



Accounts '09

Contents 2009

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Cover image

Lurdes Siteo has lost the land she used to grow food for her family to a biofuels company. Mozambique.

Photo credit: James Oatway/Panos/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 2009, 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 pages 12 to 17.

ActionAid International was converted from a Foundation to an Association in the middle of 2009 with the Association inheriting the net assets of the Foundation. Further details of this change are given in the 2008 accounts on our website. 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 will enable 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 will follow the practice of the previous board of the foundation by meeting formally 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. Some Committees were established under the previous board of the foundation. They have evolved to fit the changed structure and there are currently four committees. In 2009, the Finance and Audit Committee was restructured into two separate committees:

- 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. It has subsumed the previous Investment Committee into its area of responsibility.
- 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 other committees of the Board are:

- 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, 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 2009 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 2009 was €211 million, an increase of 15%, which included, for the first time, income from four new Affiliate and Associate Members. Total expenditure was €198 million which resulted in a surplus of €13 million, after investment income. The inclusion of the new Affiliate and Associate Members has a major impact on the performance in 2009 and this impact is summarised below:

New Affiliate and Associate Members

Income	€39.3 m
Expenditure	€38.5 m
Surplus for the year	€0.8 m
Assets brought into ActionAid at 1 January 2009	€5.3m

Currency volatility played a significant role in 2009. At the start of the year, ActionAid was concerned that sterling would continue to be weak, having started the year on a low of €1.027/£1. Many country programmes rebudgeted at this time to reduce spending and, against these low expectations, income levels were higher than expected, leading to some of the surplus experienced. Compared to 2008, the average Euro rate has strengthened against sterling by 11% and this has increased costs, particularly fundraising. In previous years ActionAid has earned 45-50% of funds in sterling. In the current year, this funding mix has changed with 69% of income from Euro zone Countries, or countries with currencies influenced by the Euro, and only 27% of income was denominated in sterling. The balance of the income is earned in USA and Australian dollars.

Surplus for the year

The overall surplus for the year amounted to €13 million, of which €11 million related to restricted funds. During 2009, there were an increased number of officially funded contracts where income was received late in the year but where significant expenditure is only planned to start in 2010. In line with our accounting policies, we have recognised this income during 2009, whereas the expenditure will not be recognised until incurred, which will largely be in 2010. The impact of these contracts is to contribute significantly towards the surplus of restricted funds of €11 million for 2009. Expenditure on these contracts has already started and they are likely to show an excess of expenditure over income this year (i.e. a deficit) which will be reflected in the overall restricted results for ActionAid International the year. The Members of the Board are satisfied that this surplus is the result of short-term timing differences.

Income

The overall reduction in voluntary income in Euro was 6.5% in 2009. Our voluntary income is derived mainly from Child Sponsorship and other committed giving fundraising products. As 42% comes from UK supporters, this income has been most heavily impacted by exchange movements and has fallen 11.4% from the 2008 level.

The rates of new supporters joining the organisation were down in most countries compared to the plan and 2008 results. So, despite the fact that most of our supporters remained loyal to us during these difficult economic times, we were only just able to maintain 2008 levels of financial links and committed giving income (-1.84%) and supporter numbers in total actually went down slightly (from 401,315 in 2008 to 399,205 in 2009).

Voluntary income also includes income from trusts, corporate bodies, some individuals and other NGOs. This income has fallen 19% due to lower income from the UK's DEC funds for emergencies, a fall in income from Ayuda en Acción and lower results from other areas of individual giving.

Efforts to expand our fundraising activity to new markets helped ensure overall income was up on 2008 by 15.2%. During 2009 new supporters joined ActionAid in the Netherlands, 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 €6.8 million of Child Sponsorship income for ActionAid work which is shown in 'Other donations' in note 1b (along with other funds).

Official income increased to €70 million from €35 million in 2008. The large movement is due to contributions from the Governments of Denmark and Australia, following the aggregation of new Affiliate and Associate Members in these countries in these accounts. These donors increased Official funds by €30m and, excluding this impact, donations from other donors increased 15%. Kenya received €8.4m of funding in emergency food aid and European Union funds continued at a similar high level to 2008.

Investment and other income was affected by the fall in interest rates in Europe and the USA with bank interest of €0.5m being only one-third of the 2008 level. Other income has been increased by activities in Denmark new to ActionAid and income from the sale of training courses and activities, as well as activity holidays which are shown in note 1e for the first time.

Expenditure

Expenditure at €198 million is 12% higher than 2008 for all activities. The changing structure of ActionAid has impacted our cost structure with fundraising costs falling from 21% to 18% of total costs. Note 2 also shows that fundraising costs as a percentage of income has fallen, due to the lower fundraising costs of Denmark and Australia who are largely funded by Official funds. The other face of this change is that our expenditure on programme work increased to 80% from 77% of total expenditure. Governance costs held steady at 1%, although increasing in actual terms.

