

Company no. 3772652
Charity no. 1078768

People In Aid
Report and Financial Statements
31 March 2008

People In Aid

Reference and administrative details

For the year ended 31 March 2008

Company number	3772652	
Charity number	1078768	
Registered office and operational address	Development House 56-64 Leonard Street London EC2A 4JX	
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 Jim Emerson Brian K Martin Richard Marshall Duncan Milroy June Nash Roger Smith Simon Springett Simon Thompson Rachel Westcott Ann-Marie Wilson Anne Wozencraft	
		elected 21.11.2007
		co-opted 23.01.2008 resigned 25.04.2007
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
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 2008

The trustees present their report and the audited financial statements for the year ended 31 March 2008.

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 & 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 aid 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 aid and development sector. Our activities reflect the priorities of members.

It is governed by a Board of Trustees who are elected by the member organisations at the Annual General Meeting. 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 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 one Trustee was elected and one co-opted, 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 and a survey was carried out as part of a Board self-appraisal. This revealed considerable commitment of Trustees to their role and the organisation, and emerged with some useful suggestions. Specifically the Board review looked into competencies - thinking, leadership, personal - , board structure, strategic planning, trustee induction, measuring/monitoring and delegating authority.

A 100% response identified all areas as strong except one (induction). The weaker areas, all of which have been the subject of subsequent action, were the transparency of the ED's appraisal process, trustee succession planning, reviewing the Board structure and achieving objectives. All newer trustees attended an induction during the year, covering governance issues.

People In Aid

Report of the trustees

For the year ended 31 March 2008

The Trustees meet four times a year. One of these meetings includes a full-day strategy discussion, one undertook a SWOT analysis of People In Aid and most meetings undertake an environmental scan to gauge future risks and opportunities. All recently-recruited Trustees attended a session to remind them of Trustees' responsibilities as laid out in the Governance Manual, based on the Relationship Model tm, which establishes the authority, responsibilities, expectations and limits of authority of the organisation's Board, committees and officers. 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 functioning of the Board, including recruitment, 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. Overall, the auditors, in their first year noted "many examples of good practice in operation in relation to both governance and the overall control environment".

The Board's Key performance Indicators for the organisation were tested again on members. This year the survey was undertaken by external consultants who concluded that *"According to the participants, People In Aid has had a great impact in the Human Resources sector among relief and development organisations and the participants appreciate the opportunity People In Aid provides for expanding their network in the HR community. Moreover, they value the impact that People In Aid has beyond the HR community, affecting the humanitarian sector as a whole"*. The four strategic objectives of People In Aid remain 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 some areas to focus on: consolidating People In Aid, how to measure impact, international work and cost-recovery. As last year metrics have almost all gone in the right direction, with more members, more output, wider reach. Income increased by 3.2% after an exceptional year in 2006-07 (62% increase), with expenditure increasing by 22%.

Throughout 2007-08 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 relief and development sector with 87% of survey respondents firmly believing "People In Aid provides output which is practical and grounded in reality".

People In Aid

Report of the trustees

For the year ended 31 March 2008

The network: membership grew in numbers. The diversity is still impressive (27 different countries, members enormous and small) though ways of attracting more South-based NGOs are being sought. At April 2007 membership was 111 and by the end of the year had grown to 131 (18% increase). Said the survey consultants: *"Members believe that being a member of People In Aid gives them credibility and provides them with tools that help them be accountable to their staff."* 100% of the members "would recommend People In Aid to another organisation". Our network is of necessity considerably wider than the members (with regular meetings with UN, Red Cross, key networks, donors, academics, non-member NGOs and others) and our reach beyond the HQ HR function (to field offices and regional HR of international members) is growing. Our output continues to reach wider audiences: 'Your commitment to helping people half a world away inspires us' said one NGO.

The People In Aid Code of Good Practice: The People In Aid Code remains the sector's accepted quality tool and standard for good practice in HR. An external assessment of the Code's impact encouraged us: *"small NGOs typically found the Code to be invaluable in establishing an HR strategy and policy framework. Larger NGOs typically found the implementation process provided evidence of what was already working well in their people management and what required further attention."* The Code remains widely used by agencies not proceeding through the implementation process and we have stories from Sudan, Central/West Africa and Afghanistan of how it is used by members in their country programmes to focus managers' minds on good practice. 40 of 61 survey respondents were using the Code. During the year over 4,000 copies were downloaded from the website alone (in 4 languages) and an Arabic version was distributed during the year.

