

PEOPLE IN AID
(A Company Limited by Guarantee)
(Registered Charity Number 1078768)
(Registered Company Number 3772652)
ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2006

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PEOPLE IN AID
LEGAL AND ADMINISTRATIVE DETAILS
YEAR ENDED 31 MARCH 2006

ORGANISATION

People In Aid was incorporated as a company limited by guarantee (company number 3772652). It is also registered with the Charity Commissioners (charity number 1078768).

The organisation is governed by an AGM of members who appoint an executive committee (the Board) to act on their behalf and take governance decisions in the interim between AGMs. The Board is responsible for establishing policy and monitoring performance against agreed objectives, in accordance with the Memorandum and Articles. The Board meets at least four times a year and delegates the day to day operations of the organisation to the Executive Director.

TRUSTEES

The Trustees, who are also the directors of the company, are:

Susan Barber	
Usama Bastawy	(resigned 16/11/05)
Richard DaCosta	(elected 16/11/05)
Barbara Gilroy	(resigned 25/01/06)
Ted Lankester	
Bobby Lambert	(resigned 25/01/06)
Jennifer M Loughlin	(resigned 16/11/05)
June Nash	
Ivan Scott	(resigned 16/11/05)
Roger Smith	
Simon Springett	(elected 16/11/05)
Ian Wallace	
Rachel Westcott	
Ann-Marie Wilson	(elected 16/11/05)
Anne Wozencraft	(elected 16/11/05)

Executive Director

Jonathan Potter

Company Secretary

Jonathan Potter

REGISTERED OFFICE

Development House
56-64 Leonard Street
London EC2A 4JX

PEOPLE IN AID
LEGAL AND ADMINISTRATIVE DETAILS
YEAR ENDED 31 MARCH 2006

ADVISORS

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Solicitors

Russell-Cooke
8 Bedford Row
London
WC1R 4BX

Bankers

COIF Charity Funds
80 Cheapside
London
EC2V 6DZ

CAF Bank Ltd
PO Box 289
West Malling
Kent
ME19 4TA

PEOPLE IN AID
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2006

The Trustees are pleased to present their report for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

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 11 and 12. A maximum of 5 'independent' Trustees can be co-opted from outside People In Aid's membership.

During the year there were 9 People In Aid members represented on the Board. At the start of the year there were only 2 independents. An open recruitment process identified three new Board members, all of whom were elected at the AGM. Board members 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. During the year a new selection and interviewing process was introduced to ensure continuing quality of governance, and this is being strengthened during the current year by the governance sub-committee. Individual induction was carried out for all new Trustees.

The Trustees meet four times a year. One of these meetings includes a full-day strategy discussion, another includes a reminder of Trustees' responsibilities. These responsibilities are 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. The sub-committee structure was refined during the year. There are now two sub-committees tasked to advise and make recommendations to the Board. These are the Finance and Resources sub-committee and the Organisational Risk and Governance sub-committee.

Day-to-day management of the organisation is delegated to the Executive Director.

By July 2005 the bulk of a new strategic plan had been discussed and approved. This re-stated People In Aid's strategic objectives in a more forward-looking way, adding 'recognition' as an objective of itself, where it had previously been part of the Code. The four strategic objectives of People In Aid are now 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.

Next year's audited accounts will link the charitable expenditure to these four headings. For this year recognition continues to be included under 'Code' in the accounts.

**PEOPLE IN AID
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2006**

ACHIEVEMENTS AND PERFORMANCE

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.

The network: membership grew in both numbers and diversity. At April 2005 membership was 78 and by the end of the year had grown to 92 (15%). By year-end 50% of members had supplied information for our new database and between them they turned over more than £1.5 billion. 96% of members responding to our survey rated their membership of People In Aid very useful or useful.

The People In Aid Code of Good Practice: 12 NGOs now have a People In Aid kitemark and 7 others have committed to the process. These 19 are in 10 different countries. The Code is widely used by agencies not proceeding through the implementation process: one global family of agencies, for example, used it as a basis for their own staff manual. Over 5,500 copies have been downloaded from the website since it was posted there (late 2003). We have translated the Code into German, Sinhala and Tamil and are testing its validity for volunteer-sending agencies. The support we provide to implementing agencies is being enhanced: the Social Audit Manual and the stakeholder questionnaire are being revised, with final versions due for release in May 2006.

