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Financial Report  
and Accounts  
2010

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**Cover Photo:**

(L-R) Fulera Issaku, Ayishetu Bujri and Safia Issaku from Kolinvai village in Northern Ghana were all accused of witchcraft and forced out of their homes until the 'Go Home project', supported by ActionAid, enabled them to return. The process – which has so far resulted in 250 women being reintegrated, as well as in improved access for the women to health, land, and water – has involved months of negotiations with local chiefs and village elders, and work with the original home communities and in the 'witch camps' for the women to organise and gain respect and rights.

**Photo credit:**

Jane Hahn/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 2010, the narrative reports and financial statements encompass ActionAid International (International Secretariat and country programmes managed by AAI), Affiliate and Associate Members, as described in the Financial and accounting policies on page 10.

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

The AAI 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.

The AAI 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 AAI 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 AAI and reviews ActionAid International's governance standards.

- The Remuneration 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, AAI Members are registered locally and have their own governance structure with oversight for their activities at national level. Organisations that become Members of AAI are required to have constitutions that prescribe governance processes in line with the standards set by AAI. 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 AAI and ActionAid in the UK provides for the International Secretariat to manage country programmes that have not yet become locally registered organisations.

The AAI Board, accountable to the AAI 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 AAI'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 laws and regulations. The national boards have the primary function for monitoring matters at national level.

The Members of the AAI 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 AAI. The AAI Board compares actual results with plans and forecasts and non-financial performance data. Other controls include delegation of authority and segregation of duties. The AAI internal audit function regularly reviews internal controls across ActionAid International and submits reports to the Audit and Risk Committee.

The AAI 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 AAI Board has accepted responsibility for the preparation of these aggregated non-statutory financial statements for the year ended 31 December 2010 which are intended to give a true and fair view of the state of affairs of ActionAid International at that date and of its surplus 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 applicable 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.

Members of the Board are responsible for keeping proper accounting records for AAI 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 AAI's accounting policies. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of AAI 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

## Introduction

ActionAid International's total income in 2010 was €231 million; an increase of 9.7%. Total expenditure was €223 million which resulted in a surplus of €9 million, after investment gains.

Currency volatility played a significant role in 2010. At the start of the year, ActionAid was concerned that Sterling would continue to be weak, having started the year on a low of €1.111/£1. Compared to 2009, the average Euro rate has weakened against Sterling by 5% therefore resulting in better performance from Members whose income is raised in GBP such as the UK. The funding mix is about 60% of income from Euro zone Countries, or countries with currencies influenced by the Euro, 34% of income denominated in Sterling; the balance of the income is earned in US and Australian dollars.

## Surplus for the year

The overall surplus for the year amounted to €9m, of which €7m related to restricted funds. Similarly to 2009, during 2010 there were again a number of officially funded contracts where income was received late in the year but where significant expenditure is only planned to start in 2011. In line with our accounting policies, we have recognised this income during 2010, whereas the expenditure will not be recognised until incurred, which will largely be in 2011. The impact of these contracts is to contribute significantly towards the surplus of restricted funds of €7m for 2010. Expenditure on these contracts has already started during 2011. The Members of the Board are satisfied that this surplus is the result of short term timing differences.

## Income

The overall increase in voluntary income in € was 12.1% in 2010, this was driven largely by funding for emergencies, particularly in Haiti and Pakistan. Our voluntary income is derived mainly from Child Sponsorship and other committed giving fundraising products. As over 40% comes from UK supporters, this income has been most heavily impacted by exchange movements

The total number of financial links grew to 468,000 which is an increase on the 2009 figures (with the exception of UK and Ireland). Face to face suppliers' capacity shortage across many countries (Australia, France, Netherlands, USA) has slowed planned growth and had a big impact on the actual results of many of the newer markets. Fortunately lower attrition rates across all twelve markets due to focussed attention to improve retention, has reduced the overall impact on regular giving income.

Voluntary income also includes income from trusts, corporate bodies, some individuals and other NGOs. This income has increased by 38% due to the increase in income from the UK's DEC funds for emergencies, an increase in funding from trusts and corporates as well as higher results from other areas of individual giving. Significant emergency funding was raised for the earthquake in Haiti, floods in Pakistan and Bangladesh and other emergencies in Afghanistan and Kenya.

Efforts to expand our fundraising activity in new markets helped ensure overall income was up on 2009 by 4.3%.

During 2010 new supporters joined ActionAid in the Netherlands, Sweden, Australia and the USA. Work also continues to grow supporter numbers in the emerging economies of Brazil and India. In addition, our sister organisation in Spain, Ayuda en Acción, generated some €6.7m of Child Sponsorship income for ActionAid work which is shown in 'Other donations' in note 1b (along with other funds).

Official income increased to €72m from €70m in 2009. The most significant funders were the Government of Denmark €28m, Government of the UK (DFID) €12m and European Union €7m. Kenya received €7m of funding in emergency food aid from the UN World Food Programme.

Investment and other income held steady at 2009 levels. Other income has been increased by activities in Denmark from the sale of training courses and activities, as well as activity holidays, as shown in note 1e.

## Expenditure

Expenditure at €223 million is 13% higher than 2009 in total. Fundraising costs were maintained at the same level as in 2009 at 18% of total costs. Note 2 also shows that although fundraising costs as a percentage of income have increased to 15% compared to 14% in 2009 in total, the cost of raising committed giving has increased from 18% to 23% due to the increasing cost of recruiting and servicing supporters. The expenditure on programme work has remained at the same level as in 2009 at 80% of total expenditure. Governance costs held steady at 1%, although slightly decreasing in actual terms.