Recognition: The support we offer our members in implementing the People in Aid Code has increased to try and move along a process which too many agencies take too long over, with only two new quality marks awarded during the year though the process has now been started by a number of larger agencies. The Social Audit Manual has been invaluable and we have now developed software for analysing data and for benchmarking: one user praised its *'flexibility, simplicity and the clarity of the reporting format - largely automated - which paints a clear picture of strengths and weaknesses and facilitates prioritisation'*. The HR self-assessment tool has been launched, welcomed and used. We will report further on the impact it has.

Promoting good practice in human resource management: Our websites, conferences and newsletter remain the key methods for promoting the cause of good practice to our members and the wider sector. We have 4 websites providing information and networking. The main one is now in Spanish and French and receives around 100 visits a day. Traffic on www.managing.peopleinaid, the resource site for managers, tripled during the year. www.metrics.peopleinaid is a subscription site offering country programmes the means to capture key data month-by-month, compare it to their peers and provide insights into forthcoming needs. *"The project has been an excellent platform to begin assessing staff capacity and our ability to measure progress in HR."*

A new database was installed during the year, helping us more easily to record contacts, track participation and undertake mailings. Close to 20% of the database is now based in countries of operation (12% last year). Reaching out to others with our offer is important but so is learning back from them on their experience and priorities. So we attended other organisation's conferences, and spoke at 9 of them; we organised 6 conferences of our own, recorded some 300 meetings with various organisations and sent 4 newsletters (covering wellbeing, strategic HR, professionalism and HR business partnering) to an ever-increasing readership (up a further 8% this year).

People In Aid

Report of the trustees

For the year ended 31 March 2008

We have built on the internationalisation process we launched last year. Strategic decisions to target certain regions were made and relationships carefully nurtured. We are now represented in Australia/Pacific by a consultant, working two days a week for us. She has succeeded in attracting more members, raising our profile amongst key local stakeholders and organising workshops. In East Africa we have signed an MoU with the Nairobi-based InterAgency Working group, a consortium of 30 NGOs and UN organisations: said the Chair "The partnership MoU we have signed with People In Aid offers us a great opportunity to benefit from and contribute to People In Aid's expertise and global network.". An activity plan is being drawn up, with two conferences held in Nairobi during the year. In Central America a needs analysis led to a number of initial workshops and a local partner will take forward our response to those needs. We have also spent time in other key markets such as USA (holding our first conference there in October), France and Ireland.

Providing resources to improve and build capacity in human resource management: endorsed by views from the member survey we have provided more of our output to different audiences. *"Members believe that a greater geographical scope is directly related to a greater impact, especially if People In Aid can expand to developing regions in the South and to the field"* and continue to focus on supporting HR professionals. 87% of survey respondents "believe People In Aid provides output which is practical and grounded in reality" and this remains the basis for our output and services, consisting mainly of events, primarily aimed to facilitate networking and the exchange of good practice, and publications, both practical guidance and research-based. Much of the information is e- or phone-based with over 200 direct queries reaching the office.

The conferences we ran during the year were in Nairobi (2), Geneva, Baltimore, Bangkok and Rome. Attendance is good, evaluations excellent. Attendance at workshops increased again (25; 22 in 07), affinity groups met regularly *"the special interest groups have been helpful to discuss specific issues and share ideas and ways of working"*. The Rewards benchmarking group has attracted 39 participants from Europe and North America: *'by far the best benchmarking data that we've ever had for our international staff'*.

We counted 57,000 of our publications accessed or downloaded from websites. 23 Information Notes were revised and uploaded, while the Policy Bank has grown to 55 policies members can consult. Our research papers are of increasing importance, setting agendas for agencies and gaining widespread appreciation. Two reports benefiting from ECB support were on Surge Capacity and Behaviours *"The illustration of how a different "HR-mindset" is required in emergencies has never been better described."* said one UN agency on Surge Capacity. We also did an in-depth survey into how INGOs use job titles.

