

Company no. 3772652
Charity no. 1078768

People In Aid
Report and Financial Statements
31 March 2010

sayer vincent

consultants and auditors

People In Aid

Reference and administrative details

For the year ended 31 March 2010

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:

Helen Bloomfield Co-opted 21 January 2010

Neil Casey

Donna Campbell Co-opted 21 January

Richard DaCosta

Idrissa Doucoure

Jim Emerson

Resigned 21 October 2009

Ola Fajobi

Elected 25 November 2009

Brian K Martin

Resigned 23 July 2009

Richard Marshall

Martin McCann

Duncan Milroy

Simon Springett

Sue Turrell

Co-opted 21 January 2010

Simon Thompson

Willem van Eekelen

Co-opted 21 January 2010

Diane Willis

Co-opted 29 April 2010

Ann-Marie Wilson

Resigned 26 November 2009

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

People In Aid

Reference and administrative details

For the year ended 31 March 2010

Solicitors

Bates Wells Braithwaite
2-6 Cannon Street
London
EC4M 6YH

Auditors

Sayer Vincent
Chartered accountants and statutory auditors
8 Angel Gate
City Road
London
EC1V 2SJ

People In Aid

Chair's report

For the year ended 31 March 2010

A phrase used to describe People In Aid by donors, stakeholders and beneficiaries alike is that it is an organisation that “punches above its weight”. This, I believe, is due to a number of factors. As an organisation we have a clear sense of our vision, mission and purpose and marry that with a strong commitment to delivering this mission to our members, potential members and the wider sector. This commitment is shared by the board of trustees, the executive team and People In Aid staff working around the world delivering excellent services. But the idea that we “punch above our weight” is not a subjective idea supported by an implied sense of our own success. It is something that is founded on firm evidence that gives credence to this feedback from members and the humanitarian and development sector more widely.

As a Board it is our job to provide strategic direction for the organisation and this is then translated into operational activities to deliver that strategy by the executive team. The strategic planning process produced 4 new objectives and successfully developed a set of Key Performance Indicators (KPI's) to monitor the extent to which the strategic priorities are being addressed and therefore our vision and mission as an organisation is fulfilled. As a Board we are pleased that the balance is right – a substantial amount of what the organisation does is delivering the performance required to effectively deliver the strategy but there is still some room for improvement. As we move forward these KPIs will be reviewed and new milestones determined so that the momentum towards fulfilling People In Aid's mission is maintained.

As we look forward there are three key strategic challenges that face us as an organisation. The first is the funding mix going forward as grants come to an end during the 2010/11 financial year. The second is our expansion around the world and the implications that flow from that and the third is the changing shape of the humanitarian and development sector and People In Aid's place within it. This is a challenging agenda, but one we address with confidence. That confidence comes from the knowledge that People In Aid is making a positive difference to organisations and aidworkers around the world, has a dedicated team of professionals making that difference and a highly committed and capable board and executive team working together to tackle the strategic challenges that face us.

Neil Casey
Chair of Trustees

People In Aid

Report of the trustees

For the year ended 31 March 2010

The trustees present their report and the audited financial statements for the year ended 31 March 2010.

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).

Structure, governance and management

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.

People In Aid is a membership organisation, working with and for its members and the wider humanitarian and development sector. Its activities reflect the priorities of members. In shaping strategy and objectives, the trustees have considered the Charity Commission's guidance on public benefit and are satisfied that the charity's work meets the criteria set.

People In Aid was registered as a foreign entity in Australia during the year, following a decision in 2008–9. This allowed us to open a bank account and increases funding possibilities, while governance remains in the hands of the Board in England and Wales. The Board will review the appropriateness of establishing a presence in both the United States and in Kenya during the coming year.

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. During the year the actual number of trustees varied between 10 and 15. A maximum of 5 'independent' Trustees can be co-opted from outside People In Aid's membership.

During the year there were 11 People In Aid full members represented at various times on the Board of Trustees. 5 independents served throughout the year. 6 Trustees were co-opted through open recruitment processes. One of those co-opted was elected at 2009's AGM and those co-opted since then will be put forward for election at the coming AGM in 2010. Individual induction was carried out for all new Trustees. 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. A review of perspectives was undertaken during the year, resulting in some amendments to reflect the changing needs of the organisation. A Board succession plan is being put into place and a Board self-appraisal is being carried out in July 2010.