Programme expenditure (before the allocation of support costs) has increased by 17% in Country Programmes due to the activities of our new Affiliate and Associate Members, reported for the first time. This has benefited work in the area of East and Southern Africa the most. Activity in West and Central Africa and Asia has fallen following the completion of large projects in Nigeria and Ghana plus the closure of our programme in Sri Lanka, following the completion of our post-Tsunami reconstruction work. Programme activity in Affiliate and Associate Members has fallen 5% after excluding the new Affiliate and Associate Members. Programme expenditure is shown analysed by theme in note 3, based on the principal areas of our strategy. The activities of our new Affiliate in Denmark are largely classified as 'Governance', increasing the spend in the governance theme. In other 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 increased by 4% for all activities and, as a percentage of total costs, fell from 19.8% to 18.3% of total costs. This slower growth in support costs (16%) as compared other costs is attributed partly to currency effects reducing the impact of sterling-based expenditure and the winding down of some smaller CPs.

Aggregated statement of financial position

The aggregated balance sheet shows that net assets have increased to €78 million in 2009. The new Affiliate and Associate Members brought in assets of €5.3 million at the start of the year and the surplus of the year is the balance of the increase. A profit of €4 million was made on translating foreign currency assets into Euros.

The balance sheet contains €72 million of cash and short-term bank deposits which is significantly higher than 2008, and only partly explained by the new Affiliate and Associate Members. Australian and Danish projects are funded in advance and this has added some €9 million to ActionAid's cash balances. The remaining increase of cash funds is anticipated to be short-term as several projects received funding in late 2009 and funds are planned to be spent in early 2010, as noted above.

Issues of concern

In response to exposures in financial management in 2008, we made a number of changes to our financial planning and similar processes to strengthen controls and to prevent a recurrence of the lapses observed. Our internal audit department has been monitoring the implementation of these changes and is satisfied with progress in 2009.

A few of our Country Programmes were prioritised for attention in the year and received the necessary support through our Regional Offices. Cash flow management and availability of quality financial information for management were two of the main challenges at Country Programme level in 2009.

Recorded losses through fraud and other means were some €53,000, net of recoveries, in 2009 compared to €222,000 in 2008.

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

Outlook

The plan for 2010 was developed in 2009 in a suppressed economic environment. There continues to be instability in the economies of most of our fundraising countries. All our major markets – Greece, Italy, Ireland, Spain and the UK – face enormous pressure in the near future as governments reduce spending to respond to the ongoing impacts of the financial crisis.

In 2009, there was some slowing down of investment in fundraising to maintain returns in the medium term. Fundraising results for this year so far have been satisfactory. There has been an excellent response to the Haiti disaster from our supporters and donors enabling us to undertake important relief work. Overall it is not clear yet what impact the challenges of 2010 will have on our income, but it is likely that, despite a very loyal base of support, some supporters will have no choice but to reduce their support. This means that continued growth will be slow.

There is also continuing uncertainty as to when sterling exchange rates will recover.

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;
- Unrestricted reserves, being general funds which can be used on any activity.

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 activity 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 2009 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 €21 million at the end of 2009 represented a margin of some €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 2009, the total return (income and capital growth) achieved on the portfolio was 24.3% which compares to the significant fall in 2008 after the banking crisis in that year. During 2009, Board Members decided to invest a further £3 million of funds in the portfolio and also to change the management structure of the portfolio. Funds are no longer held in ‘equity’ and ‘bond’ pools, allowing the management greater freedom to invest in assets which will perform for ActionAid over the medium to long-term. In addition, the portfolio is no longer limited to UK quoted equities and bonds, reflecting a more international approach and the growing scale of the ActionAid family.

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

Auditor's Report

Report of the independent auditors Buzzacott LLP to the Members of ActionAid International (the Association)

We have audited the aggregated non-statutory financial statements of ActionAid International (which comprise the entities listed in the Basis of aggregation accounting policy on page 13) for the year ended 31 December 2009. These aggregated non-statutory financial statements which comprise the aggregated statement of comprehensive income, aggregated statement of financial position, aggregated statement of cash flows, the accounting policies and related notes 1-18, have been prepared under the accounting policies set out therein for international publication purposes.

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 on 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 4, the Members of the Board of AAI have accepted responsibility for the preparation of these aggregated non-statutory financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Our responsibility is to audit the aggregated non-statutory financial statements in accordance with the terms of our engagement letter dated 25 January 2010 and International Standards on Auditing (UK and Ireland).

Under the terms of our engagement we are required to report to you our opinion as to whether the aggregated non-statutory financial statements give a true and fair view. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

We read the other information accompanying the aggregated non-statutory financial statements and consider whether it is consistent with them. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the non-statutory financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the aggregated non-statutory financial statements. It also includes an assessment of the significant estimates and judgements made by the Board Members in the preparation of the aggregated non-statutory financial statements, and of whether the accounting policies are appropriate to ActionAid International's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the aggregated non-statutory financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the aggregated non-statutory financial statements.

Opinion

In our opinion the aggregated non-statutory financial statements give a true and fair view, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, of the state of ActionAid International's affairs as at 31 December 2009 and of its result for the year then ended.