Internal Resources: As signalled last year we have implemented the People In Aid Code. Our final report is due out in July for the auditor to assess. Staffing resources were tight during the year due to difficulties in recruiting a new Human Resources Services Manager and replacing our Administration Officer. The four other full-time staff have remained in post and the Finance Manager joined the staff for one day a week on April 1st. Consultancy time was bought in, bringing expertise on specific topics, amounting to the equivalent of another 1.55 (07:1.6) (full-time equivalent) members of staff.

People In Aid

Report of the trustees

For the year ended 31 March 2008

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.

The reserves policy: was considered and reconfirmed by the Board in January 2008. 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 needed for future plans and activities. The reserves policy will be reviewed regularly as part of normal budgetary procedure." 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 £129,000. 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, and expenditure planning in 2008-09 will reflect this. A financial range for the reserves was 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 2007-8 this performance was strong in comparison to similar investments.

Financial performance: Our expenditure for the year was £501,755 (2007: £411,371), an increase of 22%. 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 £525,772 (2007: £509,708), a marginal rise after last year's exceptional increase of 62%. The Finance sub-committee kept a close eye on the surplus for the year of £24,017 (2007: £98,337) and was pleased that the main contributors were dictated by the organisation (eg running conferences cheaper or doing work in-house) and a delay in office move. There continued to be underspend in the area of recognition in part due to the delayed recruitment of the relevant post, in part the monies allocated to audit which agencies did not require as they were slow through the implementation processes. We carried forward £229,400 (2007: £205,383), of which £14,977 (2007 £36,101) was restricted, £13,000 (2007 nil) was designated.

The charity enters the new financial year with general unrestricted funds of £201,423, significantly higher than the level of £129,000 required under the reserves policy. The reserves position will be kept under review in 2008-9 with the intent of reducing the current surplus.

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 the new financial year.

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

People In Aid

Report of the trustees

For the year ended 31 March 2008

Sustainability: the executive is asked to bring in unrestricted funding and ensure funding is as predictable as possible. 82% of the funds brought in were unrestricted (69% in 2007). The year saw the first year of a two-year grant from Irish Aid and the second 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 59% (2007: 52%) and NGOs – primarily members, and including project grants from NGOs - 37% (2007: 49%). These proportions did not move in the right direction this year. Insufficient new funding sources were brought in during the year, with the need for unrestricted funding limiting the potential donor base. Further fundraising efforts are underway. During the year a second subscription service (metrics) brought in income.

Approach: all restricted funds were raised for work furthering our remit, whether funding for projects specifically listed on the workplan (translating the Code into Arabic for example) or work where the workplan specifies only 'research' for example and collaboration, with the ECB 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 £31k (2007:£43k) 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, and a new Risk Area (international work) is expected to be approved by the July Board. Reports from internal or external experts on 5 of the 8 risk areas were considered, with the sub-committees and Board making any appropriate recommended changes to the matrix. The full range of risks is continually assessed. The Board itself also normally dedicates a quarter of Board meetings to 'scanning the environment', considering factors which might influence our future direction or priorities. The Board of Trustees is satisfied that systems are in place to mitigate exposure to the major risks.

FUTURE PLANS

During 2008-09, we will be focussing on the following

- Establishing a single model for People In Aid's business cycle including strategy, business plan, workplan, and reporting to Board and donors, ready to be implemented in 2009-10. The Board will propose a new strategy after their September Awayday.
- Increasing income diversity in line with the Board's strategy.
- Allocating more effort, resources and creativity to enhance recognition of agencies' performance.
- Taking forward the internationalisation strategy which will extend our impact and the range of services in selected regions.

People In Aid

Report of the trustees

For the year ended 31 March 2008

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 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.

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. The trustees also confirm 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 2008 was 8 (2007 - 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

Sayer Vincent were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity. A resolution for the appointment of auditors will be proposed at the forthcoming annual general meeting.

Approved by the trustees on 10 September 2008 and signed on their behalf by

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 2008 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 trustees of People In Aid for the purposes of charity 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. 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 2008 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.

