009 was 15 (2008 - 8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

A resolution for the appointment of auditors will be proposed at the forthcoming annual general meeting and Sayer Vincent have expressed their willingness to continue in that capacity

Approved by the trustees on 16 September 2009 and signed on their behalf by

Neil Casey - Chair

Independent auditors' report

To the members of

People In Aid

We have audited the financial statements of People In Aid for the year ended 31 March 2009 which comprise the statement of financial activities, balance sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The responsibilities of the trustees (who are also the directors of People In Aid for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), are set out in the statement of responsibilities of the trustees.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the annual report of the trustees is consistent with the financial statements. In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the trustees' remuneration and other transactions is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the report of the trustees and the chair's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

To the members of

People In Aid

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the charitable company's state of affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the report of the trustees is consistent with the financial statements.

9 October 2009

SAYER VINCENT
Chartered accountants & registered auditors
London

People In Aid

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2009

	Note	Restricted £	Unrestricted £	2009 Total £	2008 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
DfID Grant		-	270,000	270,000	260,000
Donations and similar income	2	-	69,474	69,474	52,434
Interest Receivable		-	12,392	12,392	15,210
<i>Incoming resources from charitable activities</i>					
Membership subscriptions/contributions	3	-	67,124	67,124	67,987
Recognition		-	-	-	170
The Code		-	-	-	1,610
Promotion of good practice		8,505	-	8,505	54,724
Resources		<u>34,022</u>	<u>22,087</u>	<u>56,109</u>	<u>73,637</u>
Total incoming resources		<u>42,527</u>	<u>441,077</u>	<u>483,604</u>	<u>525,772</u>
Resources expended					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	24,615	24,615	18,107
<i>Charitable activities</i>					
Recognition	4	-	71,476	71,476	33,973
The Code		-	29,461	29,461	38,756
Promotion of good practice		12,480	142,478	154,958	155,700
Resources		<u>37,210</u>	<u>190,558</u>	<u>227,768</u>	<u>216,549</u>
<i>Governance costs</i>		-	<u>32,041</u>	<u>32,041</u>	<u>38,670</u>
Total resources expended		<u>49,690</u>	<u>490,629</u>	<u>540,319</u>	<u>501,755</u>
Net (outgoing)/incoming resources before transfers	5	(7,163)	(49,552)	(56,715)	24,017
Gross transfers between funds		<u>514</u>	<u>(514)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(6,649)	(50,066)	(56,715)	24,017
Reconciliation of funds					
Total funds brought forward		<u>14,977</u>	<u>214,423</u>	<u>229,400</u>	<u>205,383</u>
Total funds carried forward		<u><u>8,328</u></u>	<u><u>164,357</u></u>	<u><u>172,685</u></u>	<u><u>229,400</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 12 to the financial statements.

People In Aid (Limited by guarantee)

Balance sheet

31 March 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	8	<u>13,259</u>	<u>-</u>
Total fixed assets		13,259	-
Current assets			
Debtors	9	24,186	36,157
Cash at bank and in hand		<u>213,530</u>	<u>249,719</u>
		237,716	285,876
Liabilities			
Creditors: amounts due within one year	10	<u>(78,290)</u>	<u>(56,476)</u>
Net current assets		<u>159,426</u>	<u>229,400</u>
Net assets	11	<u><u>172,685</u></u>	<u><u>229,400</u></u>
Funds	11		
Restricted funds		8,328	14,977
Unrestricted funds			
Designated funds		7,079	13,000
General funds		<u>157,278</u>	<u>201,423</u>
Total charity funds		<u><u>172,685</u></u>	<u><u>229,400</u></u>

Approved by the trustees on 16 September 2009 and signed on their behalf by

Duncan Milroy - Treasurer

People In Aid

Notes to the financial statements

For the year ended 31 March 2009

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).
- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. Where the value of a benefit in kind is quantifiable and another party is bearing the financial cost of the resources supplied, the benefit is recognised in the accounts as intangible income and an equivalent amount is shown under resources expended.
- c) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

Subscriptions are accounted for on a receivable basis and credited to the statement of financial activities in the period to which they relate. Event income is recognised when the event takes place.