Buzzacott LLP
Chartered Accountants

31 August 2010

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 IAS 32 Financial Instruments: Presentation: Classification of Rights Issues

Amendment to IFRIC 9 and IAS 39 Embedded derivatives

Revised IFRS 1 First Time Adoption of IFRS

Revised IFRS 3 Business Combinations

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

IFRIC 17 Distributions of Non-Cash Assets to Owners

IFRIC 18 Transfers of Assets from Customers

Amendment to IAS 27 Consolidated and separate financial statements

Amendment to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items

Yet to be endorsed

IFRS 9 Financial instruments

Amendment to IFRIC 14 Prepayments of a minimum funding requirement

IFRIC 19 Extinguishing financial liabilities with equity instruments

Improvements to IFRSs (issued 16 April 2009)

Amendments to IFRS 2 Group cash-settled share-based payment transactions

Amendments to IFRS 1 Additional exemptions for first-time adopters

Revised IAS 24 Related party transactions

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 2009 and as described on page 3 of the Governance, internal control and audit section. 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 into these accounts as at 1 January 2009 and their income and expenditures from that date onwards.

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 accounts are the ActionAid entities in the following countries: Australia, Brazil, Denmark, France, Ghana, Greece, Guatemala, India, Ireland, Italy, Kenya, Malawi, Nepal, Netherlands, Nigeria, Sierra Leone, Sweden, Uganda, UK, USA.

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 on 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/USA	Outside Europe/USA
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 2009

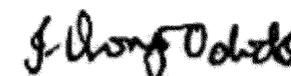
	Note	Restricted €'000	Unrestricted €'000	2009 Total €'000	2008 Total €'000
INCOME					
Voluntary income					
Committed giving	1	62,364	38,637	101,001	102,894
Other donations	1	24,727	6,174	30,901	38,170
		87,091	44,811	131,902	141,064
Official income	1	62,331	7,789	70,120	35,095
		149,422	52,600	202,022	176,159
Investment income	1	119	688	807	2,214
		149,541	53,288	202,829	178,373
Other income	1	1,488	6,400	7,888	4,511
Total income		151,029	59,688	210,717	182,884
EXPENDITURE					
Fundraising costs	2	(5,482)	(30,508)	(35,990)	(37,263)
Programme expenditure	3, 4	(134,959)	(24,212)	(159,171)	(136,504)
Governance costs	5	(1,234)	(1,666)	(2,900)	(2,535)
Total expenditure		(141,675)	(56,386)	(198,061)	(176,302)
Net surplus before transfers and investment gains / (losses)		9,354	3,302	12,656	6,582
Gross transfers between funds		963	(963)	-	-
Gains / (Losses) on investments	11	560	-	560	(1,565)
Net surplus		10,877	2,339	13,216	5,017
OTHER COMPREHENSIVE INCOME					
Net surplus		10,877	2,339	13,216	5,017
Unrealised foreign exchange gains / (losses) on translation		3,790	509	4,299	(14,525)
Net movement in funds		14,667	2,848	17,515	(9,508)
Total funds brought forward at 1 January 2009	14/15	37,291	17,820	55,111	64,619
New Associates introduced on 1 January 2009	16	3,989	1,348	5,337	-
Total funds carried forward at 31 December 2009		55,947	22,016	77,963	55,111

Notes 1 to 18 form part of these financial statements. All income and expenditure derive from continuing activities.

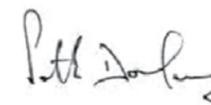
Aggregated statement of financial position as at 31 December 2009

	Note	2009 €'000	2008 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	3,656	1,620
Investments	11	9,912	5,257
		13,568	6,877
Current assets			
Receivables	12	14,648	9,056
Cash and cash equivalents			
Short-term bank deposits		20,968	28,765
Cash at bank		51,438	25,335
		87,054	63,156
Current liabilities			
Payables	13	(22,659)	(14,922)
Net current assets		64,395	48,234
Total net assets		77,963	55,111
FUNDS			
Restricted funds			
Liquid funds and treasury reserves		53,323	36,181
Property, plant and equipment reserve		2,624	1,110
		55,947	37,291
Unrestricted funds			
Liquid funds and treasury reserves		20,984	17,310
Property, plant and equipment reserve		1,032	510
		22,016	17,820
Total funds		77,963	55,111

Approved by the Assembly of ActionAid International on 9 June 2010 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 2009

	2009 € '000	2008 €'000	
CASH FLOW FROM OPERATING ACTIVITIES			
Net surplus before transfers and investment gains / (losses)	12,656	6,582	
Investment income net of investment fees	(772)	(2,170)	
Profit on disposal of property, plant and equipment	(173)	(356)	
Depreciation	1,837	1,173	
Decrease/(increase) in receivables	(2,388)	414	
Increase in payables	(397)	734	
Net cash inflow from operating activities	10,763	6,377	
CASH FROM INVESTING ACTIVITIES			
Investment income	772	2,170	
Cash introduced by new associates on 1 January 2009	9,336	-	
Purchase of property, plant and equipment	(3,401)	(1,686)	
Purchase of investments	(3,487)	(1,368)	
Proceeds from the sale of tangible fixed assets	483	-	
Proceeds from the sale of investments	-	1,876	
	3,703	(1,178)	
Impact of exchange rates on cash and cash equivalents	3,840	(12,087)	
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	18,306	(4,718)	
	Cash €'000	Short-term bank deposits €'000	Total €'000
Cash and cash equivalents at 1 January 2009	25,335	28,765	54,100
Net increase / (decrease) in cash and cash equivalents	26,103	(7,797)	18,306
Cash and cash equivalents at 31 December 2009	51,438	20,968	72,406