Promoting good practice in human resource management: we continue to urge members, and the wider sector, to follow good practice. As proposed in last year's report, this work became more international during the year. We made assessments of Sri Lanka, Kenya and India to see what value we might add to the local NGO community in those countries. We have plans for collaboration with a partner in Costa Rica. We facilitated HR networks (Sri Lanka, Netherlands, London and Ireland) and organised the Emergency Personnel Network conference bringing together 42 agencies from 12 countries to discuss 'Management development for emergencies'. We addressed conferences in Netherlands, France, USA, Sri Lanka and the UK. We met individually with over 150 agencies. We continue to link with other quality and accountability initiatives in the sector as well as participate in inter-agency initiatives such as the legal working group and Keeping Children Safe.

Our mailing list grew by 10% and our quarterly newsletter distribution exceeds 2,000 copies. The newsletter themes were retention, collaboration in HR, staff wellbeing and cross-cultural HR issues. Our website fulfils a valuable function by offering information and encouraging downloads of free material.

Providing resources to improve and build capacity in human resource management: our output responds closely to where our members tell us we could add most value. 84% of our survey respondents strongly agree/agree that we listen to their views and needs. We delivered 8 workshops (with very high 'usefulness' rates reported, from an average of over 85% of the average 20 participants), organised two conferences (EPN, and a symposium on 'People Under Pressure' which attracted 82 participants), held over 100 individual meetings (65 with members), organised one roundtable on Health and Safety issues and 4 affinity groups.

We issued reports or information notes on a range of subjects including reward policies and practices, managing change, performance management (for EPN), team management, avian flu. Many of our reports remain free, while one of our larger US-based members spent over £750 in March supplying their country offices with a selection of our handbooks. We brought together 17 agencies to add an international development dimension to a UK voluntary sector-wide survey called People Count, and undertook a major piece of research on retention for the Emergency Capacity-Building Project. We collaborated in a project for ECHO investigating the advisability of using volunteers in emergency situations. We fielded well over 200 tele- or e-requests for information

Resources: The 3 key staff have remained in post. A new Human Resources Services Co-ordinator left after a few months for personal reasons and the post was filled, on a temporary basis, only in March 2006. We have part-time assistance from an administrator and an accountant. A full year's worth of consultancy time was bought in, bringing expertise on specific topics. In the survey one member wrote: "the staff are helpful and responsive, the information provided always relevant and useful".

PEOPLE IN AID
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2006

As proposed in last year's report we expected the number of partnerships to grow. During the year we have worked with a wide range of organisations to deliver services and output, and increase our profile. Examples include working with InterHealth to deliver the People Under Pressure symposium; with the Management Centre on the development of a week-long management development course; with the Institution for Occupational Safety and Health on the roundtable; with Agenda Consulting on People Count; with ORC Worldwide on the rewards work.

FUTURE PLANS

The one area of the strategic plan which was not finalised during the year was the organisation's key performance indicators. These are due for final approval by the Board in July 2006 and will attempt to measure, at a strategic level, the impact which People In Aid is having. The Board will also be reviewing its own performance through individual questionnaires and follow up.

Most of our operational activities for 2006-07 are grouped under two broad titles: internationalisation, undertaking work in selected countries both in the North and the South, and effectiveness, to include studying the effectiveness of the Code and to look into different ways of assessing HR performance. The four strategic objectives will each be met in part by these pieces of work.

We will maintain our current level of output (workshops, research, reports, guidance notes, events and similar), and its quality and relevance, while expanding our horizons to look more into the management of people by people (as opposed to the HR function) and into more work on new developments in human resources management. We expect our marketing capability, including the website, to increase the number and range of audiences we reach.

We plan to commence implementing the Code ourselves during the year. We recognise our need to be working in an ever-increasing range of strategic and operational partnerships during the year. We intend to increase the resources available to us, both in financial terms and relating to staff and consultants.

FINANCIAL POSITION

Financial governance: The Board is satisfied with People In Aid's financial performance. Financial policies exist and are regularly reviewed. Financial risks are regularly assessed. We further believe that, through the Executive Director People In Aid is using member and donor funds cost-efficiently to deliver against its objectives. Details follow in the paragraphs below.

Financial policies: each year the Finance and Resources sub-committee review 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, include reserves, income, financial risk, financial reporting, investment, tendering, expenses, bad debts and capitalisation. The sub-committee also linked discussion on major policies to identified risks, for example considering the level of reserves in the light of risks to income and cash flow.

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

Sustainability: the executive is asked to bring in unrestricted funding and ensure funding is as predictable as possible. 86.5% of the funds brought in were unrestricted (85.5% in 2005). The year saw the first tranche of two-year funding provided by DCI (Development Cooperation Ireland) and the award of a five-year grant of £1.3m from DFID's CHF. The Trustees are very grateful for this support from the two governments.

