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**Jalena Mohamed**, 50, and **Hawa Amiry**, 41 pictured in Miyuyu Primary School, Miyuyu village, Tanzania. Jalena is a school committee member and is involved in making sure the school is being run well. Hawa is involved in planning and finance within the community. Budget tracking and Tax Justice Campaign.

Credit: Andrew McConnell/Panos Pictures/ActionAid

# Governance, internal control and audit

This report and the attached financial statements bring together the activities and financial position of all of the entities that work under the name ActionAid International. For the period ended 31 December 2012, the narrative reports and financial statements encompass ActionAid International (International Secretariat and country programmes managed by ActionAid International), Affiliate and Associate Members, as described in the Financial and accounting policies on page 9.

ActionAid International has a two tier governance structure composed of an Assembly and Board. The Assembly is composed of Affiliate and Associate Members. The International Board is composed of independent Board Members. This structure enables the number of Members to grow while maintaining a relatively small board for effective oversight of management.

The relationship between ActionAid International and its Members is spelt out in the ActionAid International Constitution, Membership regulations and licence agreement between ActionAid International and its Members. The Assembly is the overarching governance body of ActionAid International and reserves certain powers and functions to itself including the approval of the International Strategy, election of ActionAid International Chair and Board Members. The ActionAid International Assembly (composed of its Members' nominated representatives) meets at least once a year in its Annual General Meeting. ActionAid International Members have the right to vote and propose motions (proposal for decision to the Assembly) on issues within the power of the Assembly.

The ActionAid International Board is responsible for

the daily governance of the organisation.

Further details of the structure and the powers of the Assembly and Board are set out in the ActionAid International constitution (please refer to our website [www.actionaid.org](http://www.actionaid.org)).

The ActionAid International Board meetings are convened at least three times a year. Between meetings there is regular contact between the Chair and the other Members of the Board. The ActionAid International Board continues to delegate the day-to-day operation of the International Secretariat to the principal officers who comprise an executive leadership team of full-time senior management. There are provisions in the constitution for the Board Members themselves to elect up to one third of the board to ensure that it maintains the necessary balance of gender, expertise, regional representation or other diversity.

Board Members hold office for three years and are eligible to serve a maximum of two consecutive terms.

The Board delegates some of its work to Board committees. These are:

- The Finance and Funding Committee encourages the highest standards of integrity and financial reporting and oversees the financial management of ActionAid International and management process.
- The Audit and Risk Committee oversees the work of internal and external audit and champions the risk assessment and evaluation processes of the association.
- The Governance and Board Development Committee inducts new Board Members, reviews proposals for

new members of ActionAid International and reviews ActionAid International's governance standards.

- The Human Resources Committee, consisting of conveners of the other three committees and the Board Chair reviews the remuneration principles applying to international staff and recommends the remuneration of the Chief Executive.

In addition, ActionAid International Members are registered locally and have their own governance structure with oversight for their activities at national level. Organisations that become Members of ActionAid International are required to have constitutions that prescribe governance processes in line with the standards set by ActionAid International. They are also governed by regulations established under the constitution which require compliance with a range of policies and procedures that establish a series of operating standards across ActionAid International. A separate agreement between ActionAid International and ActionAid UK provides for the International Secretariat to manage country programmes that have not yet become locally registered organisations.

The ActionAid International Board, accountable to the ActionAid International Assembly, has overall responsibility for the system of internal control in the International Secretariat and country programmes, and through the internal audit function monitors the control environments of ActionAid International's Members. The system provides reasonable but not absolute assurance that ActionAid International operates efficiently and effectively, safeguards its assets, maintains proper records and complies with relevant

# Governance, internal control and audit

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laws and regulations. The national boards have the primary function for monitoring matters at national level.

The Members of the ActionAid International Board oversee a comprehensive accountability system. This includes rolling three-year plans, approved annually by Members' boards and on an aggregated basis by the Board Members of ActionAid International. The ActionAid International Board compares actual results with plans and forecasts and non-financial performance data. Other controls include delegation of authority and segregation of duties. The ActionAid International internal audit function regularly reviews internal controls across ActionAid International and submits reports to the Audit and Risk Committee.

The ActionAid International Board has identified and reviewed the major strategic, business and operational risks which ActionAid International faces and confirms that appropriate systems are in place to manage and mitigate those risks.

The ActionAid International Board has accepted responsibility for the preparation of these aggregated non-statutory financial statements for the year ended 31 December 2012 which are intended to give a true and fair view of the state of affairs of ActionAid International at that date and of its deficit for the period then ended. They are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, adjusted to include the creation of a property, plant and equipment replacement reserve, with additional voluntary disclosures appropriate to an INGO.

In preparing these aggregated non-statutory financial statements, Members of the Board have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether appropriate accounting standards have been followed subject to any material departures being disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis as they believe that ActionAid International will continue to operate for the foreseeable future.

Members of the Board are responsible for keeping adequate accounting records for ActionAid International and for monitoring the standard of record keeping of Members and country programmes, so that they can disclose, with reasonable accuracy at any time, the financial position of ActionAid International and to enable them to ensure that the financial statements comply with IFRSs and ActionAid International's accounting policies. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of ActionAid International and to prevent and detect fraud and other irregularities. They are responsible for the maintenance and integrity of the financial and other information included on the organisation's website.

# Review of financial performance

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## Introduction

ActionAid International's total income in 2012 was €218 million. This is an impressive result in the context of the continuing global recessionary environment, and our exposure to European sources of funding which is the main driver for the reduction of income of 3% compared to prior year. Total expenditure was €230million an increase of 2% which resulted in a deficit of €11million, after investment gains.

The overall deficit for the year comprised a deficit of €7.1m relating to restricted funds, and a deficit of €4.3m relating to unrestricted funds. Despite the impact of decline in income, we retained the focus on meeting our programme commitments, continuing to increase our programme work and impact in alleviating poverty and injustice.

Currency volatility in 2012 with the average Euro rate of €1.232/£1 weakened by 7% over the year. With the continuing Eurozone crisis the currency risk remains high. The funding mix is about 50% of income from Euro zone Countries, or countries with currencies influenced by the Euro, 33% of income denominated in Sterling; the balance of the income mainly earned in US and Australian dollars, Indian Rupees and Brazilian Real.

As part of our organizational priorities to reform financial management and control systems and processes (priority 6 in our new strategy "People's Action (2012-2017)"), we have started implementing improvements in planning, reporting and aggregation, and established a Finance Transformation Project for delivery of this priority, creating a robust platform for

continuous improvements, and alignment to strategy going forward. In anticipation of the Project, a review of the consistency of application of international accounting policies, together with a process of reconciling and validating key accounts on the ledger was undertaken. This led to a number of adjustments and revisions to presentation, in some cases relating to prior periods, which have been accounted for as part of ActionAid International's results for 2012.

Please refer to our Annual Report 2012, which reports on year one of People's Action.

## Income

The performance on voluntary income in € increased in 2012. Our voluntary income is derived mainly from Child Sponsorship and other committed giving fundraising products. Strong performance from growth in new markets of Australia, Brazil, India, Netherlands and Sweden offset declines in Greece and Ireland with Italy holding their position. The underlying performance in the UK was credible in the current economic climate, holding steady in 2012. The effect of the weakening €/£ exchange rate resulted in 6% increase in committed giving reported results compared to 2011.

The total number of supporters making regular donations decreased by 0.3% to 382 000. There were large increases in supporter numbers in Brazil, India and Sweden but declines in Greece and the UK. Most new supporters were recruited through TV advertising, street and door to door fundraising and online. The percentage

of supporters cancelling their support was low for most countries, but there have been some increases as a result of the economic situation in Greece and Australia.

Voluntary income also includes income from trusts, corporate bodies, some individuals and other NGOs. This income has decreased by 3% largely due to the decrease in funding from emergencies. Whilst at lower levels than 2011 due to no major emergencies, funding was raised for the India and Pakistan floods, East Africa drought and continued funds for Haiti earthquake.