Notes to the accounts

31 December 2009

1. Income

1a. Committed giving

	Restricted €'000	Unrestricted €'000	2009 Total €'000	2008 Total €'000
Australia	4	156	160	-
Brazil	247	-	247	87
Denmark	-	428	428	-
France	-	265	265	-
Greece	7,922	2,140	10,062	9,082
India	61	-	61	34
Ireland	1,660	712	2,372	2,281
Italy	28,013	14,279	42,292	41,491
Netherlands	-	301	301	-
Sweden	1,014	894	1,908	1,630
UK	23,443	19,339	42,782	48,289
USA	-	123	123	-
	<u>62,364</u>	<u>38,637</u>	<u>101,001</u>	<u>102,894</u>

1b. Other donations

	Restricted €'000	Unrestricted €'000	2009 Total €'000	2008 Total €'000
Individual donations	3,435	5,621	9,056	10,950
UK Disasters Emergency Committee	1,734	106	1,840	4,439
Donations from companies, trusts and NGOs	12,167	447	12,614	11,860
Contribution from Ayuda en Acción	7,391	-	7,391	10,921
	<u>24,727</u>	<u>6,174</u>	<u>30,901</u>	<u>38,170</u>

1c. Official income

	Restricted €'000	Unrestricted €'000	2009 Total €'000	2008 Total €'000
Government of United Kingdom	6,221	4,648	10,869	13,444
European Union	9,776	679	10,455	10,331
United Nations – World Food Programme	8,482	-	8,482	3,750
United Nations – Other	4,261	-	4,261	2,231
Government of Ireland	802	48	850	1,604
Government of Denmark	24,101	1,577	25,678	1,108
Government of Australia	3,592	571	4,163	-
Government of Afghanistan	478	-	478	460
Government of the USA	104	-	104	161
Government of Canada	146	-	146	135
Other contributions from official bodies	4,368	266	4,634	1,871
	62,331	7,789	70,120	35,095

1d. Investment income

	Restricted €'000	Unrestricted €'000	2009 Total €'000	2008 Total €'000
Investment income	-	314	314	462
Bank interest	119	374	493	1,752
	119	688	807	2,214

1e. Other income

	Restricted €'000	Unrestricted €'000	2009 Total €'000	2008 Total €'000
Realised foreign exchange gains / (loss)	4	(834)	(830)	2,814
Profit on sale of fixed assets	173	-	173	356
Sale of educational materials	-	111	111	146
Sale of vacation and work/study visits	24	4,210	4,234	-
Other	1,287	2,913	4,200	1,195
	1,488	6,400	7,888	4,511

2. Fundraising costs

	Restricted €'000	Unrestricted €'000	2009 Total €'000	2009 Fundraising cost ratio %	2008 Total €'000	2008 Fundraising cost ratio %
Committed giving costs	4,273	13,851	18,124	18%	19,757	19%
Cost of other donations	689	8,615	9,304	30%	9,207	24%
Cost of raising contributions from official bodies	426	299	725	1%	450	1%
Cost of raising voluntary and official income	5,388	22,765	28,153	14%	29,414	17%
Costs of fundraising trading	3	171	174		276	
Investment management costs	35	-	35		44	
	5,426	22,936	28,362		29,734	
Support costs allocated to fundraising (note 6)	56	7,572	7,628		7,529	
Total fundraising costs	5,482	30,508	35,990		37,263	

3. Programme expenditure by theme

	Grants €'000	Direct programme €'000	2009 Total €'000	2008 Total €'000
Women's rights	6,049	8,919	14,968	13,482
Education	6,200	8,008	14,208	15,810
HIV/AIDS	3,907	6,729	10,636	12,086
Food rights	7,882	9,984	17,866	20,881
Human security	4,931	16,628	21,559	23,993
Governance	11,007	16,453	27,460	12,060
Cross cutting policy and campaigns	1,659	7,375	9,034	4,740
Other	9,439	5,868	15,307	6,535
	51,074	79,964	131,038	109,587
Support costs allocated to programme (note 6)			28,133	26,917
Total programme expenditure			159,171	136,504