- d) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- e) Unrestricted funds are donations and other incoming resources received or generated for charitable purposes.
- f) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- g) Costs of generating funds relate to the costs incurred by the charity in encouraging third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- h) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Code	8 %	2008:7%
Resource	39 %	2008:34%
Promotion	30 %	2008:31%
Recognition	10 %	2008:18%
Costs of generating income	7 %	2008:5%
Governance costs	6 %	2008:5%

People In Aid

Notes to the financial statements

For the year ended 31 March 2009

1. Accounting policies (continued)

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

- i) Pensions: The charitable company makes contributions into the employees' personal pension plans. The contributions are charged to the Statement of Financial Activities in the year in which they are payable. The charity has no liability under the scheme other than for the payment of those contributions.
- j) Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Fixtures and fittings :25%
Computer equipment :33.33%

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are capitalised where the purchase price exceeds £1,000.

2. Voluntary income	Restricted	Unrestricted	2009	2008
	£	£	Total £	Total £
Donations	<u>-</u>	<u>69,474</u>	<u>69,474</u>	<u>52,434</u>

3. Incoming resources from charitable activities

The sources of income are analysed below

	Restricted	Unrestricted	2009	2008
	£	£	Total £	Total £
Events	42,527	21,654	64,181	71,637
Research and published output	-	433	433	58,504
Member subscriptions/contributions	<u>-</u>	<u>67,124</u>	<u>67,124</u>	<u>67,987</u>
Total	<u>42,527</u>	<u>89,211</u>	<u>131,738</u>	<u>198,128</u>

With the end of the ECB project none of our research was enhanced by external funding received in the year.

People In Aid

Notes to the financial statements

For the year ended 31 March 2009

4. Total resources expended

	Staff Costs	Other costs	2009 Total	2008 Total
	£	£	Total	Total
			£	£
Cost of generating funds	21,252	3,363	24,615	18,107
Recognition of Code	47,133	24,343	71,476	33,973
The code	22,145	7,316	29,461	38,756
Promotion of good practice	103,781	51,177	154,958	155,700
Resources	104,994	122,774	227,768	216,549
Governance	14,355	17,686	32,041	38,670
Total resources expended	313,660	226,659	540,319	501,755

5. Net outgoing resources for the year

This is stated after charging / crediting:

	2009	2008
	£	£
Depreciation	2,240	-
Auditors' remuneration:		
▪ audit	5,500	4,994
▪ accountancy	1,500	-
Trustees' remuneration	-	-
Trustees' reimbursed expenses	611	759

Trustees' reimbursed expenses represents the reimbursement of travel and subsistence costs to 1 (2008: 2) members relating to attendance at meetings of the trustees.

People In Aid

Notes to the financial statements

For the year ended 31 March 2009

6. Staff costs and numbers

Staff costs were as follows:

	2009	2008
	£	£
Salaries and wages	261,332	176,134
Social security costs	22,114	17,247
Pension contributions	16,515	13,888
Other staff costs (inc.recruitment costs)	13,698	16,877
	<u>313,660</u>	<u>224,146</u>

One employee earned between £60,000-£70,000 during the year (2008: no employees)

Pension contributions for this employee amounted to £4,800

No payments were made during the year to firms controlled by Trustees (2008: £0)

The average weekly number of employees (full-time equivalent) during the year was 5.75 (2008 - 5.2)

The payments to our regional representatives (consultants) and to a communications consultancy (totaling £39,052) are included in the total for 2008-09.