People In Aid

Report of the trustees

For the year ended 31 March 2010

The Trustees meet five times a year. One of these meetings is a full-day strategy discussion, risks are considered at every meeting, and up to half the meeting is dedicated to 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. During the year there were many discussions in the UK voluntary sector about expenses: People In Aid's Board considers the organisation's expenses policy, covering Trustees' expenses, annually.

Reporting structures designed in 2008-9, and mentioned in last year's report, were implemented during the year to track progress against the strategic plan for 2009-12. Among them were revised key performance indicators (KPIs). These KPIs, eleven measures in all, focus both internally and externally and cover staff capability and engagement, financial sustainability, number of members, their engagement and feedback and our impact in enhancing people management practice in the field. During the year 9 out of 11 of our performance targets were achieved, 1 showed satisfactory progression towards achievement and the most challenging (50% of members to have quality marks by April 2012) was not on target.

As in previous years the KPIs for the organisation were tested on members. 35% responded, compared to 57% in 2009. Key findings this year differed little from last year, including the high proportion of 'don't knows' amongst those answers not included in these percentages, for example:

- 96% of our members would recommend us to another agency
- 93% recognise our output as practical and grounded in reality
- 85% acknowledge we provide effective coordination and knowledge-sharing

"A great organisation with a really positive and can-do attitude. Has made and continues to make a big difference to people management in the sector by raising the profile of the HR function."

The results were reported to the Board and to the AGM, with an official response from the Director to all members posted on the website.

Overall, the strategic planning process is a dynamic, iterative endeavour which views People In Aid's strategic objectives in the light of impact from external factors and makes adjustments accordingly. As a result of its review of strategy in 2008-9 the Board refined the organisation's strategic objectives, resulting in changes to the charitable objective headings in the accounts, and approved the strategies and activities needed to achieve them. The four objectives are as follows, accompanied by definitions.

- Advocate good practice. "We will gather and present the evidence to persuade you that good people management enhances organisational effectiveness."
- Stimulate and facilitate learning. "We see learning as a process contributing to organisational effectiveness, and will create and offer you the spaces and opportunities that enable your organisation to learn from us and others to improve your human resources systems, policies and practice".
- Strengthen capacity. "We will support you and equip you with the skills and tools that enable you to strengthen your organisation's HR and people management capacity."

People In Aid

Report of the trustees

For the year ended 31 March 2010

- Recognise achievement. “We will certify and publicly acknowledge the commitment and improvements you make in your human resources management.”

There was a staffing review in early 2009. In April/May we recruited 3 staff members to new or amended posts and they joined 3 full-time staff who have been with the organisation 9, 7 and 4 years. The FTE has marginally reduced during the year and the Board noted the increasing use of volunteers by the organisation during the year, both in the office and as expert contributors to our output. Volunteers in the office are properly inducted and their interaction with the organisation is covered by a new handbook and an individual agreement. The annual staff survey was even more positive than last year. This reflected changes in staff, the fact that last year's concerns had been addressed and the overwhelming sense of satisfaction in doing a good job for members and the sector.

Achievements and performance

In last year's report we identified the following key areas of focus for 2009-10, and further details are in the report below:

- Continuing to prove our value, with a clear focus on the needs of members and the sector in the difficult current climate.
 - Membership has continued to increase and the membership survey confirms our success in meeting members' expectations. The key topics addressed by our activities were identified by members and we have responded in different ways, most notably with new technology and through consultancy. The increased levels of collaboration have shown our value as a partner to a wide range of organisations while we have initiated work on what we have established as the sector's future needs (eg leadership and professionalism).
- Be a voice for the quality of work being undertaken in the humanitarian and development sector.
 - An increased focus on advocacy has been combined with a growing presence, reputation and network. We work collaboratively and for the mutual benefit of our sectors, with the private and academic worlds and, to a lesser extent, with the broader UK voluntary sector.
- Maintain focus on diversity and sustainability of income.
 - Management and the Board have been working on development of income generation to underpin People In Aid's future. People In Aid has extended the range of its commercial activities and its customer base during the year whilst maintaining its focus on strategic objectives. Good progress has been made towards meeting income targets for 2010-11, with 90% of the annual target secured by end June 2010 through an increased range of income sources.
- Drive forward the delivery of the new strategic plan and embed a performance management culture for the Board.
 - The workplan and budget for 2010-11 clearly delivers against the objectives while, during 2009-10, the Board received detailed reports at each Board meeting, both operational and against the KPIs, and was satisfied that the activities and achievements of the organisation during the year were successfully fulfilling the objectives.