Other activity in 2009 includes the country programme activity of the new Affiliates and Associates. This activity was funded and planned before partnerships with ActionAid was 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	2009 Total €'000	2008 Total €'000
East and Southern Africa				
Ethiopia	2,082	1,258	3,340	4,049
Kenya	1,469	13,510	14,979	8,027
Lesotho	245	286	531	160
Malawi	1,564	1,668	3,232	4,527
Mozambique	830	3,625	4,455	2,483
Somaliland	485	150	635	1,023
South Africa	270	447	717	643
Tanzania	1,936	4,587	6,523	2,166
Uganda	1,535	3,409	4,944	2,522
Zambia	999	1,592	2,591	361
Zimbabwe	1,515	2,834	4,349	1,943
EASA regional initiatives	273	508	781	-
	13,203	33,874	47,077	27,904
Central and West Africa				
Burundi	303	596	899	660
Cameroon	71	265	336	165
DRC	172	967	1,139	923
The Gambia	533	868	1,401	1,601
Ghana	861	2,268	3,129	4,075
Liberia	275	463	738	732
Nigeria	1,444	2,467	3,911	5,776
Rwanda	262	668	930	1,055
Senegal	364	319	683	681
Sierra Leone	167	2,172	2,339	2,901
	4,452	11,053	15,505	18,569

	Grants €'000	Direct programme €'000	2009 Total €'000	2008 Total €'000
Asia				
Afghanistan	74	2,955	3,029	2,222
Bangladesh	3,239	1,578	4,817	6,267
Cambodia	1,438	593	2,031	1,436
China	56	1,309	1,365	1,492
India	6,100	3,308	9,408	9,688
Myanmar	802	374	1,176	1,870
Nepal	1,957	2,568	4,525	3,981
Pakistan	1,982	1,169	3,151	3,435
Palestine	216	506	722	-
Sri Lanka	-	162	162	2,702
Thailand	76	133	209	572
Vietnam	2,285	943	3,228	4,143
TSF	-	141	141	-
Asia regional initiatives	246	882	1,128	-
	18,471	16,621	35,092	37,808
Latin America and the Caribbean				
Brazil	2,428	550	2,978	2,765
Guatemala	1,516	127	1,643	1,983
Haiti & DR	591	765	1,356	1,698
Venezuela	49	66	115	113
Americas regional initiatives	741	1,377	2,118	-
	5,325	2,885	8,210	6,559

Continued on the next page

4. Programme expenditure by country continued

	Grants €'000	Direct programme €'000	2009 Total €'000	2008 Total €'000
Associates, Affiliates and AAI Secretariat				
ActionAid International	6,071	4,689	10,760	11,056
Australia	1,141	-	1,141	575
Denmark	903	3,562	4,465	-
France	-	342	342	-
Greece	-	393	393	223
Ireland	-	131	131	121
Italy	473	1,656	2,129	1,146
Netherlands	786	580	1,366	-
Sweden	-	339	339	579
UK	246	3,671	3,917	5,047
USA	-	171	171	-
	9,620	15,534	25,154	18,747
Total	51,071	79,967	131,038	109,587
Support costs allocated to programme (note 6)	-	28,133	28,133	26,917
Total programme expenditure	51,071	108,100	159,171	136,504

5. Governance costs

	Restricted €'000	Unrestricted €'000	2009 Total €'000	2008 Total €'000
Internal audit	468	278	746	787
External audit	451	217	668	447
Legal	57	26	83	133
Costs of governing bodies	255	688	943	653
	1,231	1,209	2,440	2,020
Support costs allocated to governance (note 6)	3	457	460	515
Total governance costs	1,234	1,666	2,900	2,535

External auditors' remuneration included in governance costs was:

	2009 Total €'000	2008 Total €'000
Audit of aggregated accounts – Buzzacott LLP	102	89
Other audit work – Buzzacott LLP	51	49
Other audit work – Other auditors	515	309
	668	447

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.

	Restricted €'000	Unrestricted €'000	2009 Total €'000	2008 Total €'000
Local management	2,669	2,717	5,386	4,955
Communications	489	2,726	3,215	3,229
Finance	3,170	4,200	7,370	6,557
Human resources	1,479	1,983	3,462	3,376
Impact assessment support	207	771	978	1,112
Information technology	964	2,599	3,563	3,591
Office administration	4,006	3,685	7,691	8,052
Organisational development	253	139	392	639
Property	1,647	2,517	4,164	3,450
	14,884	21,337	36,221	34,961
Allocated to fundraising	56	7,572	7,628	7,529
Allocated to programme	14,825	13,308	28,133	26,917
Allocated to governance	3	457	460	515
	14,884	21,337	36,221	34,961

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

	2009 Total Number	2008 Total Number
The average number of employees throughout the year was:		
Programme	1,243	1,173
Support	1,214	1,029
Fundraising	362	343
Governance	32	33
	2,851	2,578
	2009 Total €'000	2008 Total €'000
Total remuneration of employees was:		
Gross salaries, wages and other benefits	50,359	36,155
Payroll taxes	5,276	4,784
Pension contributions	4,165	2,902
	59,800	43,841
	2009 Total €'000	2008 Total €'000
The emoluments of the International Directors, the senior executive management team, comprise the following:		
Salaries	1,041	1,025
Pension contributions	125	100
Other benefits (housing, school fees, relocation payments)	115	101
Tax paid on behalf of employees	67	31
Accumulated one-off entitlements on the ending of fixed term contracts	7	8
	1,355	1,265

The Chief Executive of the AAI Secretariat received the following remuneration in 2009: salary €110,403 (2008: €123,428), pension contributions €11,040 (2008: €12,342) and housing and other allowances €11,923 (2008: €12,725)

In the course of normal employment arrangements, payments of expenses are made on behalf of Directors which are then reimbursable. At 31 December 2009, amounts were outstanding from four International Directors (2008:2) which amounted to €49,863 (2008: €28,006).