Programme expenditure (before the allocation of support costs) has increased by 14% in countries due to the increased expenditure on emergencies. In particular, this has benefited work in the area of West and Central Africa, Asia and Americas. Programme expenditure is shown analysed by theme in note 3, based on the principal areas of our strategy. In some cases, expenditure has been classified as 'Other activities' as these programmes were planned and funded before activities became targeted towards the thematic goals of ActionAid.

Support costs remained at the same level as in 2009 for all activities and, as a percentage of total costs, fell from 18.3% to 16.7% of total costs.

## Aggregated statement of financial position

The aggregated balance sheet shows that net assets have increased to €91m in 2010; the increase being accounted for mainly by the surplus of the year. An accounting surplus of €4m arose on translating foreign currency assets into Euros.

The balance sheet contains €87m of cash and short term bank deposits which is higher than 2009 levels by 21% due to UK, Australian and Danish projects which were funded in advance and this has added to ActionAid's cash balances. The remaining increase of cash funds is anticipated to be short term as several projects received funding in late 2010 and funds are planned to be spent in early 2011, as noted above.

## Issues of concern

We continue to face challenges in the timely availability and use of relevant and up to date financial information in some of our country programmes. These are addressed at each of the locations; during 2011 we are putting in place additional support to countries.

Recorded losses through fraud and other means was €37,000, net of recoveries in 2010 compared to €53,000 in 2009.

There are no other areas of financial concern or accounting breakdowns to report.

## Outlook

There continues to be instability in the economies of many of our fundraising countries. In particular, Greece, Ireland, Italy, Spain and the UK face ongoing pressure as government, private sector and individuals reduce spending to respond to the ongoing impacts of the financial crisis. As the organisation continues to rely on the UK and Italy for the majority of its unrestricted income, we keep a close watch on economic developments. In some ways this has been balanced through the development of our fundraising programmes in the south, whose economies have fared much better in the global economic recession.

Fundraising results for this year so far have been satisfactory. Overall it is not clear yet what impact the challenges of 2011 will have on our income, but it is likely that, despite a very loyal base of support, some supporters, particularly in our more established fundraising programmes in UK, Italy and Greece, will have no choice, but to reduce their support. This means that continued growth will be slow.

## 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 2010 we reviewed compliance with this policy. In performing this review, each of the country programme, 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 calculated compliance with the policy with AAI unrestricted reserves covering Members' shortfalls below the minimum required under this 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 AAI's future income and expenditure.

The unrestricted liquid funds and treasury reserves of €23 million at the end of 2010 (as shown in note 14) represented a margin of €4.2 million over the minimum required, which is satisfactory.

## **Investment policy and performance**

The Board's policy in relation to AAI'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 AAI and in 2010, the total return (income and capital growth) achieved on the portfolio was 14.4%.

All investments were made in line with AAI's ethical investment policy.

# Auditor's Report

## **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 2010 which comprise the entities listed in the basis of aggregation accounting policy on page 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 AAI 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 2011.

## 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 2010 and of its result for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- 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

27th July 2011

# Financial and 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 network. 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

[Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement](#)

[Revised IAS 24 Related Party Disclosures](#)

[Amendments to IFRS 1 Additional Exemptions for First-time Adopters](#)

[Improvements to IFRSs \(issued 16 April 2009\)](#)

[Amendments to IFRS2 Group Cash-settled Share-based Payment Transactions](#)

[IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments](#)

[Improvements to IFRSs \(issued May 2010\)](#)

## Yet to be endorsed

[IFRS 9 Financial instruments](#)

[Amendment to IFRS 7 Financial Instruments : Disclosures \(issued 7 October 2010\)](#)

[Amendments to IAS 12 Deferred tax: Recovery of Underlying Assets](#)

[Amendments to IFRS1 Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters](#)

## Basis of aggregation

The aggregated financial statements of ActionAid International comprise ActionAid International (International Secretariat and country programmes managed by AAI), Affiliate and Associate Members, as established under the legal structure pertaining in 2010. 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, 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 2010.

The financial statements have been prepared from financial information supplied to AAI 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, 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. AAI 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 AAI 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 AAI 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 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 6.

## 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 AAI 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 AAI'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.

## 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 treatments are subject to a significant degree of judgement:

### **Allocation of programme expenditure to thematic areas of strategy**

Many of ActionAid International's activities cannot be clearly identified with a single thematic area. In deciding how best to present cost information regarding expenditure by theme, management evaluates which theme expenditure principally relates to, or whether it should be categorised under 'cross-cutting policy and campaigns' or 'other' themes. Rather than seek to apportion expenditure over themes in a way which would inevitably be highly subjective the whole costs of an activity identified in this way are allocated to the principal theme identified.