DRAFT

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 2008

	Note	Restricted £	Unrestricted £	2008 Total £	2007 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
DfID Grant		-	260,000	260,000	210,000
Donations and similar income	2	-	52,434	52,434	54,665
Interest Receivable		-	15,210	15,210	11,166
<i>Incoming resources from charitable activities</i>					
Membership subscriptions/contributions	3	-	67,987	67,987	42,157
Recognition		170	-	170	-
The Code		1,610	-	1,610	-
Promotion of good practice		43,291	11,433	54,724	51,237
Resources		49,964	23,673	73,637	140,483
Total incoming resources		95,035	430,737	525,772	509,708
Resources expended					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	18,107	18,107	13,746
<i>Charitable activities</i>					
Recognition	4	170	33,803	33,973	37,290
The Code		1,610	37,146	38,756	24,131
Promotion of good practice		45,347	110,353	155,700	120,032
Resources		76,414	140,135	216,549	190,818
<i>Governance costs</i>		-	38,670	38,670	25,354
Total resources expended		123,541	378,214	501,755	411,371
Net incoming/(outgoing) resources before transfers	5	(28,506)	52,523	24,017	98,337
Gross transfers between funds		7,382	(7,382)	-	-
Net movement in funds		(21,124)	45,141	24,017	98,337
Reconciliation of funds					
Total funds brought forward		36,101	169,282	205,383	107,046
Total funds carried forward		14,977	214,423	229,400	205,383

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 10 to the financial statements.

People in Aid (Limited by guarantee)

Balance sheet

31 March 2008

	Note	2008 £	2007 £
Current assets			
Debtors	8	36,157	82,688
Cash at bank and in hand		249,719	223,374
		285,876	306,062
Liabilities			
Creditors: amounts due within one year	9	(56,476)	(100,679)
Net assets	10	229,400	205,383
Funds	10		
Restricted funds		14,977	36,101
Unrestricted funds			
Designated funds		13,000	-
General funds		201,423	169,282
Total charity funds		229,400	205,383

Approved by the trustees on 10 September 2008 and signed on their behalf by

People In Aid

Notes to the financial statements

For the year ended 31 March 2008

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	7 %	2007:8%
Resource	34 %	2007:39%
Promotion	31 %	2007:30%
Recognition	18 %	2007:10%
Support costs	5 %	2007:7%
Governance costs	5 %	2007:6%

People In Aid

Notes to the financial statements

For the year ended 31 March 2008

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.
- j) A capitalisation policy of £5,000 has been set meaning that any items with a purchase cost of over this amount will be capitalised and depreciated as a fixed asset.

2. Voluntary income

	Restricted £	Unrestricted £	2008 Total £	2007 Total £
Donations	-	52,434	52,434	54,665

3. Incoming resources from charitable activities

The sources of income are analysed below

	Restricted £	Unrestricted £	2008 Total £	2007 Total £
Events	47,964	23,673	71,637	140,483
Research and published output	47,071	11,433	58,504	51,237
Member subscriptions	-	67,987	67,987	42,157
Total	95,035	103,093	198,128	233,877

4. Total resources expended

	Staff Costs £	Other £	2008 £	2007 £
Cost of generating funds	16,322	1,785	18,107	13,746
Recognition of Code The code	22,292	11,681	33,973	37,290
Promotion of good practice Resources	21,877	16,879	38,756	24,131
Governance	72,676	83,024	155,700	120,032
	68,882	147,667	216,549	190,818
	22,097	16,573	38,670	25,354
Total resources expended	224,146	277,609	501,755	411,371

People In Aid

Notes to the financial statements

For the year ended 31 March 2008

5. Net incoming resources for the year

This is stated after charging / crediting:

	2008 £	2007 £
Auditors' remuneration:		
▪ audit	4,994	3,055
▪ accountancy	-	-
Trustees' remuneration	-	-
Trustees' reimbursed expenses	<u>759</u>	<u>873</u>

Trustees' reimbursed expenses represents the reimbursement of travel and subsistence costs to 1 (2007: 2) members relating to attendance at meetings of the trustees.

6. Staff costs and numbers

Staff costs were as follows:

	2008 £	2007 £
Salaries and wages	176,134	147,864
Social security costs	17,247	14,928
Pension contributions	13,888	7,903
Other staff costs (inc.recruitment costs)	<u>16,877</u>	-
	<u>224,146</u>	<u>170,695</u>

No employee earned more than £60,000 during the year.