Efforts to expand our fundraising activity in other countries helped to ensure Committed Giving income held steady in 2012, offsetting the decline in Greece and Ireland. Our sister organisation in Spain, Ayuda en Acción, generated some €6.6m of Child Sponsorship income for ActionAid work which is shown in 'Other donations' in note 1b (along with other funds).

Official income decreased to €66m from €70m in 2011. The most significant funders were the Government of Denmark €26m, Government of the UK (DFID) €8m and European Union €8m. Kenya received €11m of funding in emergency food aid from the UN World Food Programme. Investment income increased by 16% despite a difficult economic environment.

Other income declined in 2012 and is derived from the trading and activity holidays, and other income as shown in note 1e.

# Review of financial performance

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## Expenditure

Total Expenditure at €230 million is 2% higher than 2011. Fundraising and Programme costs increased by 2% and Governance costs increased by 12%. As a % of total costs, fundraising costs remain at 20% in 2012 and fundraising costs as a percentage of income remain at 17% with continued investments in funding affiliates own activities.

Programme expenditure (before the allocation of support costs) has increased by 2%. In accordance with IFRS, we set out below a change to our reporting on expenditure:

In 2012, we have a new strategy, People's Action, whereby we have moved away from themes and are in the process of establishing baselines and reporting on new strategic objectives. We have therefore removed the Programme expenditure analysis by theme.

Support costs increased by 2% due to inflationary pressures. As a percentage of total costs, support costs remained steady at 17%.

## Aggregated statement of financial position

The aggregated balance sheet shows that net assets have decreased to €82m in 2012; a decrease of €9.8m due to lower cash balances off set by reduction in deferred income. An accounting surplus of €1.7m arose on translating foreign currency assets into Euros. The balance sheet contains €73m of cash and short term bank deposits which is lower than 2011 levels by 17% due to increase in expenditure.

## Issues of concern

The total recorded losses through fraud in 2012 were €50,700 net of recoveries compared to €11,500 in 2011 and €53,000 in 2010. One staff member was dismissed and another resigned for fraud related offences. Five partnerships were also terminated for similar reasons.

There are no other concerns relating to control breakdowns to report.

## Outlook for 2013

In 2012, we had anticipated a downward trend in fundraising results as signalled by the lagging indicators we monitor. The profound impact on the economies in Europe, notably Greece, Ireland, Spain and Italy were mirrored in our results, as individuals, corporates and governments reduced spending.

In 2013 the outlook follows the same trend with continued economic recession in Europe expected to hit some of AA's key supporter markets. Political uncertainties in Greece and Italy, coupled with a general decline in European consumer confidence has resulted in on-going spending restraint and reduced levels of savings.

The successes of increased focus and investment in new markets in the South are contributing to reducing the risk to income from Europe. The support to new members to develop their markets will continue in 2013. South Africa, Nigeria, Kenya, Uganda, Vietnam, Bangladesh, Ghana and The Gambia were identified as markets with an ambition to launch fundraising programmes locally. We are setting up a fundraising hub in South East Asia, to raise funds from trusts and foundations and from high net worth individuals.

# Review of financial performance

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## Reserves policy and performance

ActionAid holds reserves to allow our work to continue during periods when income may fluctuate. We do this to show our long term commitment to our beneficiaries.

We divide our funds into:

- Restricted reserves: funds which are earmarked for particular purposes, e.g. an appeal to help victims of disasters, but have not yet been spent
- Unrestricted reserves, being general funds which can be used for any expenditure.

These funds are invested in largely short-term funds, with banks and other institutions with some held in longer term investments. Our policy is to hold three months of reserves based on expenditure in the following year.

Reserves are defined here as:

- funds from supporters, typically committed givers, excluding property, plant and equipment. Balances which result from grants of partnership income, for example from official donors, are not included within this definition of 'reserves';
- unrestricted funds held by Affiliate and Associate Members and ActionAid International.

During 2012 we reviewed compliance with this policy. In performing this review, each of the country programmes, Affiliate and Associate Member activities were reviewed separately. This is because, in dealing with shortfalls against our policy, the flexibility granted by our donors varies depending on the activity of the various entities.

- We are broadly satisfied that country programme reserves of restricted funds are in line with this policy and, where they are not, plans are in place for them to be brought into line within three years. In coming to this conclusion, we took account of ActionAid International reserves which are sufficient to compensate for individual members' temporary shortfalls compared to the minimum required under the policy.
- We are also satisfied that Affiliate and Associate Members held three months of planned expenditure, based on their activity in the following year
- In addition, additional reserves are required for certain defined risks to ActionAid International's future income and expenditure.

The unrestricted liquid funds and treasury reserves of €24 million at the end of 2012 (as shown in note 13) represented a margin of €6 million over the minimum required, which is satisfactory.

## Investment policy and performance

The Board's policy in relation to ActionAid International's long term investments is that they should achieve a higher income than is achieved on ActionAid International's liquid resources while over time benefiting from the capital growth available from equities.

The majority of Investments are held by ActionAid International and in 2012, the total return (income and capital growth) achieved on the portfolio was 10%. This return on investment exceeded internal benchmarks, and overall investment performance reflected the recovery on global markets. All investments were made in line with ActionAid International's ethical investment policy.

# Auditor's Report

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## **Report of the independent auditor Buzzacott LLP to the Members of ActionAid International (the Association)**

We have audited the aggregated non-statutory financial statements of ActionAid International for the year ended 31 December 2012. ActionAid international comprises the entities listed in the basis of aggregation accounting policy on pages 9 & 10. These aggregated non-statutory financial statements comprise the aggregated statement of comprehensive income, aggregated statement of financial position, aggregated statement of cash flows, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report has been prepared for the Association's Members, as a body, solely in connection with their wish to publish aggregated non-statutory financial statements and in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Members those matters that we are required to state to them in this report, and for no other purpose. We

acknowledge that the Members wish to make this report (with the aggregated non-statutory financial statements to which it relates) available for public inspection, to enable readers to verify that an auditor's report has been commissioned by the Members and issued in connection with the associated aggregated non-statutory financial statements.

This report was designed to meet the agreed requirements of the Association's Members, as a body, determined by the needs of the Association at the time. This report should not therefore be regarded as suitable to be used or relied upon by any party wishing to acquire rights against us other than the Association's Members, as a body, or the Association, for any purpose or in any context. Any party, other than the Association's Members, as a body, or the Association, who obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's Members, as a body, for our work, for this report or for the opinions we have formed.

## **Respective responsibilities of Board Members and auditors**

As described on page 3, the Members of the Board of ActionAid International have accepted responsibility for the preparation of these aggregated non-statutory financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the aggregated non-statutory financial statements in accordance with the terms of our engagement letter dated 25 January 2010.

# Auditor's Report

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## Scope of the audit of the aggregated non- statutory financial statements

An audit involves obtaining evidence about the amounts and disclosures in the aggregated non-statutory financial statements sufficient to give reasonable assurance that the aggregated non-statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Association's Members; and the overall presentation of the aggregated non- statutory financial statements. In addition, we read the other information accompanying the aggregated non- statutory financial statements to identify material inconsistencies with them. If we become aware of any apparent material inconsistencies we consider the implications for our report.

## Opinion on aggregated non- statutory financial statements

In our opinion the aggregated non-statutory financial statements:

- give a true and fair view, of the state of ActionAid International's affairs as at 31 December 2012 and of its result for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and

In our opinion the information given in the accompanying report for the year for which the aggregated non-statutory financial statements are prepared is consistent with the aggregated non-statutory financial statements.



**Buzzacott LLP**

Chartered Accountants

July 2013

# Accounting policies

## Basis of preparation

The financial statements have been prepared following International Financial Reporting Standards as adopted by the European Union (Adopted IFRS) as the Board Members have decided that these standards are the most appropriate to ActionAid International's stakeholders. The financial statements have been prepared voluntarily, under the historical cost accounting rules modified for the revaluation of investments, to give a better picture of the international association. Certain additional disclosures, including the analysis of income, expenditure and closing reserves by fund category, and the separation of liquid reserves and funds invested in property, plant and equipment, have been made in line with internationally accepted accounting practices for not-for-profit organisations. The accounting policies adopted are consistent with those of the previous financial year.