### **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.

## Aggregated statement of comprehensive income year ended 31 December 2010

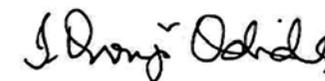
	Note	Restricted €'000	Unrestricted €'000	2010 Total €'000	2009 Total €'000
<b>INCOME</b>					
Voluntary income					
Committed giving	1	64 150	41 154	<b>105 304</b>	101 001
Other donations		33 630	8 890	<b>42 520</b>	30 901
		<u>97 780</u>	<u>50 044</u>	<b>147 824</b>	131 902
Official income	1	65 993	6 153	<b>72 146</b>	70 120
		<u>163 773</u>	<u>56 197</u>	<b>219 970</b>	202 022
Investment income	1	80	650	<b>730</b>	807
		<u>163 853</u>	<u>56 847</u>	<b>220 700</b>	202 829
Other income	1	4 369	6 147	<b>10 516</b>	7 888
Total income		<u>168 222</u>	<u>62 994</u>	<b>231 216</b>	210 717
<b>EXPENDITURE</b>					
Fundraising costs	2	(7 174)	(34 019)	<b>(41 193)</b>	(35 990)
Programme expenditure	3, 4	(153 829)	(25 277)	<b>(179 106)</b>	(159 171)
Governance costs	5	(1 409)	(1 303)	<b>(2 712)</b>	(2 900)
Total expenditure		<u>(162 412)</u>	<u>(60 599)</u>	<b>(223 011)</b>	(198 061)
<b>Net surplus before transfers and investment gains</b>		5 810	2 395	<b>8 205</b>	12 656
Gross transfers between funds		(341)	341	-	-
Gain on investments	11	1 092	-	<b>1 092</b>	560
<b>Net surplus</b>		<u>6 561</u>	<u>2 736</u>	<b>9 297</b>	13 216
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Net surplus</b>		<u>6 561</u>	<u>2 736</u>	<b>9 297</b>	13 216
Unrealised foreign exchange gains on translation		3 601	98	<b>3 699</b>	4 299
<b>Net movement in funds</b>		<u>10 162</u>	<u>2 834</u>	<b>12 996</b>	17 515
Total funds brought forward at 1 January 2010	14/15	55 947	22 016	<b>77 963</b>	60 448
<b>Total funds carried forward at 31 December 2010</b>		<u>66 109</u>	<u>24 850</u>	<b>90 959</b>	77 963

Notes 1 to 17 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.

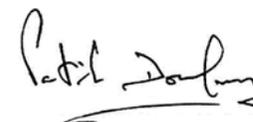
## Aggregated statement of financial position as at 31 December 2010

	Note	2010 €'000	2009 €'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	4 836	3 656
Investments	11	11 224	9 912
		<b>16 060</b>	13 568
<b>Current assets</b>			
Receivables	12	14 495	14 648
Cash and cash equivalents			
Short term bank deposits		18 409	20 968
Cash at bank		68 938	51 438
		<b>101 842</b>	87 054
<b>Current liabilities</b>			
Payables	13	(26 943)	(22 659)
Net current assets		<b>74 899</b>	64 395
<b>Total net assets</b>		<b>90 959</b>	77 963
<b>FUNDS</b>			
<b>Restricted funds</b>			
Liquid funds and treasury reserves	14	63 378	53 323
Property, plant and equipment reserve		2 731	2 624
		<b>66 109</b>	55 947
<b>Unrestricted funds</b>			
Liquid funds and treasury reserves		22 745	20 984
Property, plant and equipment reserve		2 105	1 032
		<b>24 850</b>	22 016
<b>Total funds</b>		<b>90 959</b>	77 963

Approved by the Assembly of ActionAid International on 24 July 2011 and signed on its behalf by:



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



**Patrick Dowling**  
Treasurer of the Board of ActionAid International

## Aggregated statement of cash flows year ended 31 December 2010

	2010 €'000	2009 €'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net surplus before transfers and investment gains	8 205	12 656
Investment income net of investment fees	(659)	(772)
Profit on disposal of property, plant and equipment	(208)	(173)
Depreciation	1 865	1 837
Decrease/(increase) in receivables	153	(2 388)
Increase/(decrease) in payables	4 284	(397)
<b>Net cash inflow from operating activities</b>	<b>13 640</b>	10 763
<b>CASH FROM INVESTING ACTIVITIES</b>		
Investment income	659	772
Cash introduced by new Associates on 1 January 2009	-	9 336
Purchase of property, plant and equipment	(3 281)	(3 401)
Purchase of investments	(5 044)	(4 071)
Proceeds from the sale of property, plant and equipment	588	483
Proceeds from the sale of investments	3 108	2 948
	<b>(3 970)</b>	6 067
Impact of exchange rates on cash and cash equivalents	3 193	3 864
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>12 863</b>	20 694

	Cash €'000	Short-term bank deposits €'000	Cash held by investment managers €'000	Total €'000
Cash and cash equivalents at 1 January 2010	51 438	20 968	2 993	75 399
Net increase in cash and cash equivalents	17 500	(2 559)	(2 078)	12 863
<b>Cash and cash equivalents at 31 December 2010</b>	<b>68 938</b>	<b>18 409</b>	<b>915</b>	<b>88 262</b>

## Notes to the accounts 31 December 2010

### 1. Income

#### 1a. Committed giving

	Restricted €'000	Unrestricted €'000	2010 Total €'000	2009 Total €'000
Australia	56	655	711	160
Brazil	602	-	602	247
Denmark	-	459	459	428
France	-	241	241	265
Greece	8 347	2 287	10 634	10 062
India	148	-	148	61
Ireland	1 710	697	2 407	2 372
Italy	27 243	15 787	43 030	42 292
The Netherlands	-	310	310	301
Sweden	1 505	595	2 100	1 908
UK	24 488	19 830	44 318	42 782
USA	51	293	344	123
	<b>64 150</b>	<b>41 154</b>	<b>105 304</b>	<b>101 001</b>