Also contributing to the achievement of the strategic objectives are four cross-cutting areas of work:

- Use of technology, including our expanding reach
- Being international
- The membership
- Our networks and contacts

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Report of the trustees

For the year ended 31 March 2010

Use of technology: We use new technology widely to better serve our members more effectively and more cost-efficiently and are acknowledged by our peers as being ahead of the curve. During the year we increased our external web presence through Twitter feeds and external blogs as well as developing our profile on other external platforms such as Flickr and Youtube in order to inform people and increase traffic to our website. We focused the Members' Forum on how new technology can assist HR, ran a workshop virtually, hosted audio and video files of events and began the process of upgrading and consolidating our online presence into 'People In Aid Interactive'. This will host more forums, offer a wiki which will create the encyclopaedia of management tools and practices for the sector, a public calendar and a blogging function. 87% of our online forum participants agreed it 'has helped our work', 75% with 'high impact'. We redesigned and relaunched the website during the year (Including a more effective shop, for example) and saw a 31% rise in direct hits (as opposed to links from other sites).

Being international: During the year we offered events or services in Kenya, Guatemala, Indonesia, Thailand, Switzerland, Netherlands, Ghana, Haiti, USA, Ireland,. We remain a global organisation, with members from 33 countries, and 7 different nationalities on the Board of Trustees (two representing US-based NGOs for the first time).

Participants in our main online forum come from 86 countries (with 74 national NGOs among them) and we find the following countries in our top ten lists of participants, downloaders and other: China, Kenya, India, Philippines, Pakistan, South Africa, Sudan, USA, UK. Case studies came from as far afield as Samoa and Somalia, and 64 agencies signed up to our new local rewards survey in 63 countries. *"In order to strengthen local capacity, particularly in the area of effective people management which is critical in order to enhance effective programme delivery by INGO's through their national staff and partner organisations, [agency name] has found People In Aid's expertise and approach to capacity building to be highly effective".*

In 2009-10 People In Aid made important strides in progressing our international presence with the appointment of an East Africa Regional Consultant, Maxine Clayton based in Nairobi, and the continued jobsharing of Angie Zogopolous and Lucy Quarterman, our Australia/ Pacific Regional Consultants in Melbourne. This has greatly facilitated our drawing materials from round the world and delivering services regionally. We deprioritised Central America in order to focus on the two regions where more momentum had grown.

The membership: Despite the impact of the financial downturn membership continues to grow, with a 16.8% increase from 143 in March 2009 to 167 in March 2010. Just 4 members did not renew in April 2009, citing pressures on funding. . We are particularly pleased to have seen a significant increase in Southern NGO membership, with an increase from 14 to 27 members, considerably higher than our target growth; our ambition remains to see continuing growth of this group as a proportion of a growing membership. Members are now based in 33 countries (2009 – 29 countries). The value of membership by federations has been recognised by CARE International and ActionAid International and, during early 2010-11, Oxfam International.

Our networks and contacts: People In Aid is networked far beyond the membership, of course. The number of collaborative projects we engage in has grown markedly, working with academics, other networks, individual NGOs and consultants, private sector companies and trainers. Examples include assistance provided to Transparency International to create the HR elements of their new guide to Preventing Corruption, working with both HAP and Sphere on the revision of their sector-wide standards, collaborating on leadership with ALNAP, Humanitarian Futures Programme and Tulane University, and acting as co-Chair of the ELRHA network (www.elrha.org).

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Report of the trustees

For the year ended 31 March 2010

An important area has been growing relationships with the private sector. We learn what they do so we can pass on relevant good practice to the sector, and we pass our experience to them. There have been considerable achievements such as sitting on a panel at the CIPD Reward conference alongside major FTSE companies; being part of the IBDG (International Business Development Group), and addressing the Future Work Forum. We have collaborated on joint output with Grant Thornton on tax issues, Security Exchange on staff health and security (including running a simulation with us for IFRC), ORC Worldwide and Birches Group (on reward), Centre for Creative Leadership and RES (relocation and expatriate services). With academia our main work has been with Roffey Park (management agenda research) and Cranfield University (research on leadership).

The HHR Online network remains strong. In December 2009 we had 779 participants, from over 180 organisations and 86 countries, showing growth year on year on all measures. The top 5 member countries were the UK, Kenya, USA, Pakistan and India. 54 different topics were discussed ranging from expats in Sudan to corruption, from global health insurance to French-language management training.