At the date of issue of these financial statements the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective. All companies are given time to implement new IFRS and we are currently taking all necessary steps to implement the following standards in good time. The Board Members anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of ActionAid International.

## Endorsed

- Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) (issued 28 June 2012)
- Annual Improvements to IFRSs 2009-2011 Cycle (issued by the IASB in May 2012)
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - Government Loans
- Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
- Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- Amendments to IAS 12 Income Taxes - Deferred Tax: Recovery of Underlying Assets
- IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

- Amendments to IAS 1 Presentation of Items of Other Comprehensive Income
- Amendments to IAS 19 Employee Benefits
- Amendments to IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets Improvements to IFRSs (Issued by IASB in May 2010)

## Yet to be endorsed

- IFRS 9 Financial Instruments (issued 12 November 2009) and subsequent amendments (amendments to IFRS 9 and IFRS 7 issued 16 December 2011)
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (issued on 31 October 2012)

## Basis of aggregation

For the purposes of these aggregated financial statements "ActionAid International" comprises ActionAid International (International Secretariat and country programmes managed by ActionAid International), Affiliate and Associate Members, as established under the legal structure pertaining in 2012. All parts of ActionAid share a common strategy and are committed to aiding every member attain full Affiliate status where this is practical in the medium term. Currently Associates and country programmes, moving along this path to full Affiliate status, are all at different stages of development. They contribute to all activities as far as their capacities allow. For this reason, management believe it is appropriate to include all entities in this aggregation and no longer to make the distinction, which is becoming increasingly difficult,

# Accounting policies

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between Affiliate and Associate Members.

As the changes in relationship have been gradual, establishing a specific date on which to apply the new treatment is subjective. For this reason, the Board has elected to use the most readily understandable method. The assets and liabilities of new Members have been incorporated in to these financial statements as at 1 January 2009 and their income and expenditures from that date onwards. No new external entities were affiliated during 2012.

The financial statements have been prepared from financial information supplied to ActionAid International by each constituent entity in a common agreed format. Balances due at the year end date and transactions arising during the year between the constituent entities are eliminated as part of the aggregation process.

The Affiliate and Associate Members of ActionAid included in these financial statements are the ActionAid entities in the following Countries: Australia, Bangladesh, Brazil, Denmark, France, Ghana, Greece, Guatemala, India, Ireland, Italy, Kenya, Malawi, Mozambique, Nepal, The Netherlands, Nigeria, Sierra Leone, Sweden, Tanzania, Thailand, The Gambia, Uganda, UK, USA, Zambia.

## Fund accounting

All funds raised by ActionAid International are used in the furtherance of its objects, including the net profits from trading activities.

Restricted funds are a significant proportion of the funds and are raised on the basis of an agreement or understanding with the donors that their use will be restricted to certain specified projects, activities or areas of operation. These restricted funds are accounted for separately.

The remainder of the funds raised, including any element of a restricted donation agreed by the donor to be available for use on administrative or other matters, is unrestricted and may be used for any of ActionAid International's general purposes.

Designated funds comprise unrestricted funds that have been set aside by the Board Members for specific future periods. ActionAid International also identifies separately those funds invested in property, plant and equipment, representing the book value of the property, plant and equipment that have been purchased for use by ActionAid International out of restricted and unrestricted funds. Presentation of these funds separately enables ActionAid International to better assess the liquid resources available to support future expenditure.

## Committed giving

ActionAid International's income consists principally of donations from supporters of a fixed amount usually paid monthly. The majority of supporters are linked directly to a particular country programme, or specifically to a child in that country. Supporters receive periodic communication detailing how their donations have been used in accordance with their wishes. Affiliate and Associate Members of ActionAid International aim to make their income more flexible by encouraging supporters to transfer from child sponsorship to less restricted forms of giving over time.

The accounting for child sponsorship and other committed giving income is in each case in accordance with the information provided to supporters. The majority of the income is allocated according to the primary focus or purpose of the donation. A percentage, usually 20%, is treated as unrestricted funds, as is tax recovered from local revenue authorities. There are also arrangements for a small proportion of these donations to be used for broader charitable work and to support the generation of income within the country programmes.

# Accounting policies

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## Accounting for income

Income is shown gross, before any deduction of associated costs.

Income is accounted for when receivable. It is deemed to be receivable either when actually received, when there is a contract for its receipt and the relevant entity considers that any outstanding conditions under the contract have been met, or when the entity has become entitled to a future payment and its amount can be ascertained with reasonable certainty. Funds received in one accounting period that are specifically restricted to work to be carried out in subsequent accounting periods are not accounted for as income but are carried forward in payables.

Donations in kind are credited to income at an estimate of the gross value of the gift, which will usually be a market price valuation.

Interest earned from the temporary investment of funds restricted to emergency work is credited to emergency funds. Interest and investment income earned on committed giving monies held in reserve are credited to unrestricted funds in accordance with the information provided to supporters. Interest earned on other restricted fund balances is also credited to unrestricted funds to recognise the fact that in many cases the costs of a project are incurred before the relevant restricted income is received.

## Expenditure

Expenditure is accounted for on an accruals basis and all costs include irrecoverable taxes.

**Fundraising:** The costs of generating funds represent expenditure incurred on raising funds from committed giving supporters, other members of the public, companies, trusts, official bodies and other donors. They include the costs of maintaining child sponsorship and other supporter links and of reporting to supporters and other donors on the projects to which they contribute. They also include investment management costs.

**Programme activities:** The long-term development and emergency relief and rehabilitation work in country programmes, and the policy influencing and campaigning work carried out there and internationally are managed either by ActionAid International staff in the country concerned or in collaboration with independent organisations, usually locally registered, which are partly or wholly funded by ActionAid International. Grants made to such other organisations are separately identified in the notes.

**Governance:** The costs included in this category include the costs of board meetings and other governance processes for each entity, and the costs of internal and external audit.

Fundraising, programme and governance costs are shown in the statement of comprehensive income inclusive of their share of support costs. Support costs represent expenditure incurred on management and the provision of the facilities and services that enable the fundraising and programme activities and governance processes to be carried out efficiently and effectively.

The allocation method of support cost to fundraising, programme and governance is stated in Note 5.

# Accounting policies

## Property, plant and equipment and depreciation

Property, plant and equipment costing more than the equivalent of £5,000, are capitalised at cost. Depreciation is calculated on a straight line basis and taken to the statement of comprehensive income over the life of the asset. Depreciation is calculated for the following categories of property, plant and equipment as follows:

	In Europe/ US	Outside Europe/US
Freehold buildings	25 years	10 years
Office equipment - computers	3 years	3 years
Office equipment - other	5 years	3 years

Depreciation on motor vehicles held in Europe is calculated at 25% on the reducing balance method. Depreciation on motor vehicles held elsewhere is calculated at 33.3% on the straight line method. No depreciation is charged on freehold land.

Within ActionAid International's restricted and unrestricted funds, separate reserves are identified which represent the net book value of its property, plant and equipment. This enables ActionAid International to better assess the liquid resources available to support future expenditure.

## Investments

Investments are classified according to the purpose for which they were acquired. ActionAid International designated its investments as "fair value through profit and loss" on IFRS adoption and will continue to do so. Under this method of accounting, investments are recorded at fair value in the statement of financial position and all changes in value are recognised in the statement of comprehensive income. This designation has been made in accordance with paragraph 9 (b) (ii) of IAS 39 on the basis that the investments are held with a view to generating a total return over an extended period and that management measures this total return based upon total changes in fair value, in line with ActionAid International's established investment policies. As proceeds from disposals are generally reinvested, the distinction between changes in value crystallised by sale and those arising through adjustment to fair value is not considered meaningful. As all equities and bonds are main index stocks and traded on active, regulated exchanges, fair values are determined directly by reference to published current bid prices.

## Cash and cash equivalents

Cash and cash equivalents as stated in the statement of cash flows include ActionAid International's cash balances and short term deposits. Short term bank deposits are funds not instantly accessible at the balance sheet date, where the deposits mature within three months of the balance sheet date.