#### 1b. Other donations

	Restricted €'000	Unrestricted €'000	2010 Total €'000	2009 Total €'000
Individual donations	5 484	6 355	11 839	9 056
UK Disasters Emergency Committee	4 374	255	4 629	1 840
Donations from companies, trusts and NGOs	16 518	2 280	18 798	12 614
Contribution from Ayuda en Acción	7 254	-	7 254	7 391
	<b>33 630</b>	<b>8 890</b>	<b>42 520</b>	<b>30 901</b>

**1c. Official income**

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Government of Denmark	27 553	94	<b>27 647</b>	25 678
Government of United Kingdom	7 252	5 025	<b>12 277</b>	10 869
European Union	6 653	410	<b>7 063</b>	10 455
United Nations - World Food Programme	7 217	-	<b>7 217</b>	8 482
Government of The Netherlands	2 560	-	<b>2 560</b>	-
Government of Australia	1 988	88	<b>2 076</b>	4 163
Government of Ireland	1 461	48	<b>1 509</b>	850
All other governments	825	28	<b>853</b>	728
All other United Nations agencies	2 577	-	<b>2 577</b>	4 261
Other contributions from official bodies	7 907	460	<b>8 367</b>	4 634
	<b>65 993</b>	<b>6 153</b>	<b>72 146</b>	70 120

**1d. Investment income**

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Investment income	-	429	<b>429</b>	314
Bank interest	80	221	<b>301</b>	493
	<b>80</b>	<b>650</b>	<b>730</b>	807

**1e. Other income**

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Realised foreign exchange gains/(losses)	1 112	(1 208)	<b>(96)</b>	(830)
Profit on sale of fixed assets	118	90	<b>208</b>	173
Sale of educational materials	68	-	<b>68</b>	111
Fundraising trading and sale of vacation and work/study visits	896	4 295	<b>5 191</b>	4 234
Other	2 175	2 970	<b>5 145</b>	4 200
	<b>4 369</b>	<b>6 147</b>	<b>10 516</b>	7 888

**2. Fundraising costs**

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2010 Total</b>	<b>Fundraising cost ratio</b>	<b>2009 Total</b>	<b>Fundraising cost ratio</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>%</b>	<b>€'000</b>	<b>%</b>
Committed giving costs	5 681	18 864	<b>24 545</b>	23%	18 124	18%
Cost of other donations	1 030	7 139	<b>8 169</b>	19%	9 304	30%
Cost of raising contributions from official bodies	392	457	<b>849</b>	1%	725	1%
Cost of raising voluntary and official income	7 103	26 460	<b>33 563</b>	15%	28 153	14%
Costs of fundraising trading	-	69	<b>69</b>		174	
Investment management costs	71	-	<b>71</b>		35	
	7 174	26 529	<b>33 703</b>		28 362	
Support costs allocated to fundraising (note 6)	-	7 490	<b>7 490</b>		7 628	
Total fundraising costs	7 174	34 019	<b>41 193</b>		35 990	

**3. Programme expenditure by theme**

	<b>Grants</b>	<b>Direct programme</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Women's rights	6 231	7 907	<b>14 138</b>	14 968
Education	6 877	8 461	<b>15 338</b>	14 208
HIV/AIDS	7 123	7 642	<b>14 765</b>	10 636
Food rights	11 269	10 651	<b>21 920</b>	17 866
Human security	5 512	21 205	<b>26 717</b>	21 559
Governance	6 094	16 987	<b>23 081</b>	27 460
Cross cutting policy and campaigns	1 640	11 977	<b>13 617</b>	9 034
Other	12 106	7 996	<b>20 102</b>	15 307
	<b>56 852</b>	<b>92 826</b>	<b>149 678</b>	131 038
Support costs allocated to programme (note 6)			<b>29 428</b>	28 133
<b>Total programme expenditure</b>			<b>179 106</b>	159 171

Other activity includes the country programme activity of the new Affiliates and Associates. This activity was funded and planned before partnerships with ActionAid were formalised and therefore this activity was not targeted towards the thematic goals of the ActionAid. Activity in Denmark is largely classified as 'Governance' in the year.

## 4. Programme expenditure by country

	Grants €'000	Direct programme €'000	2010 Total €'000	2009 Total €'000
<b>East and Southern Africa</b>				
Ethiopia	1 950	1 768	3 718	3 340
Kenya	1 948	11 867	13 815	14 979
Lesotho	190	312	502	531
Malawi	1 942	1 748	3 690	3 232
Mozambique	1 106	2 990	4 096	4 455
Somaliland	508	93	601	635
South Africa	137	789	926	717
Tanzania	957	2 361	3 318	6 523
Uganda	2 185	2 868	5 053	4 944
Zambia	1 411	985	2 396	2 591
Zimbabwe	1 855	2 663	4 518	4 349
EASA regional initiatives	970	2 602	3 572	781
	15 159	31 046	46 205	47 077
<b>West and Central Africa</b>				
Burundi	305	530	835	899
Cameroon	-	518	518	336
DRC	393	590	983	1 139
The Gambia	2 380	448	2 828	1 401
Ghana	1 290	2 255	3 545	3 129
Liberia	224	967	1 191	738
Nigeria	2 475	4 087	6 562	3 911
Rwanda	-	1 038	1 038	930
Senegal	677	124	801	683
Sierra Leone	230	1 811	2 041	2 339
	7 974	12 368	20 342	15 505
<b>Asia</b>				
Afghanistan	256	2 893	3 149	3 029
Bangladesh	3 814	1 904	5 718	4 817
Cambodia	1 412	698	2 110	2 031
China	103	1 477	1 580	1 365
India	6 792	3 189	9 981	9 408
Myanmar	756	729	1 485	1 176
Nepal	1 828	3 085	4 913	4 525
Pakistan	3 731	2 584	6 315	3 151
Palestine	171	132	303	722
Sri Lanka	-	-	-	162
Thailand	73	136	209	209
Vietnam	2 154	829	2 983	3 228
TSF	96	420	516	141
Asia regional initiatives	949	949	1 898	1 128
	22 135	19 025	41 160	35 092