Strategic Objective One: Advocate good practice. *“Top management have bought into the guiding principle that ‘people are central to the achievement of an organisation’s mission’”.* Overall we increased opportunities to influence, reached higher in organisations than before, and developed our reputation as the key organisation in the development and humanitarian sectors mandated to support good practice in people management. This is strengthened by the use of the Code underpinning our advocacy of good practice, being used to set standards both within and beyond our membership. The feedback on our work is universally positive.

We have stimulated debate and contributed output on a larger range of issues than ever before but some themes have risen up the sector’s agenda: competencies and management training, professionalisation, leadership are three, and we have worked on each.

Research is one of our means to advocate, and our output enables the sector to look at itself, its performance in key areas and allows individual organisations to learn from their peers. We undertook an investigation into staff care management systems, with Interhealth, to highlight improvements and progress and to show what is still needed. We studied staff retention issues and solutions for agencies working in the Horn of Africa, with considerable local input and positive reaction. We also produced a management agenda report (what is troubling managers) based on a substantial survey in partnership with Roffey Park. The results correlated with our own analysis of priority areas. In other various outputs we covered successful change talent management, HR effectiveness. We have two major collaborative research projects under way on leadership/intelligent careers/talent while our past research continues to influence: the research on motivation and retention are still two of the top three downloads from our website.

We have worked to strengthen our brand image during the year following our communications survey in early 2009 through redesigning the newsletter, relaunching our website and more proactive marketing of events and publications. During the year we integrated EPN into People In Aid. We formed Humanitarian HR (HHR) to encompass the EPN conferences and online forum, and are adding other pieces of work to it. Members have responded favourably to these initiatives, with 72% of respondents to our membership survey agreeing that People In Aid’s brand has grown in status over the last two years, and universal approval in the membership survey for the newsletter redesign.

People In Aid

Report of the trustees

For the year ended 31 March 2010

In the media we produced a major article for the Trade and Aid magazine, posted blogs from our staff member in Haiti for People Management and for the CIPD's website, while the (London) Times published a letter from the Director about the dedication of humanitarian workers.

Strategic Objective Two: Stimulate and facilitate learning. *"[People In Aid] helps me think in different ways, [has] given me better tools and information to challenge leaders on why things may be necessary/required".* We expect the membership's needs to dictate what we focus on. This happens in a number of ways:

- Our research draws on the practices of our members and others. All special interest group discussions and quickpoll subjects have been requests from members.
- The InterAgency Working Group's HR sub-group (which we coordinate) decides on our joint Horn of Africa activities.
- Every feedback form asks for other topics we should address, and these are considered.
- Evaluations of various activities take place after 3-6 months.

Information exchange is promoted through forums for learning and development. For example, we ran our Members' Forum on the future use of technology in HR – using a presenter live from Seattle: 100% of participants said that the session will have an impact on their team or organization, and 100% found the networking useful. Two conferences challenged participants to think about change and be aware of current HR trends. Both were highly rated: *"I learnt from others' different approaches and perspectives that will enable me to look at change in a much more proactive way".*

We supported groups of generalists and specialists (e.g. health and safety, rewards) both face-to-face and remotely. Examples are: the leadership group we started with RedR UK emerged with a set of agreed competencies; the HR group (now 80 strong) produced a comprehensive guide to how NGOs could/should manage consultants; quarterly summaries of the discussions on HHR Online are posted. We were pleased to pull together 58 International NGOs for this year's global Rewards survey. The HHR Online network, reported on above, has become an important medium for sharing learning.

We ran two conferences during the year (the annual East Africa conference being postponed till May 2010). EPN Gatwick looked at 'Successfully Managing Change' and was very highly rated, and we had excellent feedback from the Strategic HR Conference in March 2010.

We responded rapidly to the Haiti and Chile disasters by posting relevant material, translating it, seconding a staff member to Haiti and organising an after-action review for HR workers (May 2010). Our secondment transformed the receiving organisation's capability as well as being a catalyst for and nurturing an HR network.

Strategic Objective Three: Strengthen capacity. In our public workshop offerings we offered training in people management, distance management, debriefing, HR strategy, HR audits, team resilience, rewards. Of note was the new 'Managing Successfully at a Distance' course. This was developed for line managers to respond to reduced travel budgets, the need for team-building and issues of expectation management between managers and their field staff. In addition we delivered more in-house training this year than in all previous years combined, in the UK, Australia, Ghana, Kenya, Netherlands and Switzerland.