No payments were made during the year to firms controlled by Trustees (2007: £0)

The average weekly number of employees (full-time equivalent) during the year was 5.2 (2007 - 4.8)

7. Taxation

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

8. Debtors

	2008 £	2007 £
Other debtors	34,157	22,594
Prepayments	-	444
Accrued income	2,000	15,000
Membership income in advance	<u>-</u>	<u>44,650</u>
	<u>36,157</u>	<u>82,688</u>

People In Aid

Notes to the financial statements

For the year ended 31 March 2008

9. Creditors: amounts due within 1 year

	2008 £	2007 £
Trade creditors	31,839	29,497
Accruals	4,994	6,430
Deferred income	14,070	64,752
Tax and social security	5,573	-
	<u>56,476</u>	<u>100,679</u>

10. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
AID	5,433	-	(5,433)	-	-
ECB Dissemination	1,396	-	(3,661)	2,265	-
ECB Surge	-	11,231	(11,621)	390	-
ECB Transition	-	6,137	(6,179)	42	-
ECB/EPN	19,954	4,055	(24,181)	172	-
EPN	4,918	29,637	(32,014)	-	2,541
EPN Nairobi	-	7,632	(6,588)	-	1,044
Executive Comp Project	-	2,000	(4,051)	2,051	-
Global Titles	-	3,150	(3,150)	-	-
Metrics	-	18,273	(18,273)	-	-
Metrics Service	-	11,140	252	-	11,392
MPE	4,400	-	(6,862)	2,462	-
Arabic Code	-	1,780	(1,780)	-	-
Total restricted funds	<u>36,101</u>	<u>95,035</u>	<u>(123,541)</u>	<u>7,382</u>	<u>14,977</u>
Unrestricted funds					
Designated fund	-	-	-	13,000	13,000
General funds	169,282	430,737	(378,214)	(20,382)	201,423
Total unrestricted funds	<u>169,282</u>	<u>430,737</u>	<u>(378,214)</u>	<u>(7,382)</u>	<u>214,423</u>
Total funds	<u>205,383</u>	<u>525,772</u>	<u>(501,755)</u>	<u>-</u>	<u>229,400</u>

The closing balance on restricted funds is held as net current assets.

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 2008

Purposes of restricted funds

AID: The All-in Diary was produced as a diary and guide to sector standards for fieldworkers.

MPE: updating of the website www.managing.peopleinaid.org offering tools and resources to managers responding to emergencies.

ECB: ECB is a consortium of NGOs who supported us in various activities during the year. a) Dissemination: we produced a report on 'competencies for the humanitarian sector' and compiled case studies. b) EPN: we ran a conference in Bangkok in June 2007 c) Transition: during ECB's closing period we undertook a strategic review of the National Staff Development Programme and commissioned 'knowledge notes' reviewing what the agencies had learnt during the collaboration.

EPN: is a series of conferences run by People In Aid to enhance knowledge and networking about recruiting, retaining, developing staff. ECB helped fund conferences in Bangkok (June 2007) and Nairobi 2008. We also held one in Rome supported by participant fees and contributions from various NGOs. Any balances contribute towards future EPN conferences and other EPN activity.

Research reports: with support from various funders we produced a) Global Titles: a study of job titles used in the sector b) Surge: a major piece of research on Surge Capacity in the sector and c) Executive Compensation: research to understand the critical factors that help shape remuneration.

Arabic Code: Oxfam GB supported the translation and printing of the People In Aid Code into Arabic.

Metrics: With support from Mercy Corps USA we developed a website, a user guide and a plan for sustaining previous ECB work encouraging country programme offices to collect and benefit from HR metrics.

Metrics service: People In Aid is now running the website and data analysis with support from CARE USA, our own contribution and subscriptions from country programmes: www.metrics.peopleinaid.org.

Purpose of designated fund

In March 2008 we identified premises to which we will move in July/August 2008. The Board has designated funds allocated in the 2007-08 budget for making good our current office and equipping the new space.

People In Aid

Notes to the financial statements

For the year ended 31 March 2008

11. Operating lease commitments

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

	Property		Equipment	
	2008	2007	2008	2007
	£	£	£	£
Less than 1 year	<u>935</u>	-	-	-
	<u><u>935</u></u>	<u>-</u>	<u>-</u>	<u>-</u>

12. Related party transactions

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

	£
WorldVision UK	700
Oxfam GB	700
Plan International	700
The Leprosy Mission Internatio	1,650
British Red Cross Society	3,700
Tearfund	3,700
Christian Aid	700
Wateraid	650
Medair	650