**PEOPLE IN AID
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2006**

Diversity: Our principal funding sources are government donors (59.6 %), NGOs – primarily members, and including project grants from NGOs (35.7 %) and others (4.6%) – grants and project funds. The principle of diversity was maintained, therefore, with negligible variation from last year. It is our intention to raise the percentage of non-government funding.

Approach: all restricted funds were raised to carry out core work and there was no pursuit of funding sources for the sake of increasing income. Our approach is to stress value for money to potential funders: one commissioned piece of work was produced at around one-eighth of the cost quoted by commercial consultants, was within budget and added greatly to our reputation for quality work.

During the 2005-06 year the FR sub-committee recommended changes to the income policy, including a cost-recovery statement, which were endorsed by the Board.

Financial risks are considered at every meeting of the FR sub-committee. Policies have a reference in the risk management matrix or other financial reporting systems to ensure practices are followed. Also, comprehensive monthly and quarterly management reporting guidelines were refined to cover potential financial risks. Our cash funds are invested with COIF, whose performance is considered every half-year by the Treasurer.

The reserves policy was considered and approved by the Board in July. 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 reserves figure is based on 3 months of our core costs plus 5% of expenditure as contingency. A financial range for the reserves was set, along with a system of red and amber lights. Positive cash flow during the year meant that we were never red, and occasionally ‘amber’ through having too much cash unspent and unallocated. During the year the Board approved a process for drawing on reserves, which has not yet needed to be implemented.

The finance committee also considered the value for money offered by People In Aid and, through its tendering policy, bought by People In Aid. This work on value for money is now absorbed, at a strategic level, into the key performance indicators and, at the operational level, information is collected through a variety of means.

How expenditure fits the key objectives: our strategic plan, finalised during the year, sets out the percentage of our income allocated to each beneficiary group to achieve the strategic objectives/services mentioned in the report above. The percentages for 2005-06 were approximated since the strategic objectives and stakeholder groups were redefined after the budget was set, but there was very little difference between the approximation and the actuals for 2006-07’s budget. The approximation was as follows:

<u>Beneficiaries</u>	<u>Objective 1 Dynamic Code</u>	<u>Objective 2 Providing resources</u>	<u>Objective 3 Promotion of good practice</u>	<u>Objective 4 Providing recognition</u>	<u>TOTAL</u>
NGOs	3%	34%	30%	0%	88%
Implementing Member NGOs	10%			11%	
HR staff and line managers	2%	5%	2%	0%	9%
Aidworkers	0%	3%	0%	0%	3%
TOTAL	15%	42%	32%	11%	100%

**PEOPLE IN AID
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2006**

Financial position: Our expenditure for the year was £271,784, income was £317,020. We carried forward £107,046 and finished the year with a surplus of £45,236. Budgeted reserves for the year-end were £62,550 with the balance including savings made due to good financial management and due to the failure of contractors to revise the website during the year as planned. This project will be completed in 2006-07. The Board can confidently state that People In Aid is in a good financial position.

RISKS

During the year the Board continued to discuss and update the risk management matrix. The full range of risks is being assessed. Most risks, and the activities in place to mitigate against them, are first considered by sub-committees. Over the next two years the Board will commission external assessments on the eight risk areas. The Board itself also dedicates a quarter of each Board meeting 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.

APPOINTMENT OF AUDITORS

A resolution for the appointment of auditors will be proposed at the forthcoming annual general meeting.

On behalf of the Board



June Nash

3 September 2006

PEOPLE IN AID

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees, as directors of the charitable company to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of the surplus or deficit of the charitable company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that the Trustees' report is prepared in accordance with law applicable to incorporated charities in the United Kingdom.

Each of the trustees have confirmed that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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 2006 which comprise the statement of financial activities, the balance sheet, and the related notes. The financial statements have been prepared under 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 trustees and auditors

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

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 have been properly prepared in accordance with the Companies Act 1985. We also 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 directors' remuneration and other transactions is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

We report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements.

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 judgments 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2006 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 the Companies Act 1985; and
- the information given in the trustees' report is consistent with the financial statements.