## 4. Programme expenditure by country (continued)

	Grants €'000	Direct programme €'000	2010 Total €'000	2009 Total €'000
<b>Americas</b>				
Brazil	2 892	672	3 564	2 978
Guatemala	242	2 022	2 264	1 643
Haiti & DR	664	3 852	4 516	1 356
Venezuela	-	-	-	115
Americas regional initiatives	1 114	1 605	2 719	2 118
	<b>4 912</b>	<b>8 151</b>	<b>13 063</b>	<b>8 210</b>
<b>Other Affiliates, Associates and AAI Secretariat</b>				
AAI Secretariat	4 317	6 899	11 216	10 760
Australia	-	3 915	3 915	1 141
Denmark	159	4 360	4 519	4 465
France	443	234	677	342
Greece	136	432	568	393
Ireland	41	82	123	131
Italy	541	1 118	1 659	2 129
The Netherlands	539	580	1 119	1 366
Sweden	-	446	446	339
UK	129	3 893	4 022	3 917
USA	367	277	644	171
	<b>6 672</b>	<b>22 236</b>	<b>28 908</b>	<b>25 154</b>
<b>Total</b>	<b>56 852</b>	<b>92 826</b>	<b>149 678</b>	<b>131 038</b>
Support costs allocated to programme (note 6)			29 428	28 133
<b>Total programme expenditure</b>			<b>179 106</b>	<b>159 171</b>

**5. Governance costs**

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Internal audit	579	236	815	746
External audit	359	222	581	668
Legal	85	2	87	83
Costs of governing bodies	386	497	883	943
	<b>1 409</b>	<b>957</b>	<b>2 366</b>	<b>2 440</b>
Support costs allocated to governance (note 6)	-	346	346	460
<b>Total governance costs</b>	<b>1 409</b>	<b>1 303</b>	<b>2 712</b>	<b>2 900</b>

External auditors' remuneration included in governance costs was:

	<b>2010 Total</b>	<b>2009 Total</b>
	<b>€'000</b>	<b>€'000</b>
Audit of aggregated accounts - Buzzacott LLP	112	102
Other audit work - Buzzacott LLP	58	51
Other audit work - Other auditors	411	515
	<b>581</b>	<b>668</b>

## 6. Support costs

Support costs represent expenditure incurred on management and the provision of the facilities and services that enable the fundraising, programme and governance activities to be carried out efficiently and effectively. The costs of that work are apportioned to those three expenditure headings as shown below. These apportionments will include management estimates made on a consistent basis from year to year.

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Local management	2 235	3 566	<b>5 801</b>	5 386
Communications	709	1 472	<b>2 181</b>	3 215
Finance	3 156	4 130	<b>7 286</b>	7 370
Human resources	1 810	2 000	<b>3 810</b>	3 462
Impact assessment support	207	759	<b>966</b>	978
Information technology	1 138	2 750	<b>3 888</b>	3 563
Office administration	5 378	2 572	<b>7 950</b>	7 691
Organisational development	226	373	<b>599</b>	392
Property	1 311	3 472	<b>4 783</b>	4 164
	<b>16 170</b>	<b>21 094</b>	<b>37 264</b>	<b>36 221</b>
Allocated to fundraising	-	7 490	<b>7 490</b>	7 628
Allocated to programme	16 170	13 258	<b>29 428</b>	28 133
Allocated to governance	-	346	<b>346</b>	460
	<b>16 170</b>	<b>21 094</b>	<b>37 264</b>	<b>36 211</b>

Support costs are allocated as follows. All support costs incurred in Country Programmes are allocated to programme expenditure. Support costs incurred in the AAI Secretariat and Affiliates and Associates which are not Country Programmes have been allocated on the basis of headcount in the fundraising, programme and governance function.

**7. Employees****The average number of employees throughout the year was:**

	<b>2010 Total Number</b>	2009 Total Number
Programme	1 432	1 243
Support	1 038	1 214
Fundraising	368	362
Governance	26	32
	<b>2 864</b>	<b>2 851</b>

**Total remuneration of employees was:**

	<b>2010 Total €'000</b>	2009 Total €'000
Gross salaries, wages and other benefits	50 852	50 359
Payroll taxes	5 819	5 276
Pension contributions	3 594	4 165
	<b>60 265</b>	<b>59 800</b>

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

	<b>2010 Total €'000</b>	2009 Total €'000
Salaries	1 101	1 041
Pension contributions	128	125
Other benefits (housing, school fees, relocation payments)	162	115
Tax paid on behalf of employees	79	67
Accumulated one-off entitlements on the ending of fixed term contracts	63	7
	<b>1 533</b>	<b>1 355</b>

The incoming Chief Executive of the AAI Secretariat received the following remuneration in 2010: salary €87,373, pension contributions €8,737 and housing and other allowances €17,223. The outgoing Chief Executive was also paid a total of €119,440 as salary (2009: €110,403), pension contributions (2009: €11,040) and housing and other allowances (2009: €11,923) during the year.