## Pensions

ActionAid International operates a variety of pension and other post employment benefits, and other post employment benefit schemes, the costs of which are charged in the statement of comprehensive income as they accrue. None of these schemes is a defined benefit scheme.

# Accounting policies

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## Foreign currencies

Items included in the accounting records of the entities comprising ActionAid International are measured using 'the functional currency', which is the currency of the primary economic environment in which each aggregated entity operates. The aggregated financial statements of ActionAid International are presented in Euros. This is 'the presentational currency' as it benefits the majority of stakeholders. Foreign currency transactions are translated into the functional currency using the rate of exchange ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

On aggregation, income and expenditure denominated in currencies other than Euros are translated into Euros at an average rate for the year; assets and liabilities are translated using the rate of exchange ruling at the balance sheet date. Gains and losses on translation from functional to presentational currency are not recognised in arriving at the surplus or deficit for the year; instead they are taken directly to reserves and tracked as a separate component within other comprehensive income.

## Critical accounting estimates and judgements

Preparation of financial statements inherently involves a degree of estimation and the exercise of judgement. Estimates and judgements made are based upon past experience, expectations of future events and are believed reasonable under the circumstances. The nature of ActionAid International's activities is such that there are no significant matters of estimation or judgement which are thought likely to give rise to actual results materially different from those included in the financial statements. The following accounting treatment is subject to a significant degree of judgement:

### Introduction of new Members into the aggregated financial statements

As described in the basis of aggregation, because of the specific nature of the relationship between Members, the Board Members have adopted this policy that best reflects the substance of the evolution of ActionAid International.

### Contingent liabilities

ActionAid International receives funding from Members for various activities which are subject to donor audits. Although such audits may result in disallowance of certain expenditures, which would be absorbed by ActionAid International, in management's opinion, the ultimate outcome of such audits would not have a significant effect on the financial position, changes in net assets, or cash flows of ActionAid International.

## Completeness of submissions from Members into the aggregated financial statements

As described in the basis of aggregation, the financial statements have been prepared from financial information supplied to ActionAid International by each member in a common agreed format. Given the nature of some of the countries in which ActionAid International operates, final audited financial information may not be available in time for the aggregation timetable, in which case the latest best available information is included.

## Aggregated statement of comprehensive income year ended 31 December 2012

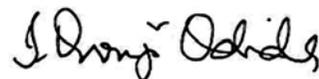
	Note	Restricted €'000	Unrestricted €'000	2012 Total €'000	2011 Total €'000
<b>INCOME</b>					
Voluntary income					
Committed giving	1	63 133	45 040	<b>108 173</b>	106 387
Other donations	1	27 792	7 974	<b>35 766</b>	37 046
		90 925	53 014	<b>143 939</b>	143 433
Official income	1	54 770	11 218	<b>65 988</b>	69 505
		145 695	64 232	<b>209 927</b>	212 938
Investment income	1	306	718	<b>1 024</b>	886
		146 001	64 950	<b>210 951</b>	213 824
Other income	1	1 377	5 474	<b>6 851</b>	10 221
Total income		147 378	70 424	<b>217 802</b>	224 045
<b>EXPENDITURE</b>					
Fundraising costs	2	(7 622)	(37 796)	<b>(45 418)</b>	(44 629)
Programme expenditure	3	(146 407)	(34 695)	<b>(181 102)</b>	(177 687)
Governance costs	4	(1 474)	(1 911)	<b>(3 385)</b>	(3 017)
Total expenditure		<b>(155 503)</b>	<b>(74 402)</b>	<b>(229 905)</b>	<b>(225 333)</b>
<b>Net deficit before transfers and investment losses</b>		(8 125)	(3 978)	<b>(12 103)</b>	(1 288)
Gross transfers between funds		350	(350)	-	-
Gain/ (losses) on investments	10	614	-	<b>614</b>	(409)
<b>Net deficit</b>		<b>(7 161)</b>	<b>(4 328)</b>	<b>(11 489)</b>	(1 697)
<b>STATEMENT OF MOVEMENT IN FUNDS</b>					
<b>Net deficit</b>		(7 161)	(4 328)	<b>(11 489)</b>	(1 697)
Unrealised foreign exchange gains on translation		235	1 498	<b>1 733</b>	2 562
<b>Net movement in funds</b>		(6 926)	(2 830)	<b>(9 756)</b>	865
Total funds brought forward at 1 January 2012	13/14	65 454	26 370	<b>91 824</b>	90 959
<b>Total funds carried forward at 31 December 2012</b>		<b>58 528</b>	<b>23 540</b>	<b>82 068</b>	91 824

Notes 1 to 16 form part of these accounts. There are no recognised gains and losses other than those shown above.  
All incoming resources and resources expended derive from continuing activities.

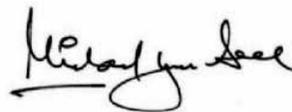
## Aggregated statement of financial position as at 31 December 2012

	Note	2012 €'000	2011 €'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	3 630	3 752
Investments	10	11 692	10 588
		<b>15 322</b>	14 340
<b>Current assets</b>			
Receivables	11	19 248	19 055
<i>Cash and cash equivalents</i>			
Short term bank deposits		7 530	8 439
Cash at bank		65 620	79 504
<b>Total Current Assets</b>		<b>92 398</b>	106 998
<b>Current liabilities</b>			
Payables	12	(25 652)	(29 514)
Net current assets		<b>66 746</b>	77 484
<b>Total net assets</b>		<b>82 068</b>	91 824
<b>FUNDS</b>			
<b>Restricted funds</b>			
Liquid funds and treasury reserves	13	56 817	63 792
Property, plant and equipment reserve		1 711	1 662
		<b>58 528</b>	65 454
<b>Unrestricted funds</b>			
Liquid funds and treasury reserves		21 621	24 280
Property, plant and equipment reserve		1 919	2 090
		<b>23 540</b>	26 370
<b>Total funds</b>		<b>82 068</b>	91 824

Approved by the Assembly of ActionAid International  
on 27 June 2013 and signed on its behalf by:



**Irene Ovonji-Odida**  
Chair of the Board of ActionAid International



**Michael Lynch-Bell**  
Treasurer of the Board of ActionAid International

## Aggregated statement of cash flows year ended 31 December 2012

	2012 €'000	2011 €'000
<b>Cash flow from operating activities</b>		
Net deficit before transfers and investment losses /(gains)	(12 104)	(1 288)
Investment income net of investment fees	(962)	(822)
Profit on disposal of property, plant and equipment	(97)	(337)
Depreciation	1 240	2 090
Increase in receivables	(193)	(4 560)
(Decrease)/Increase in payables	(3 862)	2 571
<b>Net cash outflow from operating activities</b>	<b>(15 978)</b>	<b>(2 346)</b>
<b>Cash from investing activities</b>		
Investment income	962	822
Purchase of property, plant and equipment	(1 640)	(1 385)
Purchase of investments	(5 978)	(4 483)
Proceeds from the sale of property, plant and equipment	105	536
Proceeds from the sale of investments	5 095	4 836
	<b>(1 456)</b>	<b>326</b>
Impact of exchange rates on cash and cash equivalents	2 292	3 006
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(15 142)</b>	<b>986</b>

	Cash €'000	Short-term bank deposits €'000	Cash held by investment managers €'000	Total €'000
Cash and cash equivalents at 1 January 2012	79 504	8 439	1 305	89 248
Net decrease in cash and cash equivalents	(13 884)	(909)	(349)	(15 142)
<b>Cash and cash equivalents at 31 December 2012</b>	<b>65 620</b>	<b>7 530</b>	<b>956</b>	<b>74 106</b>

1. Income

1a. Committed giving

	Restricted €'000	Unrestricted €'000	2012 Total €'000	2011 Total €'000
Australia	280	1 180	1 460	1 116
Brazil	1 875	-	1 875	852
Denmark	-	749	749	650
France	-	309	309	282
Greece	6 261	1 800	8 061	9 953
India	390	-	390	223
Ireland	1 498	572	2 070	2 173
Italy	25 973	17 948	43 921	44 551
Netherlands	-	400	400	346
Sweden	2 296	1 754	4 050	3 229
UK	24 449	19 601	44 050	41 397
USA	111	727	838	1 615
	<b>63 133</b>	<b>45 040</b>	<b>108 173</b>	106 387