London, UK

18 October 2006


PKF (UK) LLP
Registered auditors

PEOPLE IN AID
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2006

	<u>Notes</u>	Unrestricted <u>funds</u> £	Restricted <u>funds</u> £	Total <u>2006</u> £	Total 2005 <u>(as restated)</u> £
INCOMING RESOURCES					
DfID Grant	2	155,000	-	155,000	125,000
Other grants		33,958	16,000	49,958	21,765
Donations and similar income	3	39,226	26,780	66,006	28,461
Activities to further charitable objects:					
Membership		28,684	-	28,684	20,685
Courses and publications		10,499	-	10,499	10,525
Interest Receivable		6,873	-	6,873	3,419
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOMING RESOURCES		274,240	42,780	317,020	209,855
RESOURCES EXPENDED					
	4				
Cost of generating funds		11,282	-	11,282	8,852
Direct charitable expenditure					
Activities to further charitable objects:					
Audit of Code		35,136	2,688	37,824	39,399
Promotion of good practice		71,396	27,123	98,519	71,897
Information		83,376	24,838	108,214	84,458
Governance		15,945	-	15,945	9,683
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL RESOURCES EXPENDED		217,135	54,649	271,784	214,289
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR					
	5	57,105	(11,869)	45,236	(4,434)
TRANSFERS					
Funds brought forward at 1 April 2005	9	7,192	(7,192)	-	-
		42,749	19,061	61,810	66,244
		<hr/>	<hr/>	<hr/>	<hr/>
FUNDS CARRIED FORWARD AT 31 MARCH 2006		107,046	-	107,046	61,810
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

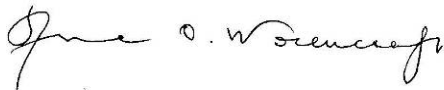
The company has no gains or losses other than the results for the year.

PEOPLE IN AID
BALANCE SHEET
AS AT 31 MARCH 2006

	<u>Note</u>	<u>31 March 2006</u> £	<u>31 March 2005</u> £
CURRENT ASSETS			
Debtors	6	28,557	37,958
Cash at bank and in hand		173,834	60,588
		<hr/>	<hr/>
		202,391	98,546
CURRENT LIABILITIES			
Creditors	7	(95,345)	(36,736)
		<hr/>	<hr/>
NET ASSETS		107,046	61,810
		<hr/> <hr/>	<hr/> <hr/>
RESERVES			
Unrestricted funds			
General	8	107,046	42,749
Designated		-	-
		<hr/>	<hr/>
		107,046	42,749
Restricted funds	9	-	19,061
		<hr/>	<hr/>
		107,046	61,810
		<hr/> <hr/>	<hr/> <hr/>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved and authorised for issue by the Trustees on 13/9/ 2006 and signed on their behalf by:



Honorary Treasurer

PEOPLE IN AID
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2006

1 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the accounts of the charitable company are described below.

(a) Accounting Policies

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The accounts comply with the recommendations of the Statement of Recommended Practice – "Accounting and Reporting by Charities" (SORP 2005), issued by the Charity Commissioners for England and Wales. Comparative figures have been restated in accordance with SORP 2005 principles.

(b) Income

All income is accounted for on a receivable basis. 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) Deferred income

Deferred income represents membership fees and donations received in advance for the next financial year.

(d) Expenditure

All expenditure is accounted for on an accruals basis and is attributed directly to the activities for which the cost is incurred. Staff costs have been allocated on the basis of time spent on particular activities. Costs of generating funds are those costs incurred in seeking grants and other income. Governance costs are those incurred in compliance with constitutional and statutory requirements.

(e) Funds

Unrestricted funds represent amounts available for the general objects of the charity's work. Restricted funds represent amounts received for specific projects.

(f) Tax status

The charitable company is a registered charity and is not subject to corporation tax on its current activities.

(h) Pension

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.

(i) Operating leases

Operating lease rentals are charged to the Statement of Financial Activities as incurred.

PEOPLE IN AID
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2006

2 DFID GRANT

During the year DfID awarded a grant of £155,000 for the year ended 31 March 2006 (2005: £125,000). The purpose of the grant is considered to be the charity's primary objective and accordingly the funds are unrestricted.

3 DONATIONS AND SIMILAR INCOME

	<u>Unrestricted</u> £	<u>Restricted</u> £	<u>2006</u> <u>Total</u> £	<u>2005</u> <u>Total</u> £
Donations	37,226	26,780	64,006	27,461
Intangible Income	2,000	-	2,000	1,000
	<hr/>	<hr/>	<hr/>	<hr/>
	39,226	26,780	66,006	28,461
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The intangible income relates to mentoring sessions provided by the Worshipful Company of Management Consultants. An equivalent cost is included within Information costs.