In the course of normal employment arrangements, payments of expenses are made on behalf of Directors which are then reimbursable. At 31 December 2010, amounts were outstanding from 4 International Directors (2009: 4) which amounted to € 30,683 (2009: €49,863)

**8. Expenses of Board and Committee Members**

No remuneration or other payments are made to the Board or Committee Members of AAI for their services as Board or Committee members or for other services provided to the organisation in 2010 (2009: €nil). Directly incurred expenses are reimbursed; in 2010 this amounted to €43,555 for travel and accommodation relating to Board and Committee meetings (2009: €25,443).

**9. Property, plant and equipment**

	Freehold property €'000	Office equipment €'000	Motor vehicles €'000	2010 Total €'000	2009 Total €'000
<b>Cost</b>					
At 1 January 2010	1 765	4 571	8 222	14 558	10 258
New Associates introduced	-	-	-	-	1 099
Foreign exchange differences	104	178	344	626	659
Additions	7	1 907	1 367	3 281	3 401
Disposals	(224)	(933)	(791)	(1 948)	(859)
At 31 December 2010	1 652	5 723	9 142	16 517	14 558
<b>Depreciation</b>					
At 1 January 2010	555	3 891	6 456	10 902	8 638
New Associates introduced	-	-	-	-	373
Foreign exchange differences	35	150	297	482	603
Charge for year	27	649	1 189	1 865	1 837
Disposals	(61)	(848)	(659)	(1 568)	(549)
At 31 December 2010	556	3 842	7 283	11 681	10 902
<b>Net book value</b>					
At 31 December 2010	1 096	1 881	1 859	4 836	
At 31 December 2009	1 210	680	1 766	3 656	

## 10. 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 AAI have 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 €87.3m of liquid funds and €11.2m 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 AAI'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 and 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 12 and 13 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.

**11. Investments**

	<b>Equities</b>	<b>Bonds</b>	<b>Cash</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Market value at 1 January 2010	5 033	1 886	2 993	<b>9 912</b>	5 257
New Associates introduced	-	-	-	-	205
Foreign exchange differences	262	101	116	<b>479</b>	403
Additions	4 483	561	(5 044)	-	153
New cash injection	-	-	-	-	3 369
Disposals	(2 575)	(533)	2 920	<b>(188)</b>	-
Investment management costs	-	-	(71)	<b>(71)</b>	(35)
Net investment gain	1 009	82	1	<b>1 092</b>	560
Market value at 31 December 2010	<b>8 212</b>	<b>2 097</b>	<b>915</b>	<b>11 224</b>	<b>9 912</b>
Historic cost at 31 December 2010	<b>6 590</b>	<b>2 010</b>	<b>915</b>	<b>9 515</b>	<b>9 301</b>

**12. Receivables**

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Amounts due from official bodies	3 681	128	<b>3 809</b>	3 893
Other receivables and prepayments	4 589	2 808	<b>7 397</b>	7 458
Tax recoverable	20	2 298	<b>2 318</b>	2 246
Amounts due from employees	439	532	<b>971</b>	1 051
	<b>8 729</b>	<b>5 766</b>	<b>14 495</b>	<b>14 648</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.

**13. Payables**

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Amounts falling due within one year:				
Trade payables and accruals	7 932	8 558	<b>16 490</b>	13 922
Amounts due to employees	2 646	1 240	<b>3 886</b>	3 164
Taxation and social security	267	340	<b>607</b>	1 517
Deferred income	4 474	1 486	<b>5 960</b>	4 056
	<b>15 319</b>	<b>11 624</b>	<b>26 943</b>	<b>22 659</b>

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

**14. Analysis of fund balances**

	Restricted		Unrestricted		2010 Total €'000	2009 Total €'000
	Liquid funds and treasury reserves	Property, plant and equipment reserve	Liquid funds and treasury reserves	Property, plant and equipment reserve		
	€'000	€'000	€'000	€'000		
At 1 January 2010	53 323	2 624	20 984	1 032	<b>77 963</b>	55 111
New Associates introduced	-	-	-	-	-	5 337
Net movement in funds	10 055	107	1 761	1 073	<b>12 996</b>	17 515
At 31 December 2010	63 378	2 731	22 745	2 105	<b>90 959</b>	77 963
<b>Represented by:</b>						
Property, plant and equipment	-	2 731	-	2 105	<b>4 836</b>	3 656
Investments	10 809	-	415	-	<b>11 224</b>	9 912
Current assets	67 888	-	33 954	-	<b>101 842</b>	87 054
Current liabilities	(15 319)	-	(11 624)	-	<b>(26 943)</b>	(22 659)
	63 378	2 731	22 745	2 105	<b>90 959</b>	77 963
Accumulated exchange differences taken directly to funds and included above as at 1 January					<b>(12 607)</b>	(16 906)
Net exchange differences arising during the period and taken to reserves					<b>3 699</b>	4 299
Accumulated exchange differences taken directly to funds and included above as at 31 December					<b>(8 908)</b>	(12 607)