People In Aid

Report of the trustees

For the year ended 31 March 2010

The numbers of sales and downloads show significant increases (30%) in the dissemination of our publications. During the year we reassessed each publication. Much new material was made available for free since it was produced for us pro bono including for example, 20 How To guides looking at topics such as giving constructive feedback, introducing organisational change and making time to think. *"People In Aid is a very useful resource to us. When developing/revising policies, procedure and HR tools we consult People In Aid resources"*.

There are now 120 policies in the policy bank, new resource sheets and an HR manual. The latter is a major publication offering a template manual including all an agency needs to think about in regard to managing national staff. As one of the criteria for a quality mark is an HR manual this publication has added value.

Strategic Objective Four: Recognise achievement. The Code remains central to our work and is a key quality standard in the sector. During the year we awarded (or re-awarded) seven agencies with the first People In Aid Quality Mark and five with the second. There are now 24 certified agencies in 9 countries. There are pledges for quality marks from 19 members during the coming year, including a global federation.

To support members we ran a workshop, produced a Member Journey document and streamlined the processes and costs. We have reduced the costs of certification and offered a new audit process for larger organisations which need only report on their activities rather than carry out a People In Aid survey.

We remain pleased that the process of implementation remains as significant a contribution to organisational effectiveness as the certification itself. *"the process of implementing the People In Aid Code has enabled the organisation to identify the good things that are happening in each of the country programmes, and because these good things vary from country to country, valuable learning and knowledge transfer has taken place"*. With the increasing number of products we are producing to assist with certification criteria (the HR manual, survey guidance, HR audit tool) we are fulfilling our objective, though, with the continual growth in membership, the target of 50% of members certified by April 21012 is an extremely challenging target.

We continue to work with other standards to move towards complementarity, aiming to ensure that our joint users see no overlap and reduce any auditing burdens, and that the prominence of good people practice, and the Code's Principles, are reflected.

Sustainability

In March 2011 the 5 year grant from DfID which has underpinned People In Aid's development in that period comes to an end. Given the uncertainty this creates around the organisation's funding, the management and Board have focussed strongly this year on developing income streams for the future.

During the year we received our first corporate grant, and increased the number of proposals made to potential funders. We received our first in-country grants in Australia and East Africa and a major grant for research collaboration with the further education sector. We have bid for publicly-tendered work, and undertaken in-house work for the first time, with existing workshops and consultancy.

People In Aid

Report of the trustees

For the year ended 31 March 2010

Financial review

Financial policies

Each year the Finance and Resources sub-committee reviews financial policies and recommends changes where necessary to the Board. These policies and associated systems cover reserves, financial risk, financial reporting, investment, tendering, expenses, bad debts and capitalisation.

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 for the year to 31 March 2010 was considered and approved by the Board in July 2009 and it was determined to maintain a target level of £120,000. In managing reserves a range is set around the target to trigger attention and action if reserves are too low or high.

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. Performance is reviewed every half year by the Treasurer. Funds were invested with COIF in a deposit fund through the year.

Financial performance

Income in the year to 31 March 2010 was £541,361 (2009: £483,604), an increase of 12% year on year. The year had begun with a considerable degree of uncertainty and anxiety regarding the impact of the global financial crisis, and it was pleasing that income held up and actually increased during this period. Expenditure in the year was £498,075 (2009: £540,319), a decrease of 8% year on year. In the previous year the Board had agreed that surplus reserves be expended, but it was required that the organisation at least break even on unrestricted funds in 2009 / 10 in the light of the changed economic environment, although reserves were maintained over the target level.

The organisation made a surplus of £43,286 (2009: £56,715 deficit). Within that there was a net surplus of £25,672 in restricted funds, so the overall surplus on General Funds was £17,614 (2009: £50,066 deficit). Funds at 31 March stood at £215,971 (2009: £172,685), which includes £178,015 of unrestricted funds (2009: £157,278 unrestricted). Of this figure £3,956 was designated funds, being the residual balance of funds designated for the organisation's office move in 2008/9 and expended on fixed assets; the balance will be written off over the useful life of those assets.

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Report of the trustees

For the year ended 31 March 2010

The charity enters the new financial year with reserves of £171,094 (2009: £151,098), significantly higher than the target level set for 2009 / 10 under the reserves policy. However, given the continuing economic uncertainty and the particular challenges facing People In Aid in terms of income generation in 2011 / 12 the Board intends to maintain and indeed increase reserves in order to safeguard the organisation's ability to maintain core activities.

Principal funding sources

People In Aid is careful to ensure the principle that income generated not only furthers the organisation's remit, but is aligned with our strategic objectives.