1b. Other donations

	Restricted €'000	Unrestricted €'000	2012 Total €'000	2011 Total €'000
Individual donations	6 758	6 046	12 804	12 496
UK Disasters Emergency Committee	3 566	4	3 570	4 212
Donations from companies, trusts and NGOs	10 834	1 924	12 758	13 423
Contribution from Ayuda en Acción	6 634	-	6 634	6 915
	<b>27 792</b>	<b>7 974</b>	<b>35 766</b>	37 046

## Notes to the financial statements 31 December 2012

### 1c. Official income

	Restricted €'000	Unrestricted €'000	2012 Total €'000	2011 Total €'000
Government of Denmark	20 476	5 448	25 924	29 435
Government of United Kingdom	3 683	4 682	8 365	7 267
European Union	7 502	238	7 740	9 232
United Nations - World Food programme	11 039	-	11 039	7 533
Government of The Netherlands	1 920	171	2 091	694
Government of Australia	1 030	-	1 030	1 379
Government of Ireland	804	51	855	1 298
All other governments	3 841	27	3 868	2 757
All other United Nations agencies	1 375	-	1 375	2 484
Other contributions from official bodies	3 100	601	3 701	7 426
	<b>54 770</b>	<b>11 218</b>	<b>65 988</b>	<b>69 505</b>

### 1d. Investment income

	Restricted €'000	Unrestricted €'000	2012 Total €'000	2011 Total €'000
Investment income	-	384	384	299
Bank interest	306	334	640	587
	<b>306</b>	<b>718</b>	<b>1 024</b>	<b>886</b>

### 1e. Other income

	Restricted €'000	Unrestricted €'000	2012 Total €'000	2011 Total €'000
Realised foreign exchange gains/(losses)	14	(1 067)	(1 053)	28
Profit on sale of fixed assets	97	-	97	337
Sale of educational materials	-	39	39	38
Fundraising trading and sale of vacation and work/study visits	-	3 215	3 215	3 029
Other	1 266	3 287	4 553	6 789
	<b>1 377</b>	<b>5 474</b>	<b>6 851</b>	<b>10 221</b>

## Notes to the financial statements 31 December 2012

### 2. Fundraising costs

	Restricted	Unrestricted	2012 Total	Fundraising cost ratio	2011 Total	Fundraising cost ratio
	€'000	€'000	€'000	%	€'000	%
Committed giving costs	5 861	18 010	23 871	22%	24 426	23%
Cost of other donations	1 201	10 580	11 781	33%	10 690	28%
Cost of raising contributions from official bodies	560	233	793	1%	653	1%
Cost of raising voluntary and official income	7 622	28 823	36 445	17%	35 769	17%
Costs of fundraising trading	-	188	188		406	
Investment management costs	-	62	62		64	
	7 622	29 073	36 695		36 239	
Support costs allocated to fundraising (note 5)	-	8 723	8 723		8 390	
<b>Total fundraising costs</b>	7 622	37 796	45 418		44 629	

## Notes to the financial statements 31 December 2012

### 3. Programme expenditure by country

	Grants €'000	Direct programme €'000	2012 Total €'000	2011 Total €'000
<b>Affiliates &amp; Associates</b>				
Australia	-	4 896	4 896	1 576
Bangladesh	2 304	3 841	6 145	7 223
Brazil	2 957	911	3 868	3 541
Denmark	3 496	12 492	15 988	7 365
France	-	473	473	591
Ghana	1 030	1 898	2 928	2 587
Greece	64	395	459	391
Guatemala	1 780	248	2 028	2 161
India	7 802	2 612	10 414	7 996
Ireland	-	126	126	121
Italy	-	2 660	2 660	2 206
Kenya	898	16 948	17 846	14 024
Malawi	1 552	2 174	3 726	3 517
Mozambique	1 974	932	2 906	3 913
Nepal	1 974	1 281	3 255	4 537
Netherlands	259	592	851	1 502
Nigeria	2 294	3 909	6 203	5 582
Sierra Leone	763	1 744	2 507	2 014
Sweden	-	1 109	1 109	500
Tanzania	697	2 180	2 877	3 502
Thailand	208	227	435	237
The Gambia	623	1 388	2 011	2 810
Uganda	1 634	4 378	6 012	5 113
UK	2 020	4 415	6 435	5 206
USA	-	555	555	413
Zambia	1 298	1 239	2 537	3 004
	<b>35 627</b>	<b>73 623</b>	<b>109 250</b>	<b>91 632</b>

## Notes to the financial statements 31 December 2012

### 3. Programme expenditure by country (continued)

	Grants €'000	Direct programme €'000	2012 Total €'000	2011 Total €'000
<b>Country Programmes</b>				
Afghanistan	133	3 159	3 292	4 634
Burundi	269	618	887	702
Cambodia	1 904	462	2 366	1 902
China	678	392	1 070	1 062
DRC	117	582	699	1 246
Ethiopia	3 825	1 337	5 162	4 294
Haiti & DR	2 621	1 212	3 833	3 538
Lesotho	165	386	551	690
Liberia	89	817	906	1 113
Myanmar	1 546	1 049	2 595	1 851
Pakistan	2 505	2 041	4 546	5 984
Rwanda	494	637	1 131	884
Senegal	967	103	1 070	1 320
Somaliland	339	477	816	738
South Africa	-	869	869	1 141
Vietnam	1 085	612	1 697	2 170
Zimbabwe	1 619	947	2 566	3 848
	<b>18 356</b>	<b>15 700</b>	<b>34 056</b>	<b>37 117</b>
<b>AAI Secretariat</b>	<b>641</b>	<b>5 637</b>	<b>6 278</b>	<b>10 157</b>
<b>Regional Initiatives</b>	<b>-</b>	<b>745</b>	<b>745</b>	<b>8 441</b>
All countries	<b>54 624</b>	<b>95 705</b>	<b>150 329</b>	<b>147 347</b>
Support costs allocated to programme (note 5)			30 773	30 340
			<b>181 102</b>	<b>177 687</b>

## Notes to the financial statements 31 December 2012

### 4. Governance costs

	Restricted €'000	Unrestricted €'000	2012 Total €'000	2011 Total €'000
Internal audit	599	221	820	615
External audit	369	487	856	652
Legal	72	63	135	185
Costs of governing bodies	434	520	954	1 151
	<b>1 474</b>	<b>1 291</b>	<b>2 765</b>	<b>2 603</b>
Support costs allocated to governance (note 5)	-	620	620	414
<b>Total governance costs</b>	<b>1 474</b>	<b>1 911</b>	<b>3 385</b>	<b>3 017</b>

External auditors' remuneration included in governance costs was:

	2012 Total €'000	2011 Total €'000
Audit of aggregated financial statements - Buzzacott LLP	145	137
Audit of aggregated financial statements - Buzzacott LLP- relating to prior year	14	26
Other audit work - Buzzacott LLP	-	52
Other audit work - Other auditors	697	437
	<b>856</b>	<b>652</b>

5. Support costs

Support costs represents expenditure incurred on managements and the provision of the facilities and services that enable the fundraising, programme and governance activities to be carried out efficiently. The costs of that work are apportioned to those three expenditure headings on the basis of headcount.