8. Expenses of Board Members

No remuneration or other payments have been made to the Board Members of AAI for their services as Board Members or for other services provided to the organisation in 2009 (2008: € nil). Directly incurred expenses are reimbursed, if claimed, and in 2009, Board Members claimed a total of €25,443 for travel and accommodation relating to board meetings (2008: €30,984).

9. Property, plant and equipment

	Freehold property €'000	Office equipment €'000	Motor vehicles €'000	2009 Total €'000	2008 Total €'000
Cost					
At 1 January 2009	626	3,942	5,690	10,258	12,540
New Associates introduced (Note 16)	380	677	42	1,099	-
Foreign exchange differences	123	23	513	659	(2,662)
Additions	636	399	2,366	3,401	1,686
Disposals	-	(470)	(389)	(859)	(1,306)
At 31 December 2009	1,765	4,571	8,222	14,558	10,258
Depreciation					
At 1 January 2009	310	3,497	4,831	8,638	10,942
New Associates introduced (Note 16)	64	286	23	373	-
Foreign exchange differences	117	(69)	555	603	(2,278)
Charge for year	64	468	1,305	1,837	1,173
Disposals	-	(291)	(258)	(549)	(1,199)
At 31 December 2009	555	3,891	6,456	10,902	8,638
Net book value					
At 31 December 2009	1,210	680	1,766	3,656	
At 31 December 2008	316	445	859	1,620	

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 USA 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 €72.1 million of liquid funds and €9.9 million 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 balance sheet. Cash balances are held in a number of currencies, predominantly British Pounds, Euros and USA 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 a 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

	Equities €'000	Bonds €'000	Cash €'000	2009 Total €'000	2008 Total €'000
Market value at 1 January 2009	2,626	2,026	605	5,257	8,921
New Associates introduced (Note 16)	205	-	-	205	-
Foreign exchange differences	210	168	25	403	(1,547)
Additions	2,948	1,123	(3,918)	153	1,368
New cash injection	-	-	3,369	3,369	-
Disposals	(1,571)	(1,377)	2,948	-	(1,876)
Investment management costs	-	-	(35)	(35)	(44)
Net investment gain / (loss)	615	(54)	(1)	560	(1,565)
Market value at 31 December 2009	5,033	1,886	2,993	9,912	5,257
Historic cost at 31 December 2009	4,425	1,883	2,993	9,301	6,324

12. Receivables

	2009 Total €'000	2008 Total €'000
Amounts due from official bodies	3,893	2,372
Other receivables and prepayments	7,458	4,476
Tax recoverable	2,246	1,546
Amounts due from employees	1,051	662
	14,648	9,056

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

	2009 Total €'000	2008 Total €'000
Amounts falling due within one year:		
Trade payables and accruals	13,922	8,868
Amounts due to employees	3,164	2,987
Taxation and social security	1,517	1,607
Deferred income	4,056	1,460
	22,659	14,922

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

14. Analysis of fund balances

	Restricted		Unrestricted		2009 Total €'000	2008 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 2009	36,181	1,110	17,310	510	55,111	64,619
New Associates introduced on 1 January 2009	3,639	350	937	411	5,337	-
Net movement in funds	13,503	1,164	2,737	111	17,515	(9,508)
At 31 December 2009	<u>53,323</u>	<u>2,624</u>	<u>20,984</u>	<u>1,032</u>	77,963	55,111
Represented by:						
Property, plant and equipment	-	2,624	-	1,032	3,656	1,620
Investments	9,536	-	376	-	9,912	5,257
Current assets	56,105	-	30,949	-	87,054	63,156
Current liabilities	(12,318)	-	(10,341)	-	(22,659)	(14,922)
	<u>53,323</u>	<u>2,624</u>	<u>20,984</u>	<u>1,032</u>	77,963	55,111
Accumulated exchange differences taken directly to funds and included above, as at 1 January					(16,906)	
Net exchange differences arising during the period and taken to reserves					4,299	
Accumulated exchange differences taken directly to funds and included above, as at 31 December					(12,607)	