In the year £280,000 was received as the fourth annual instalment of a five year grant from DfID's CHFA, constituting 56% of income received. A generous grant was also received from Irish Aid. Diversifying the donor base and planning for the sustainability of the organisation once DFID's grant comes to an end in March 2011 have been particular concerns of the management and Board, and this is expanded on under Future Activities below.

For the first time this year we have collected and asked for pro bono contributions from members and supporters and we have been pleased and grateful for the response. Most of our meeting venues are donated, all of our new series of publications 'How To Guides' were donated, a major research project into Russia and the 'Stans was carried out for us for free, and two projects are being done pro bono by legal firms. We recruited volunteers for the office for the first time, engaging four during the year, including one intern for whom we attracted a corporate grant to put her on the payroll.

Risks

The Board continued its practice of regularly discussing and updating its view of the principal risks to the organisation, ensuring that actions to mitigate risks are being carried out. Sub-committees divide the areas of risk for more detailed review and the Executive Director reports to the Board on whether management see any changes developing. The Board of Trustees is satisfied that systems are in place to mitigate exposure to major risks.

Future plans

The impact of the economic downturn has been evident over the last financial year, and looking forward the general outlook in the humanitarian and development sector is that the downturn will continue through the next two years. It is in this difficult environment that People In Aid has begun to plan for the ending of the DfID grant which has underpinned its core operations over the last four years.

We are optimistic that we will retain the support of our membership given the continuing positive feedback from member surveys, and are moving to focus on and develop particular business lines to ensure the sustainability of the organisation. Income generation from Government grants and consultancy will be the particular focus. In this, the principle that the consequent activity will be aligned to the organisation's strategy will be maintained. This new business generation is a key part of the budget and workplan for the coming year, which has a particular focus on the organisation's sustainability and diversity of income.

People In Aid

Report of the trustees

For the year ended 31 March 2010

In addition People In Aid will focus on the following operational objectives during 2010 / 11:

- Continue to develop our role as a voice for the quality of work being undertaken in the humanitarian and development sector.
- Seek creative and innovative opportunities to partner/collaborate to improve efficiency and effectiveness with ever tighter resources.
- Maintain focus on diversity and sustainability of income.
- Understand members' future needs. To inform People In Aid's future direction the Board and executive are collecting answers to the following question: "What is the most important issue your organisation needs to address through its people and organisational development strategies to ensure you are more effective by 2012?"
- Encourage a performance-driven culture for the organisation.
- Strengthening governance.

Looking medium term the Board has set the following goals for the period 2009 to 2012 associated with our objectives.

1. Advocate good practice: "We will increase by a half (2009: 200; 2012: 300) the number of beneficiary organisations with which we have meaningful dialogue on good practice and organisational effectiveness."
2. Stimulate and facilitate learning: "We will extend opportunities for learning, locally and globally, by expanding networks and links to exchange knowledge and good practice in people management."
3. Strengthen capacity: "Our comprehensive range of resources (covering every Code principle) will enable our beneficiaries to understand any gaps in their policies/ practices/ systems and to access tools and resources to fill those gaps."
4. Recognise achievement: "We measure performance in HR management, and organisations that make demonstrable improvements in their HR management will be publicly acknowledged through People In Aid certification and/or diverse PR channels."

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.

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Report of the trustees

For the year ended 31 March 2010

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 2006. 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.

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 2010 was 13 (2009 - 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 22 July 2010 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 2010 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 Chapter 3 of Part 16 of the Companies Act 2006. 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) and for being satisfied that the financial statements give a true and fair view 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the trustees' annual report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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 Chairman'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 audit 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.

Independent auditors' report

To the members of

People In Aid

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.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the trustees' annual report is consistent with the financial statements.

Pamela Craig, Senior Statutory Auditor
for and on behalf of Sayer Vincent, Statutory Auditors