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2012 Total</b>	<b>2011 Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Local management	2 276	2 056	<b>4 332</b>	6 660
Communications	542	1 333	<b>1 875</b>	1 920
Finance	3 909	4 999	<b>8 908</b>	8 262
Human resources	1 549	2 501	<b>4 050</b>	4 082
Impact assessment support	277	465	<b>742</b>	1 180
Information technology	958	3 471	<b>4 429</b>	4 227
Office administration	4 539	3 876	<b>8 415</b>	8 380
Organisational development	539	2 690	<b>3 229</b>	612
Property	1 314	2 822	<b>4 136</b>	3 821
	<b>15 903</b>	<b>24 213</b>	<b>40 116</b>	<b>39 144</b>
Allocated to fundraising	-	8 723	<b>8 723</b>	8 390
Allocated to programme	15 903	14 870	<b>30 773</b>	30 340
Allocated to governance	-	620	<b>620</b>	414
	<b>15 903</b>	<b>24 213</b>	<b>40 116</b>	<b>39 144</b>

## Notes to the financial statements 31 December 2012

### 6. Employees

**The average number of employees throughout the year was:**

	2012 Total Number	2011 Total Number
Programme	1 290	1 261
Support	1 054	1 027
Fundraising	417	399
Governance	37	35
	<b>2 798</b>	<b>2 722</b>

**Total remuneration of employees was:**

	2012 Total €'000	2011 Total €'000
Gross salaries, wages and other benefits	60 601	49 216
Payroll taxes	4 787	4 498
Pension contributions	3 181	3 408
	<b>68 569</b>	<b>57 122</b>

**The emoluments of the International Directors, the senior executive management team, comprise the following:**

	2012 Total €'000	2011 Total €'000
Salaries	700	922
Pension contributions	74	92
Other benefits (housing, school fees, relocation payments)	81	144
Tax paid on behalf of employees	38	114
Accumulated one-off entitlements on the ending of fixed term contracts	-	83
	<b>893</b>	<b>1 355</b>

The Chief Executive of the ActionAid International Secretariat received the following remuneration in 2012: salary £125,660 (2011: £125,599), pension contributions £12,566 (2011: £12,560) and housing and other allowances £18,989 (2011: £15,406)

In the course of normal employment arrangements, payments of expenses are made on behalf of Directors which are then reimbursable. At 31 December 2012, amounts were outstanding from 2 International Directors (2011: 6) which amounted to €30,033 (2011: € 28,894)

### 7. Board and Committee Members' expenses

No remuneration or other payments have been made to the Board or Committee Members of ActionAid International for their services as Board or Committee members or for other services provided to the organisation in 2012 (2011: € nil). Directly incurred expenses are reimbursed, if claimed, and in 2012, this amounted to € 77,448 for travel and accommodation relating to Board and Committee meetings (2011: €54,160).

## Notes to the financial statements 31 December 2012

### 8. Property, plant and equipment

	Freehold property	Office equipment	Motor vehicles	2012 Total	2011 Total
	€'000	€'000	€'000	€'000	€'000
<b>Cost</b>					
At 1 January 2012	1 664	6 256	9 100	17 020	16 517
Foreign exchange differences	37	(283)	184	(62)	10
Additions	158	1 009	473	1 640	1 385
Disposals	-	(98)	(165)	(263)	(892)
At 31 December 2012	<b>1 859</b>	<b>6 884</b>	<b>9 592</b>	<b>18 335</b>	17 020
<b>Depreciation</b>					
At 1 January 2012	603	4 474	8 191	13 268	11 681
Foreign exchange differences	53	262	137	452	190
Charge for year	17	496	727	1 240	2 090
Disposals	-	(90)	(165)	(255)	(693)
At 31 December 2012	<b>673</b>	<b>5 142</b>	<b>8 890</b>	<b>14 705</b>	13 268
<b>Net book value</b>					
At 31 December 2012	<b>1 186</b>	<b>1 742</b>	<b>702</b>	<b>3 630</b>	
<b>At 31 December 2011</b>	<b>1 061</b>	<b>1 782</b>	<b>909</b>	<b>3 752</b>	

### 9. Financial assets and liabilities

ActionAid International's main financial instruments comprise investments, cash at bank and short term receivables and payables. ActionAid International does not engage in speculative arrangements or trade in financial instruments. The Board of ActionAid International has a duty to maximise the benefit to poor people delivered through the resources it raises and to manage any risks to these resources that may arise from movements in market prices for financial instruments, changes in currency or interest rates. Funds are raised from individual supporters and other donors in a variety of currencies, principally Euros, British Pounds and US and Australian Dollars, and ultimately expended in those currencies and in the currencies in use in the countries in which ActionAid International operates.

#### Capital Management

Actionaid International has €73m of liquid funds and €11.6m has been invested on a long term basis. Investments in equities and bonds are all in mainstream products on active, regulated exchanges. The portfolio is valued at the year end using market prices. The remaining cash is held on deposit with mainstream banks or in short-term financial instruments to be available within periods of between one day and three months.

#### Management of financial risk

ActionAid International is exposed to risks, both through the assets chosen for investment and through operations in various countries with different currencies. These risks, and the methods of managing them, are described below:

#### Investment risk

The investment objectives of the long term investments set out above are contained in ActionAid International's investment policy. The objective is to achieve a higher rate of income (in the form of distributions and interest) than achieved on liquid assets whilst benefiting from capital growth. Risks arising from individual stock selection are managed through holding a portfolio of equities. The return on bonds is fixed in cash terms for the period that the bonds are held, but the fair value varies with changes in prevailing interest rates as well as market preferences between asset classes. The risks to bonds and equities are managed through the employment of professional fund managers mandated to manage the portfolio on an active basis. Short term bank deposits are at prevailing rates of interest and have maturities of less than three months. The exposure to interest rate risks from these deposits is not considered material.

#### Exchange rate risk

The majority of ActionAid International's reserves are held as cash or short term deposits, as set out in the statement of financial position. Cash balances are held in a number of currencies, predominantly British Pounds, Euros, US and Australian Dollars. Exposure to exchange rate risk is managed through the reserves policy, not through the use of hedging instruments. Currencies are held broadly in proportion to the currencies of ActionAid International's income. Exposure to the impact of

exchange rate movements in the local currencies of the developing countries where we work is reduced by retaining balances in relatively stable currencies until needed for expenditure in country. Receivables and payables set out in notes 11 and 12 are denominated in a number of currencies. Exchange risk relating to these balances is managed in the manner described above in relation to cash and deposits.

#### Liquidity and credit risk

Some of the funds received from donors are subject to both liquidity and credit risk. ActionAid International manages these risks on an individual contract basis, using prudent income recognition and in advance funding where possible to mitigate the exposure to such risks.

The carrying value of all cash and cash equivalent balances, receivables and payables are the same as their book value.

## Notes to the financial statements 31 December 2012

### 10. Investments

	<b>Equities</b>	<b>Bonds</b>	<b>Cash</b>	<b>2012 Total</b>	<b>2011 Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Market value at 1 January 2012	6 686	2 597	1 305	<b>10 588</b>	11 223
Foreign exchange differences	170	49	34	<b>253</b>	(268)
Additions	3 050	2 756	(5 798)	<b>8</b>	27
Disposals	(3 254)	(1 932)	5 095	<b>(91)</b>	79
Investment management costs	-	-	(62)	<b>(62)</b>	(64)
Net investment gain/(loss)	592	22	382	<b>996</b>	(409)
Market value at 31 December 2012	<b>7 244</b>	<b>3 492</b>	<b>956</b>	<b>11 692</b>	<b>10 588</b>
Historic cost at 31 December 2012	<b>6 895</b>	<b>2 103</b>	<b>956</b>	<b>9 954</b>	<b>10 042</b>

## Notes to the financial statements 31 December 2012

### 11. Receivables

	Restricted €'000	Unrestricted €'000	2012 Total €'000	2011 Total €'000
Amounts due from official bodies	5 044	102	5 146	3 046
Other receivables and prepayments	6 330	5 490	11 820	14 035
Tax recoverable	20	1 637	1 657	1 262
Amounts due from employees	607	18	625	712
	<b>12 001</b>	<b>7 247</b>	<b>19 248</b>	<b>19 055</b>

Amounts due from employees represents floats, allowances and loans to employees. The availability of such facilities forms part of the normal terms and conditions of employment of staff.