15. Movement in funds

	At 1 January 2009 €'000	New Associates brought into the group €'000	Income €'000	Programme expenditure €'000	Support costs €'000	Fundraising costs €'000	Governance costs €'000	Transfers €'000	Gains on investments and foreign exchange €'000	At 31 December 2009 €'000
East and Southern Africa										
Ethiopia	1,844	-	5,112	(3,340)	(474)	(180)	(26)	(231)	142	2,847
Kenya	(44)	-	14,128	(12,748)	(917)	(439)	(137)	179	(3)	19
Lesotho	383	-	762	(531)	(217)	(101)	(2)	(120)	33	207
Malawi	(28)	-	5,064	(3,232)	(383)	(301)	(80)	296	(16)	1,320
Mozambique	1,245	-	3,127	(2,996)	(773)	(111)	(30)	398	(60)	800
Somaliland	273	-	242	(636)	(177)	(38)	(12)	485	26	163
South Africa	252	-	935	(716)	(373)	(211)	(25)	272	23	157
Tanzania	1,578	-	2,574	(2,538)	(389)	(106)	(19)	30	134	1,264
Uganda	562	-	4,377	(2,282)	(608)	(365)	(83)	(2)	(288)	1,311
Zambia	17	-	1,061	(787)	(335)	(72)	(28)	503	(4)	355
Zimbabwe	290	-	2,585	(2,119)	(328)	(128)	(8)	411	82	785
	6,372	-	39,967	(31,925)	(4,974)	(2,052)	(450)	2,221	69	9,228
Central and West Africa										
Burundi	141	-	620	(900)	(183)	(61)	(3)	334	12	(40)
Cameroon	33	-	482	(336)	(67)	(6)	-	212	-	318
DRC	42	-	899	(1,139)	(303)	(11)	(11)	732	2	211
The Gambia	58	-	2,964	(1,402)	(364)	(102)	(20)	350	(9)	1,475
Ghana	1,941	-	4,611	(3,130)	(696)	(309)	(72)	298	152	2,795
Liberia	102	-	1,155	(738)	(262)	(29)	-	393	3	624
Nigeria	1,524	-	5,012	(3,911)	(612)	(341)	(103)	143	90	1,802
Rwanda	588	-	1,138	(930)	(243)	(92)	(24)	60	116	613
Senegal	218	-	976	(683)	(307)	(140)	-	319	16	399
Sierra Leone	1,010	-	3,430	(2,339)	(287)	(202)	(49)	(214)	95	1,444
	5,657	-	21,287	(15,508)	(3,324)	(1,293)	(282)	2,627	477	9,641

Country Programme funds represent funds raised for or allocated to individual Country Programmes and/or projects within those countries. In 2009, the management of Danish and Australian funds remained with officers in these countries and so income, expenditure and reserves are shown 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 exchange gains and losses which occur when our reserves are translated into Euros. The New Associates assets brought into the group are shown in note 16.

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15. Movement in funds continued

	At 1 January 2009 €'000	New Associates brought into the group €'000	Income €'000	Programme expenditure €'000	Support costs €'000	Fundraising costs €'000	Governance costs €'000	Transfers €'000	Gains on investments and foreign exchange €'000	At 31 December 2009 €'000
Asia										
Afghanistan	340	-	4,806	(3,029)	(305)	(138)	(25)	131	14	1,794
Bangladesh	1,020	-	6,070	(4,694)	(493)	(165)	(48)	332	70	2,092
Cambodia	862	-	2,270	(1,535)	(145)	(116)	(10)	(153)	67	1,240
China	999	-	1,628	(1,366)	(459)	(80)	(1)	(93)	88	716
India	6,563	-	11,285	(9,408)	(1,248)	(412)	(127)	(164)	(580)	5,909
Myanmar	-	-	1,289	(1,176)	(162)	(21)	(3)	486	(4)	409
Nepal	1,065	-	4,192	(3,026)	(274)	(150)	(32)	(119)	80	1,736
Pakistan	1,749	-	4,615	(3,151)	(353)	(140)	(24)	(113)	134	2,717
Sri Lanka	(349)	-	259	(162)	(171)	(1)	(1)	458	(33)	-
Thailand	114	-	2	(209)	(83)	(81)	(1)	371	9	122
TSF	-	-	185	(141)	(21)	-	-	-	(182)	(159)
Vietnam	854	-	3,769	(3,229)	(349)	(134)	(24)	(150)	70	807
	13,217	-	40,370	(31,126)	(4,063)	(1,438)	(296)	986	(267)	17,383
Latin America and the Caribbean										
Brazil	859	-	4,396	(2,978)	(859)	(670)	(27)	330	68	1,119
Guatemala	973	-	2,126	(1,643)	(262)	(122)	(9)	3	78	1,144
Haiti & DR	339	-	1,800	(1,355)	(360)	(149)	(9)	(18)	35	283
Venezuela	55	-	4	(116)	(77)	(33)	-	161	6	-
	2,226	-	8,326	(6,092)	(1,558)	(974)	(45)	476	187	2,546
Total Country Programme funds	27,472	-	109,950	(84,651)	(13,919)	(5,757)	(1,073)	6,310	466	38,798
Affiliates and AAI Secretariat (Note 16)	27,639	5,337	100,767	(46,387)	(22,303)	(22,604)	(1,367)	(6,310)	4,393	39,165
Allocation of support costs	-	-	-	(28,133)	36,222	(7,629)	(460)	-	-	-
Total	55,111	5,337	210,717	(159,171)	-	(35,990)	(2,900)	-	4,859	77,963

Country Programme funds represent funds raised for or allocated to individual Country Programmes and/or projects within those countries. In 2009, the management of Danish and Australian funds remained with officers in these countries and so income, expenditure and reserves are shown 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 exchange gains and losses which occur when our reserves are translated into Euros. The New Associates assets brought into the group are shown in note 16.