SAYER VINCENT
8 Angel Gate
City Road
LONDON
EC1V 2SJ

28 July 2010

People In Aid

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

For the year ended 31 March 2010

	Note	Restricted £	Unrestricted £	2010 Total £	2009 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
DfID Grant		-	280,000	280,000	270,000
Donations and similar income	2	-	43,707	43,707	69,474
Interest receivable		-	1,540	1,540	12,392
<i>Incoming resources from charitable activities</i>					
Membership subscriptions/contributions	3	-	85,108	85,108	67,124
Advocating		43,810	5,983	49,793	-
Facilitating		19,840	26,281	46,121	42,212
Strengthening		-	34,792	34,792	22,150
Recognition		-	300	300	252
Total incoming resources		<u>63,650</u>	<u>477,711</u>	<u>541,361</u>	<u>483,604</u>
Resources expended					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	31,581	31,581	27,972
<i>Charitable activities</i>					
Advocating	4	9,810	122,969	132,779	144,144
Facilitating		21,873	130,680	152,553	143,398
Strengthening		-	86,388	86,388	117,127
Recognition		-	57,185	57,185	73,834
<i>Governance costs</i>		-	37,589	37,589	33,844
Total resources expended		<u>31,683</u>	<u>466,392</u>	<u>498,075</u>	<u>540,319</u>
Net incoming/(outgoing) resources before transfers	5	31,967	11,319	43,286	(56,715)
Gross transfers between funds		<u>(6,295)</u>	<u>6,295</u>	<u>-</u>	<u>-</u>
Net movement in funds		25,672	17,614	43,286	(56,715)
Reconciliation of funds					
Total funds brought forward		<u>8,328</u>	<u>164,357</u>	<u>172,685</u>	<u>229,400</u>
Total funds carried forward		<u><u>34,000</u></u>	<u><u>181,971</u></u>	<u><u>215,971</u></u>	<u><u>172,685</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 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	8	<u>10,877</u>	<u>13,259</u>
Total fixed assets		10,877	13,259
Current assets			
Debtors	9	47,470	24,186
Cash at bank and in hand		<u>229,140</u>	<u>213,530</u>
		276,610	237,716
Liabilities			
Creditors: amounts due within one year	10	<u>(71,516)</u>	<u>(78,290)</u>
Net current assets		<u>205,094</u>	<u>159,426</u>
Net assets	11	<u><u>215,971</u></u>	<u><u>172,685</u></u>
Funds	11		
Restricted funds		34,000	8,328
Unrestricted funds			
Designated funds		3,956	7,079
General funds		<u>178,015</u>	<u>157,278</u>
Total charity funds		<u><u>215,971</u></u>	<u><u>172,685</u></u>

Approved by the trustees on 22 July 2010 and signed on their behalf by

Duncan Milroy - Treasurer

People In Aid

Notes to the financial statements

For the year ended 31 March 2010

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 2006. 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.

Advocating	30%
Facilitating	40%
Strengthening	10%
Recognition	7%
Costs of generating income	6%
Governance costs	6%

People In Aid

Notes to the financial statements

For the year ended 31 March 2010

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.

- k) Transactions denominated in foreign currencies are translated in to sterling at the exchange rate at the date of the transaction.

2. Voluntary income

	Restricted £	Unrestricted £	2010 Total £	2009 Total £
Donations	-	43,707	43,707	69,474

3. Incoming resources from charitable activities

The sources of income are analysed below

	Restricted £	Unrestricted £	2010 Total £	2009 Total £
Events	19,840	62,585	82,425	64,181
Research and published output	43,810	4,771	48,581	433
Member subscriptions/contributions	-	85,108	85,108	67,124
Total	63,650	152,464	216,114	131,738

At the start of 2009-10 our strategic plan was revised and new definitions of our charitable activities were agreed. In the SOFA we have adjusted the 2008-09 figures to match the new revised activity headings.

People In Aid

Notes to the financial statements

For the year ended 31 March 2010

4. Total resources expended

	Staff Costs	Other costs	2010 Total	2009 Total
	£	£	Total	Total
			£	£
Cost of generating funds	27,887	3,694	31,581	27,972
Advocating	86,736	46,043	132,779	144,144
Facilitating	83,216	69,337	152,553	143,398
Strengthening	56,134	30,254	86,388	117,127
Recognition	41,765	15,420	57,185	73,834
Governance	15,085	22,504	37,589	33,844
Total resources expended	<u>310,823</u>	<u>187,252</u>	<u>498,075</u>	<u>540,319</u>

5. Net incoming resources for the year

This is stated after charging / crediting:

	2010	2009
	£	£
Depreciation	4,227	2,240
Auditors' remuneration:		
▪ audit	6,698	5,500
▪ accountancy	-	1,500
Trustees' remuneration	-	-
Trustees' reimbursed expenses	<u>1,444</u>	<u>611</u>

Trustees' reimbursed expenses represents the reimbursement of travel and subsistence costs to 2 (2009: 1) members relating to attendance at meetings of the trustees.