### 12. Payables

	Restricted €'000	Unrestricted €'000	2012 Total €'000	2011 Total €'000
<b>Amounts falling due within one year:</b>				
Trade payables and accruals	9 428	7 989	17 417	20 271
Amounts due to employees	3 160	2 270	5 430	4 830
Taxation and social security	885	714	1 599	904
Deferred income	1 011	195	1 206	3 509
	<b>14 484</b>	<b>11 168</b>	<b>25 652</b>	<b>29 514</b>

Amounts due to employees include accruals of gratuities that become payable when staff leave.

13. Analysis of fund balances

	Restricted		Unrestricted		2012 Total €'000	2011 Total €'000
	Liquid funds and treasury reserves €'000	Property, plant and equipment reserve €'000	Liquid funds and treasury reserves €'000	Property, plant and equipment reserve €'000		
At 1 January 2012	63 792	1 662	24 280	2 090	91 824	90 959
Net movement in funds	(6 975)	49	(2 659)	(171)	(9 756)	865
At 31 December 2012	56 817	1 711	21 621	1 919	82 068	91 824
<b>Represented by:</b>						
Property, plant and equipment	-	1 711	-	1 919	3 630	3 752
Investments	11 562	-	130	-	11 692	10 588
Current assets	59 740	-	32 658	-	92 398	106 998
Current liabilities	(14 485)	-	(11 167)	-	(25 652)	(29 514)
	56 817	1 711	21 621	1 919	82 068	91 824
Accumulated exchange differences taken directly to funds and included above as at 1 January					(6 346)	(8 908)
Net exchange difference arising during the period and taken to reserves					1 733	2 562
Accumulated exchange differences taken directly to funds and included above as at 31 December					(4 613)	(6 346)

## Notes to the financial statements 31 December 2012

### 14. Movement in funds

	At 1 January 2012 €'000	Income €'000	Programme cost €'000	Support cost €'000	Governance costs €'000	Fundraising costs €'000	Internal Income/ expenditures €'000	Transfers €'000	Reserve Movements €'000	Exchange movement and other adjustment €'000	At 31 December 2012 €'000
<b>Affiliates &amp; Associates</b>											
Australia	1 863	10 136	(4 896)	(600)	(92)	(1 668)	(1 130)	-	-	3	<b>3 616</b>
Bangladesh	1 737	6 288	(6 146)	(583)	(106)	(277)	-	31	-	46	<b>990</b>
Brazil	(464)	5 386	(3 868)	(1 047)	(31)	(1 057)	439	(364)	-	585	<b>(421)</b>
Denmark	5 541	31 197	(15 987)	(3 840)	(155)	(776)	(11 064)	-	-	(81)	<b>4 835</b>
France	73	753	(473)	(224)	(47)	(138)	-	-	-	136	<b>80</b>
Ghana	2 056	3 458	(2 928)	(524)	(85)	(286)	-	107	-	52	<b>1 850</b>
Greece	765	8 409	(459)	(733)	(63)	(1 019)	(6 301)	-	-	22	<b>621</b>
Guatemala	897	2 517	(2 028)	(280)	(21)	(132)	-	(195)	-	505	<b>1 263</b>
India	6 837	12 881	(10 414)	(1 531)	(153)	(866)	57	(1 092)	-	235	<b>5 954</b>
Ireland	282	3 054	(126)	(272)	(15)	(488)	(2 193)	(45)	-	91	<b>288</b>
Italy	5 498	47 507	(2 660)	(2 818)	(76)	(9 767)	(27 188)	(4 867)	-	71	<b>5 700</b>
Kenya	2 599	20 764	(17 846)	(691)	(116)	(455)	-	(335)	-	52	<b>3 972</b>
Malawi	2 253	5 045	(3 726)	(456)	(100)	(255)	-	(128)	-	48	<b>2 681</b>
Mozambique	1 163	3 783	(2 906)	(635)	(53)	(385)	-	78	-	25	<b>1 070</b>
Nepal	1 362	4 683	(3 255)	(276)	(28)	(221)	-	(285)	-	26	<b>2 006</b>
Netherlands	199	2 705	(851)	(528)	(33)	(367)	(537)	-	-	(5)	<b>583</b>
Nigeria	1 639	6 492	(6 203)	(847)	(112)	(239)	-	510	-	117	<b>1 357</b>
Sierra Leone	1 933	3 316	(2 507)	(499)	(72)	(321)	-	(216)	-	49	<b>1 683</b>
Sweden	184	4 388	(1 109)	(64)	(26)	(1 039)	(2 456)	-	-	(4)	<b>(126)</b>
Tanzania	819	3 028	(2 877)	(710)	(37)	(115)	-	51	-	26	<b>185</b>
Thailand	619	234	(435)	(185)	(14)	(47)	21	494	-	15	<b>702</b>
The Gambia	802	3 035	(2 011)	(503)	(69)	(250)	-	(111)	-	18	<b>911</b>
Uganda	5 066	6 011	(6 012)	(354)	(111)	(173)	-	(265)	-	132	<b>4 294</b>
UK	11 581	73 224	(6 435)	(5 214)	(90)	(11 509)	(40 334)	(12 330)	79	269	<b>9 241</b>
USA	1 896	1 758	(555)	(616)	(30)	(466)	(572)	-	-	(101)	<b>1 314</b>
Zambia	397	3 415	(2 537)	(212)	(11)	(78)	-	(132)	-	2	<b>844</b>
	<b>57 597</b>	<b>273 467</b>	<b>(109 250)</b>	<b>(24 242)</b>	<b>(1 746)</b>	<b>(32 394)</b>	<b>(91 258)</b>	<b>(19 094)</b>	<b>79</b>	<b>2 334</b>	<b>55 493</b>

## Notes to the financial statements 31 December 2012

### 14. Movement in funds

	At 1 January 2012 €'000	Income €'000	Programme cost €'000	Support cost €'000	Governance costs €'000	Fundraising costs €'000	Internal Income/ expenditures €'000	Transfers €'000	Reserve Movements €'000	Exchange movements and other adjustments €'000	At 31 December 2012 €'000
<b>Country Programmes</b>											
Afghanistan	1 252	2 822	(3 292)	(461)	(22)	(109)	-	(205)	-	42	27
Burundi	140	1 132	(887)	(203)	(7)	(190)	-	48	-	6	39
Cambodia	2 002	2 596	(2 366)	(215)	(10)	(152)	-	(197)	-	54	1 712
China	782	1 464	(1 070)	(305)	(5)	(129)	-	337	-	19	1 093
DRC	144	198	(699)	(233)	(11)	(78)	-	944	-	4	269
Ethiopia	3 230	5 694	(5 160)	(397)	(38)	(179)	-	(395)	-	81	2 836
Haiti & DR	(45)	5 699	(3 833)	(413)	(23)	(254)	-	83	-	(1 204)	10
Lesotho	361	1 082	(551)	(206)	(2)	(118)	-	(38)	-	10	538
Liberia	249	1 066	(906)	(448)	-	(102)	-	530	-	5	394
Myanmar	1 253	2 848	(2 595)	(329)	(1)	(99)	-	698	-	25	1 800
Pakistan	1 712	4 848	(4 546)	(300)	(53)	(181)	-	(349)	-	47	1 178
Rwanda	676	1 452	(1 131)	(287)	(4)	(157)	-	157	-	17	723
Senegal	365	1 630	(1 070)	(413)	(6)	(117)	-	(96)	-	8	301
Somaliland	414	987	(816)	(250)	(5)	(48)	-	453	-	7	742
South Africa	116	1 037	(869)	(355)	(15)	(133)	-	409	-	2	192
Vietnam	1 296	2 757	(1 697)	(345)	(30)	(265)	-	(240)	-	28	1 504
Zimbabwe	1 014	3 083	(2 567)	(491)	(114)	(155)	-	(245)	-	28	553
	<b>14 961</b>	<b>40 395</b>	<b>(34 055)</b>	<b>(5 651)</b>	<b>(346)</b>	<b>(2 466)</b>	-	<b>1 894</b>	-	<b>(821)</b>	<b>13 911</b>
AAI Secretariat	15 188	10 899	(6 279)	(9 871)	(671)	(1 811)	(13 731)	18 940	-	-	12 664
Aggregation adjustment	4 078	(106 345)	(745)	(352)	(2)	(24)	104 989	(1 740)	(79)	220	-
	<b>19 266</b>	<b>(95 446)</b>	<b>(7 024)</b>	<b>(10 223)</b>	<b>(673)</b>	<b>(1 835)</b>	<b>91 258</b>	<b>17 200</b>	<b>(79)</b>	<b>220</b>	<b>12 664</b>
Sub-Total	<b>91 824</b>	<b>218 416</b>	<b>(150 329)</b>	<b>(40 116)</b>	<b>(2 765)</b>	<b>(36 695)</b>	-	-	-	<b>1 733</b>	<b>82 068</b>
Allocation of support costs	-	-	(30 773)	40 116	(620)	(8 723)	-	-	-	-	-
All countries	<b>91 824</b>	<b>218 416</b>	<b>(181 102)</b>	-	<b>(3 385)</b>	<b>(45 418)</b>	-	-	-	<b>1 733</b>	<b>82 068</b>