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

People In Aid

Notes to the financial statements

For the year ended 31 March 2009

8. Tangible fixed assets

	Fixtures and fittings	Computer Equipment	Total
	£	£	£
COST			
At 1 April 2008	-	-	-
Additions in year	<u>12,494</u>	<u>3,005</u>	<u>15,499</u>
At 31 March 2009	<u>12,494</u>	<u>3,005</u>	<u>15,499</u>
DEPRECIATION			
At 1 April 2008	-	-	-
Charge for the year	<u>1,822</u>	<u>418</u>	<u>2,240</u>
At 31 March 2009	<u>1,822</u>	<u>418</u>	<u>2,240</u>
NET BOOK VALUE			
At 31 March 2009	<u><u>10,672</u></u>	<u><u>2,587</u></u>	<u><u>13,259</u></u>
At 31 March 2008	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

9. Debtors

	2009	2008
	£	£
Other debtors	18,663	34,157
Prepayments	5,523	-
Accrued income	<u>-</u>	<u>2,000</u>
	<u><u>24,186</u></u>	<u><u>36,157</u></u>

10. Creditors: amounts due within 1 year

	2009	2008
	£	£
Trade creditors	31,993	31,839
Accruals	7,000	4,994
Deferred income	33,847	14,070
Tax and social security	<u>5,450</u>	<u>5,573</u>
	<u><u>78,290</u></u>	<u><u>56,476</u></u>

People In Aid

Notes to the financial statements

For the year ended 31 March 2009

11. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	7,079	6,180	13,259
Current assets	21,578	-	216,138	237,716
Current liabilities	(13,250)	-	(65,040)	(78,290)
Net assets at 31 March 2009	8,328	7,079	157,278	172,685

12. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
EPN Europe	-	18,000	(10,385)	713	8,328
EPN Istanbul	2,541	24,527	(26,355)	(713)	-
EPN Nairobi	1,044	-	(1,738)	694	-
Executive Comp Project	-	-	(2,491)	2,491	-
Metrics Service	11,392	-	(8,721)	(2,671)	-
Total restricted funds	14,977	42,527	(49,690)	514	8,328
Unrestricted funds					
Designated fund	13,000	-	(5,921)	-	7,079
General funds	201,423	441,077	(484,708)	(514)	157,278
Total unrestricted funds	214,423	441,077	(490,629)	(514)	164,357
Total funds	229,400	483,604	(540,319)	-	172,685

Material transfers constitute agreed contributions by People In Aid to jointly initiated collaborations

People In Aid

Notes to the financial statements

For the year ended 31 March 2009

12. Movements in funds (continued)

Purposes of restricted funds

EPN: is a series of conferences run by People In Aid to enhance knowledge and networking about recruiting, retaining, developing staff. We held one in Istanbul supported by participant fees and contributions from various NGOs, and one in Nairobi. Any balances contribute towards future EPN conferences and other EPN activity.

Research: with the support of one funder we produced a report on Executive Compensation to help our members understand the critical factors that help shape remuneration

Metrics Service: The metrics project (Measuring staff capacity, hosted at www.metrics.peopleinaid.org) was suspended at the end of March 2009 with the agreement of the ECB project and subscribers. People In Aid had allocated some of its own general funds for the continuation of the project so a transfer has been made to general funds of the balance held at the time of suspension of the metrics project.

Purpose of designated fund

In March 2008 we identified premises to which we would move in July/August 2008. The Board had designated funds allocated in the 2007-08 budget for making good our current office and equipping the new space. The balance remaining at 31 March 2009 relates to fixed assets purchased during the move of premises, and will be written off over the life of those assets.

13. Operating lease commitments

The charity had annual commitments at the year end under operating leases expiring as follows:

	Property		Equipment	
	2009	2008	2009	2008
	£	£	£	£
Less than 1 year	<u>865</u>	<u>935</u>	<u>-</u>	<u>-</u>
	<u>865</u>	<u>935</u>	<u>-</u>	<u>-</u>

14. Related party transactions

During the year People In Aid received the following membership contributions from organisations who have employees on the board of trustees:

	£
British Red Cross Society	3,000
Tearfund	3,000
REDR	1,000