4 RESOURCES EXPENDED

	<u>Staff</u> <u>costs</u> £	<u>Other</u> <u>costs</u> £	<u>2006</u> <u>Total</u> £	<u>2005</u> <u>Total</u> £ (as restated)
Cost of generating funds	9,809	1,473	11,282	8,852
Charitable expenditure				
Activities to further charitable objects:				
Audit of Code	15,231	22,593	37,824	39,399
Promotion of good practice	44,883	53,636	98,519	71,897
Information	45,727	62,487	108,214	84,458
Governance	6,406	9,539	15,945	9,683
	<hr/>	<hr/>	<hr/>	<hr/>
	122,056	149,728	271,784	214,289
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
			<u>2006</u> £	<u>2005</u> £
Wages and Salaries			103,827	92,803
Social security costs			10,593	9,702
Pension costs			7,636	7,104
			<hr/>	<hr/>
			122,056	109,609
			<hr/> <hr/>	<hr/> <hr/>

During the period none of the trustees received remuneration and four (2005: three) were reimbursed expenses of £540 (2005: £409). During the year Anne-Marie Wilson's (a trustee) consulting firm Hershguay Consulting, was paid £774 for professional services provided in relation to the Senior Team Building Day and the Emergency Response Team Study Day. The average number of employees during the year was 4 (2005: 3) and no employees earned over £60,000 per annum.

Governance costs include the cost of audit and accountancy, meeting expenses as well as Board training.

PEOPLE IN AID
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2006

5	NET INCOMING RESOURCES	Year ended 31 March 2006 £	Year ended 31 March 2005 £			
	Net incoming resources for the year are stated after charging:					
	Auditors remuneration:					
	- Audit	2,115	2,056			
	- Accountancy	1,000	-			
		<hr/> <hr/>	<hr/> <hr/>			
6	DEBTORS					
	Prepayments	478	460			
	Other	28,079	37,498			
		<hr/>	<hr/>			
		28,557	37,958			
		<hr/> <hr/>	<hr/> <hr/>			
7	CREDITORS					
	Trade Creditors	25,807	-			
	Accruals	2,115	3,673			
	Deferred income	67,423	33,063			
		<hr/>	<hr/>			
		95,345	36,736			
		<hr/> <hr/>	<hr/> <hr/>			
8	UNRESTRICTED FUNDS					
		1 April 2005 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2006 £
	General funds	42,749	240,283	(183,178)	7,192	107,046
	Designated fund	-	33,957	(33,957)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		42,749	274,240	(217,135)	7,192	107,046
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The designated funds represent a grant received from Development Cooperation Ireland (DCI) and relates to the internationalisation of People In Aid and its activities.

PEOPLE IN AID
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2006

9 RESTRICTED FUNDS

	1 April <u>2005</u> £	<u>Incoming</u> <u>Resources</u> £	<u>Resources</u> <u>Expended</u> £	<u>Transfers</u> £	31 March <u>2006</u> £
ECHO project	7,192	-	-	7,192	-
CAFOD	2,000	-	2,000	-	-
Fritz Institute	9,869	-	9,869	-	-
EPN Project	-	25,515	25,515	-	-
ECB Project	-	8,076	8,076	-	-
EVHAC Project	-	5,424	5,424	-	-
TUUT Grant	-	2,500	2,500	-	-
	<u>19,061</u>	<u>41,515</u>	<u>53,384</u>	<u>7,192</u>	<u>-</u>

The ECHO project: ECHO confirmed on 4 April 2005 that all funds have been received and appropriately spent for delivering the handbooks on Understanding and Enhancing the quality of HR in the humanitarian sector.

The CAFOD donation was received for a research project looking into people management tools for managers in emergencies.

The T.U.U.T. Charitable Trust provided funding to look into the situation of volunteers in emergency relief.

We contributed to a consultancy called EVHAC (European Volunteer Humanitarian Aid Corps) carried out on behalf of ECHO (Humanitarian Aid Office of the European Commission), again looking into volunteering in emergency relief. The transfer to unrestricted reserves represents a movement on the project of expenditure previously allocated and recognised within unrestricted expenditure.

Funding from the Fritz Institute was for research into measuring HR performance.

The funding from ECB (the emergency capacity-building project, a group of NGOs) was for a retention study.

People In Aid administered the EPN Conference on behalf of RedR/IHE.

10 OPERATING LEASE COMMITMENTS

	<u>2006</u> £	<u>2005</u> £
Land and Buildings		
Leases expiring within:		
Less than one year from the balance sheet date	<u>1,200</u>	<u>588</u>