Country programme funds represent funds raised for or allocated to individual Country Programmes and/or projects within those countries. Transfers represent allocations to or from Country Programmes of funds where restrictions allow trustee discretion to their allocation and also funds raised by one part of ActionAid International for activity in another part. The gains on investment and foreign exchange include net unrealised foreign gains and losses which occur when our reserves are translated into Euros.

**15. International Secretariat Costs**

The following table reflects the costs of the International Secretariat reflecting Programme, Support, Governance and Fundraising that are included in the Aggregated results.

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2012 Total</b>	<b>2011 Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Programme	2 258	4 020	<b>6 278</b>	9 393
Support	383	9 488	<b>9 871</b>	10 016
Governance	-	671	<b>671</b>	413
Fundraising	-	1 811	<b>1 811</b>	2 027
	<b>2 641</b>	<b>15 990</b>	<b>18 631</b>	<b>21 849</b>

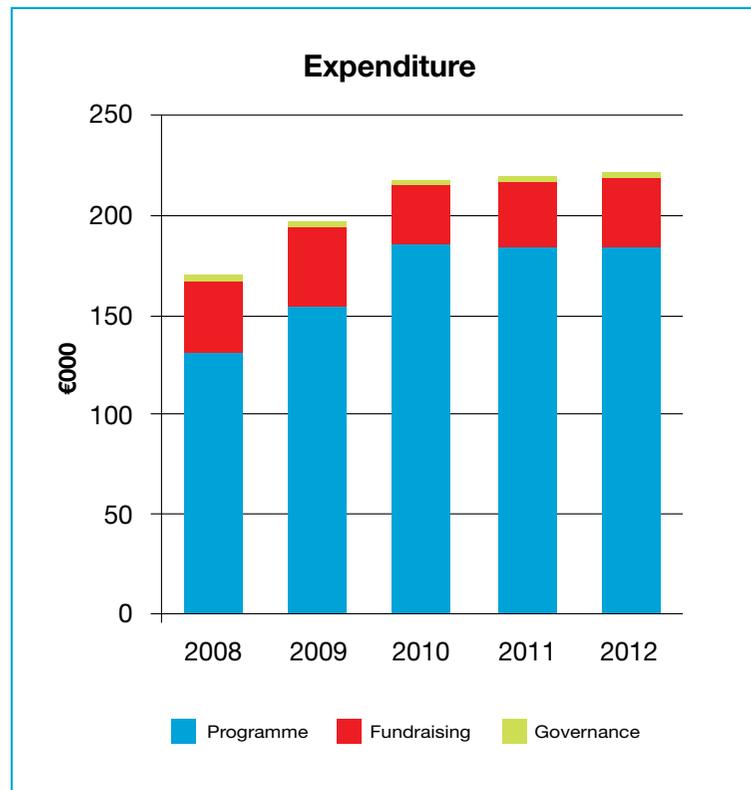
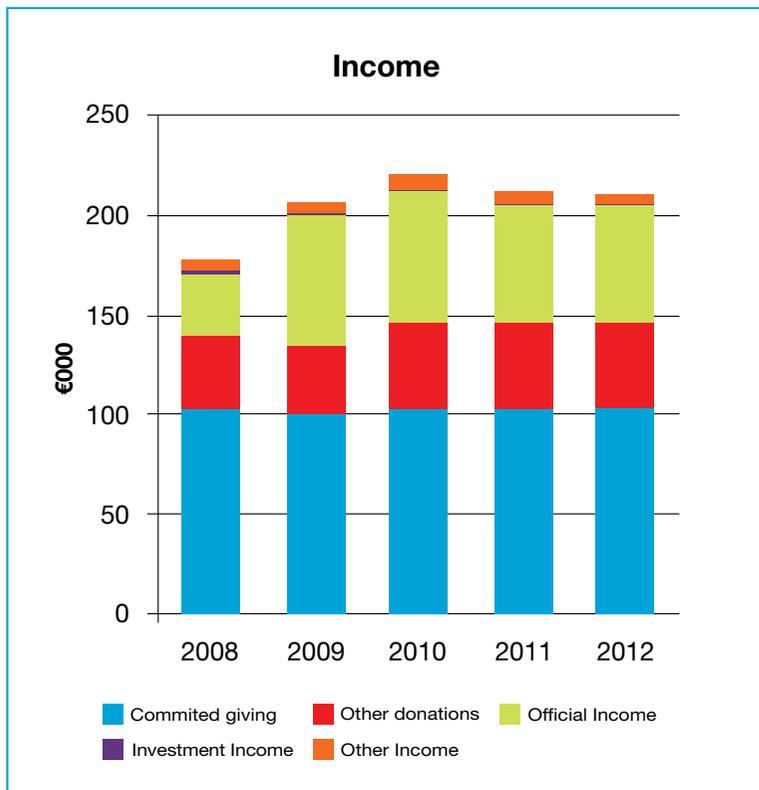
The key roles of the International Secretariat, as per AAI constitution include, among others:

- Managing the development and implementation of and compliance with the Federation’s mission, strategies and policies
- Providing support to Members and Country Programs for strengthening core capacity
- Managing international or multi country programs;
- Managing international advocacy, research, policy development, public education and campaigning;
- Managing the finances of the Association under responsibility of the Treasurer
- Ensuring accountability, learning, planning, performance and impact monitoring, review and assessment systems are established and operate in line with mission, values, and strategy
- Providing support to the International Board and Assembly

**16. Related party transactions**

The Board Members are not aware of any related party transactions which require disclosure under IAS 24 other than disclosures related to transactions with Board and Committee Members and senior management, which are set out in notes 6 and 7 to the financial statements.

# Five Year History



# ActionAid International: Members of the Board, Affiliates and Associates

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## Members of the Board

**Irene Ovonji-Odida** (Chair), Uganda  
**Patrick Dowling**, Ireland (resigned June 2012)  
**Sriprapha Petcharamesree**, Thailand (resigned June 2012)  
**Poguri Chennaiah**, India  
**Nyaradzayi Gumbonzvanda**, Zimbabwe  
**Alexandra Mitsotaki**, Greece  
**Matteo Passini**, Italy  
**Kibuga Kinyua Kariithi**, Kenya  
**Michael Lynch-Bell** (Treasurer), UK  
**Trine Pertou-Mach**, Denmark (new member from June 2012)  
**Chiara Somajni**, Italy (new member from June 2012)  
**Roberto Kishinami**, Brazil (new member from June 2012)  
**Vijay Shunglu**, India (new member from June 2012)

## Affiliates

Australia  
Brazil  
Denmark  
Ghana  
Greece  
Guatemala  
India  
Ireland  
Italy  
Kenya  
Malawi  
Sweden  
The Netherlands  
Uganda  
UK  
USA

## Associates

Bangladesh  
France  
Mozambique  
Nepal  
Nigeria  
Sierra Leone  
Tanzania  
Thailand  
The Gambia  
Zambia

**act:ionaid**

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ActionAid International is incorporated in The Hague, The Netherlands.

Registration number: 27264198

ActionAid International is incorporated in South Africa under section 21A of the Companies Act 1973. Registration number: 2004/007117/10