## 15. Movement in funds

	At 1 January 2010	Income	Fundraising costs	Programme expenditure	Governance costs	Support costs	Transfers	Gains on investments & foreign exchange	At 31 December 2010
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>East and Southern Africa</b>									
Ethiopia	2 847	5 162	(240)	(3 718)	(27)	(458)	(230)	140	<b>3 476</b>
Kenya	19	14 588	(526)	(12 422)	(145)	(1 068)	(171)	-	<b>275</b>
Lesotho	207	1 111	(132)	(502)	(2)	(230)	(107)	9	<b>354</b>
Malawi	1 320	4 649	(338)	(3 690)	(93)	(700)	112	71	<b>1 331</b>
Mozambique	800	4 136	(260)	(3 150)	(109)	(945)	105	219	<b>796</b>
Somaliland	163	363	(22)	(601)	(5)	(168)	437	8	<b>175</b>
South Africa	157	1 189	(129)	(926)	(5)	(483)	281	8	<b>92</b>
Tanzania	1 264	3 437	(155)	(2 868)	(20)	(457)	(97)	67	<b>1 171</b>
Uganda	1 311	6 022	(391)	(3 449)	(91)	(552)	(82)	384	<b>3 152</b>
Zambia	355	2 029	(154)	(1 495)	(9)	(210)	71	15	<b>602</b>
Zimbabwe	785	3 474	(120)	(3 403)	(64)	(409)	44	(21)	<b>286</b>
	<b>9 228</b>	<b>46 160</b>	<b>(2 467)</b>	<b>(36 224)</b>	<b>(570)</b>	<b>(5 680)</b>	<b>363</b>	<b>900</b>	<b>11 710</b>
<b>West and Central Africa</b>									
Burundi	(40)	870	(83)	(835)	(2)	(196)	232	(2)	<b>(56)</b>
Cameroon	318	52	-	(518)	-	-	132	20	<b>4</b>
DRC	211	453	(4)	(983)	(14)	(416)	743	14	<b>4</b>
The Gambia	1 475	3 225	(168)	(2 828)	(56)	(616)	340	74	<b>1 446</b>
Ghana	2 795	3 872	(335)	(3 545)	(79)	(781)	(56)	150	<b>2 021</b>
Liberia	624	937	(77)	(1 191)	-	(298)	491	35	<b>521</b>
Nigeria	1 802	8 905	(254)	(6 562)	(107)	(794)	(196)	115	<b>2 909</b>
Rwanda	613	1 122	(161)	(1 038)	(34)	(234)	37	(34)	<b>271</b>
Senegal	399	1 159	(110)	(801)	-	(308)	371	19	<b>729</b>
Sierra Leone	1 444	3 576	(302)	(2 041)	(80)	(526)	(308)	53	<b>1 816</b>
	<b>9 641</b>	<b>24 171</b>	<b>(1 494)</b>	<b>(20 342)</b>	<b>(372)</b>	<b>(4 169)</b>	<b>1 786</b>	<b>444</b>	<b>9 665</b>

## 15. Movement in funds (continued)

	At 1 January 2010	Income	Fundraising costs	Programme expenditure	Governance costs	Support costs	Transfers	Gains on investments & foreign exchange	At 31 December 2010
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Asia</b>									
Afghanistan	1 794	3 143	(120)	(3 149)	(20)	(304)	62	97	1 503
Bangladesh	2 092	7 089	(195)	(5 718)	(70)	(514)	106	103	2 893
Cambodia	1 240	2 707	(133)	(2 110)	(10)	(146)	(120)	62	1 490
China	716	1 715	(94)	(1 580)	(1)	(243)	(67)	40	486
India	5 909	12 306	(496)	(9 981)	(157)	(1 378)	(157)	299	6 345
Myanmar	409	1 858	(33)	(1 485)	(4)	(257)	398	16	902
Nepal	1 736	4 261	(163)	(4 204)	(38)	(337)	(174)	95	1 176
Pakistan	2 717	5 428	(165)	(6 315)	(24)	(394)	183	154	1 584
Thailand	122	105	(32)	(209)	(7)	(138)	450	5	296
TSF	(159)	653	-	(516)	(1)	(109)	-	183	51
Vietnam	807	3 646	(229)	(2 983)	(22)	(348)	(65)	41	847
	<b>17 383</b>	<b>42 911</b>	<b>(1 660)</b>	<b>(38 250)</b>	<b>(354)</b>	<b>(4 168)</b>	<b>616</b>	<b>1 095</b>	<b>17 573</b>
<b>Americas</b>									
Brazil	1 119	5 378	(726)	(3 564)	(27)	(1 260)	29	58	1 007
Guatemala	1 144	2 524	(135)	(2 264)	(26)	(252)	135	58	1 184
Haiti & DR	283	6 133	(156)	(4 516)	-	(328)	(129)	(6)	1 281
	<b>2 546</b>	<b>14 035</b>	<b>(1 017)</b>	<b>(10 344)</b>	<b>(53)</b>	<b>(1 840)</b>	<b>35</b>	<b>110</b>	<b>3 472</b>
<b>Total Country Programme funds</b>	<b>38 798</b>	<b>127 277</b>	<b>(6 638)</b>	<b>(105 160)</b>	<b>(1 349)</b>	<b>(15 857)</b>	<b>2 800</b>	<b>2 549</b>	<b>42 420</b>
<b>Other Affiliates, Associ- ates and AAI Secretariat</b>	39 165	103 939	(27 065)	(44 518)	(1 017)	(21 407)	(2 800)	2 242	48 539
<b>Allocation of support costs</b>	-	-	(7 490)	(29 428)	(346)	37 264	-	-	-
<b>Total</b>	<b>77 963</b>	<b>231 216</b>	<b>(41 193)</b>	<b>(179 106)</b>	<b>(2 712)</b>	<b>-</b>	<b>-</b>	<b>4 791</b>	<b>90 959</b>

Country Programme funds represent funds raised for or allocated to individual Country Programmes and/or projects within those countries. In 2010, the management of Danish and Australian funds remained with officers in these countries and so income, expenditure and reserves are shown above as held in these locations. Transfers represent the allocation to or from Country Programmes of funds where restrictions allow trustees discretion on 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.