People In Aid

Notes to the financial statements

For the year ended 31 March 2010

6. Staff costs and numbers

Staff costs were as follows:

	2010 £	2009 £
Salaries and wages	270,179	261,332
Social security costs	21,972	22,114
Pension contributions	14,764	16,515
Other staff costs (inc. recruitment costs)	<u>3,908</u>	<u>13,698</u>
	<u><u>310,823</u></u>	<u><u>313,660</u></u>

One employee earned between £60,000-£70,000 during the year (2009:1)

Pension contributions for this employee amounted to £4,944

No payments were made during the year to firms controlled by Trustees (2009: £0)

The average weekly number of employees (full-time equivalent) during the year was 5.4 (2009 - 5.75). During the year we seconded a member of staff to a member organisation for their Haiti response. She remained on our payroll and her salary and pension were reimbursed to us.

The payments to our regional consultants are included in the total for 2009-10. The regional consultants worked an equivalent of 0.7 FTE between them.

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 2010

8. Tangible fixed assets

	Fixtures and fittings £	Computer Equipment £	Total £
COST			
At 1 April 2009	12,494	3,005	15,499
Additions in year	-	1,845	1,845
At 31 March 2010	<u>12,494</u>	<u>4,850</u>	<u>17,344</u>
DEPRECIATION			
At 1 April 2009	1,822	418	2,240
Charge for the year	<u>3,123</u>	<u>1,104</u>	<u>4,227</u>
At 31 March 2010	<u>4,945</u>	<u>1,522</u>	<u>6,467</u>
NET BOOK VALUE			
At 31 March 2010	<u><u>7,549</u></u>	<u><u>3,328</u></u>	<u><u>10,877</u></u>
At 31 March 2009	<u><u>10,672</u></u>	<u><u>2,587</u></u>	<u><u>13,259</u></u>

9. Debtors

	2010 £	2009 £
Debtors	33,484	18,663
Prepayments	11,462	5,523
Accrued income	2,524	-
	<u>47,470</u>	<u>24,186</u>

10. Creditors: amounts due within one year

	2010 £	2009 £
Trade creditors	25,757	31,993
Accruals	9,886	7,000
Deferred income	26,079	33,847
Tax and social security	9,794	5,450
	<u>71,516</u>	<u>78,290</u>

People In Aid

Notes to the financial statements

For the year ended 31 March 2010

11. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	3,956	6,921	10,877
Current assets	34,000	-	242,610	276,610
Current liabilities	-	-	(71,516)	(71,516)
Net assets at 31 March 2010	34,000	3,956	178,015	215,971

12. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
ELHRA	-	39,900	(5,900)	-	34,000
EPN Europe	8,328	19,840	(21,873)	(6,295)	-
ECB Retention	-	3,910	(3,910)	-	-
Total restricted funds	8,328	63,650	(31,683)	(6,295)	34,000
Unrestricted funds					
Designated fund	7,079	-	(3,123)	-	3,956
General funds	157,278	477,711	(463,269)	6,295	178,015
Total unrestricted funds	164,357	477,711	(466,392)	6,295	181,971
Total funds	172,685	541,361	(498,075)	-	215,971

Purposes of restricted funds

EPN: During the year, following consultation with its stakeholders, People In Aid took over full ownership of EPN and re-branded it HHR (Humanitarian HR). The restricted fund carried forward for EPN was spent, as planned, on the EPN Gatwick conference. All receipts for HHR during the year and going forward are treated as unrestricted income.

ECB Retention: The ECB (Emergency Capacity Building Project) in the Horn of Africa commissioned People in Aid to study retention strategies in the region. With the funding provided we ran a workshop, undertook a survey, collected case studies and issued a report.

ELRHA: we received a grant from a new initiative called Enhancing Learning and Research in Humanitarian Action. We are carrying out a research project with Cranfield University into leadership: "Engaging tomorrow's global humanitarian leaders, today". Work started in 2009-10 but the report is due for delivery only in August 2010.

People In Aid

Notes to the financial statements

For the year ended 31 March 2010

12. Movements in funds (continued)

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 2010 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	
	2010 £	2009 £	2010 £	2009 £
Less than 1 year	<u>865</u>	<u>865</u>	<u>-</u>	<u>-</u>
	<u><u>865</u></u>	<u><u>865</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

14. Related party transactions

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

	£
British Red Cross Society	3,700
REDR	2,050
World Vision UK	2,200
The IRC	3,799
British Council	300
Oxfam GB	700
Christian Aid	700
Wateraid	650
Plan Intl	700
Islamic Relief Worldwide	650
Womankind Worldwide	450
Amnesty Intl	700
Medair	650