**16. Grants received from major UK donors**

Listed below are the funds received from major donors in the UK

	2010 Total €'000	2009 Total €'000
<b>UK Department for International Development</b>		
Partnership Programme Agreements	5 557	5 261
Disaster Risk Reduction through Schools Project	-	596
Other projects	6 948	4 931
	<b>12 505</b>	<b>10 788</b>
<b>Comic Relief</b>		
International (AAI, UK, Tanzania, Nigeria)	2 643	964
Kenya	251	159
	<b>2 894</b>	<b>1 123</b>
<b>The Big Lottery Fund</b>		
International (AAI, Ghana, Kenya, Mozambique)	3 125	764
Somaliland	-	40
India	228	184
Liberia	275	159
	<b>3 628</b>	<b>1 147</b>

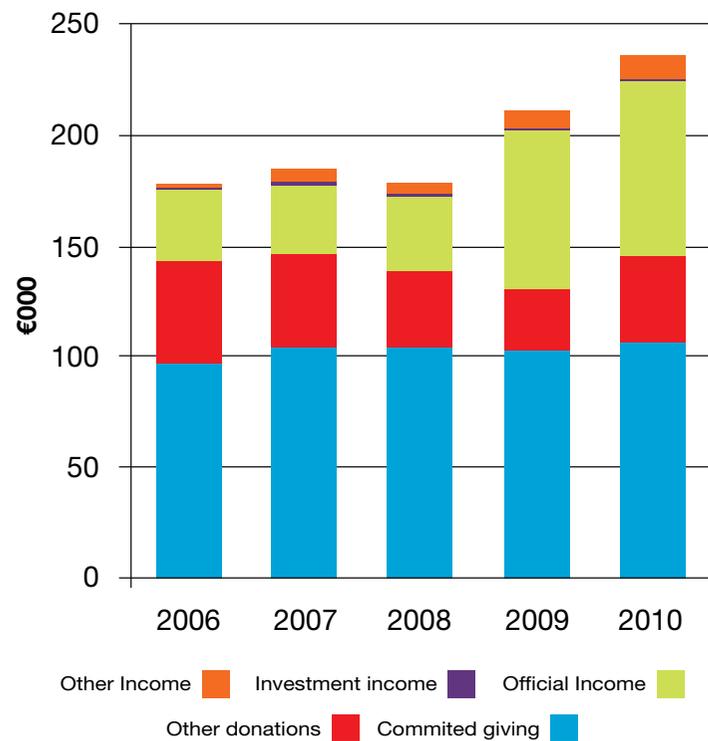
No other donors require their grants to be disclosed in these accounts.

**17. Related party transactions**

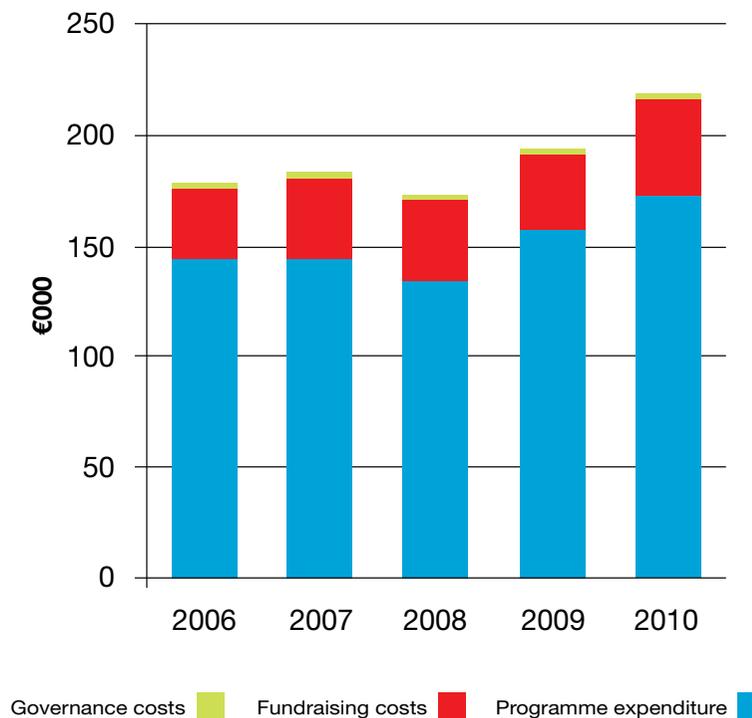
The Board Members are not aware of any related party transactions which require disclosure under IAS 24 other than disclosures relating to transactions with Board and Committee Members and senior management, which are set out in notes 7 and 8 to the financial statements.

# Five-year history

## Income



## Expenditure



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

## Members of the Board

**Irene Ovonji-Odida** (Chair), Uganda

**Patrick Dowling** (Treasurer), Ireland

**Poguri Chennaiah**, India

**Cândido Grzybowski**, Brazil

**Nyaradzayi Gumbonzvanda**, Zimbabwe

**Alexandra Mitsotaki**, Greece

**Matteo Passini**, Italy

**Sriprapha Petcharamesree**, Thailand

## Affiliates

Australia

Brazil

Ghana

Greece

Guatemala

India

Ireland

Italy

Kenya

Denmark

Sweden

Uganda

UK

USA

## Associates

Bangladesh

France

Malawi

Nepal

The Netherlands

Nigeria

Sierra Leone

Tanzania

Thailand

The Gambia

Zambia



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**Website:** [www.actionaid.org](http://www.actionaid.org)

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