16. Aggregation of Associate undertakings

At 1 January 2009, ActionAid brought into the consolidation the combined net assets of the following Associate members.

	ASSOCIATE MEMBERS				
	ActionAid Australia €'000	Niza €'000	MS €'000	PSO €'000	Total €'000
Tangible fixed assets (note 9)	383	299	44	-	726
Investments (note 11)	-	205	-	-	205
Current assets	2,534	1,982	7,808	216	12,540
Current liabilities	(418)	(1,510)	(6,089)	(117)	(8,134)
	2,499	976	1,763	99	5,337

The above net assets represent the following funds as at 1 January 2009

	ASSOCIATE MEMBERS				
	ActionAid Australia €'000	Niza €'000	MS €'000	PSO €'000	Total €'000
Restricted reserves	2,356	665	889	78	3,988
Unrestricted reserves	143	311	874	21	1,349
	2,499	976	1,763	99	5,337

For the year ended 31 December 2009, Income, Expenditures and Surplus / (deficit) of the New Affiliate and Associate members are as follows :

	ASSOCIATE MEMBERS				
	ActionAid Australia €'000	Niza €'000	MS €'000	PSO €'000	Total €'000
Income	4,894	3,265	30,509	586	39,254
Expenditure	(5,664)	(3,720)	(28,527)	(617)	(38,528)
Surplus / (Deficit)	(770)	(455)	1,982	(31)	726

17. Grants received from major UK donors

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

	2009 Total €'000	2008 Total €'000
DFID		
UK Department for International Development		
Partnership Programme Agreements	5,261	5,278
The Commonwealth Education Fund	-	1,483
Disaster Risk Reduction through Schools Project	596	1,150
Impact of Agro-Import Surges in Developing Countries	-	38
Other projects	4,931	5,341
	10,788	13,290
Comic Relief		
International (AAI, UK, Tanzania, Nigeria)	964	1,270
Kenya	159	144
	1,123	1,414
The Big Lottery Fund		
ActionAid International (AAI, Ghana, Kenya, Mozambique)	764	466
Somaliland	40	205
India	184	191
Liberia	159	189
Brazil	-	4
	1,147	1,055

18. Related party transactions

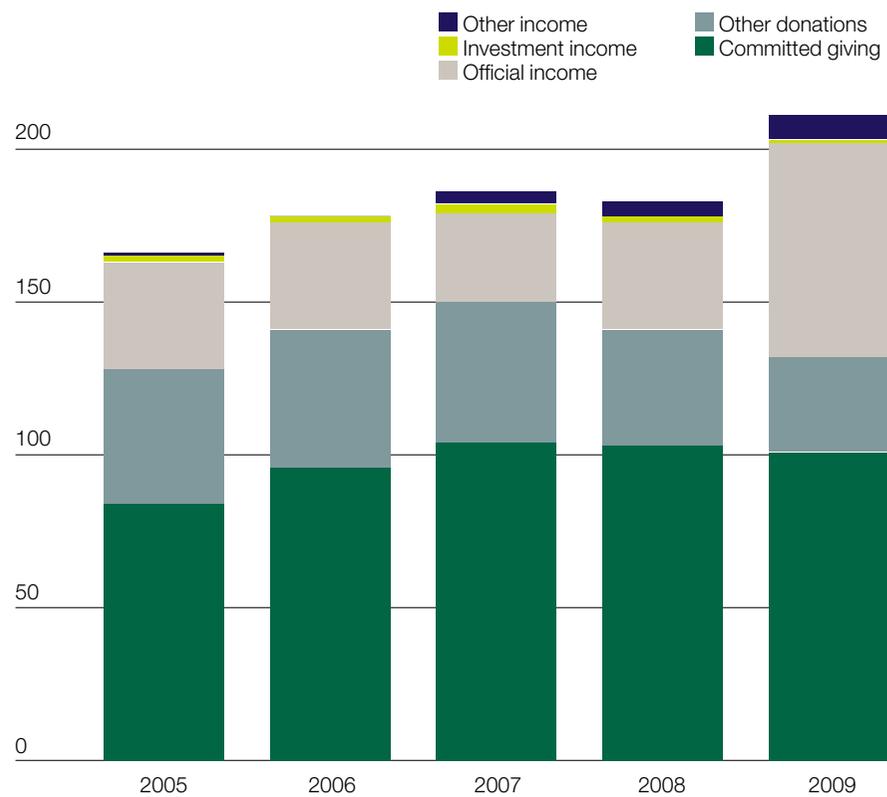
The Directors are not aware of any related party transactions which require disclosure under IAS 24 other than disclosures relating to transactions with directories and senior management, which are set out in notes 7 and 8 to the financial statements.

Five-year history

Income

€'000

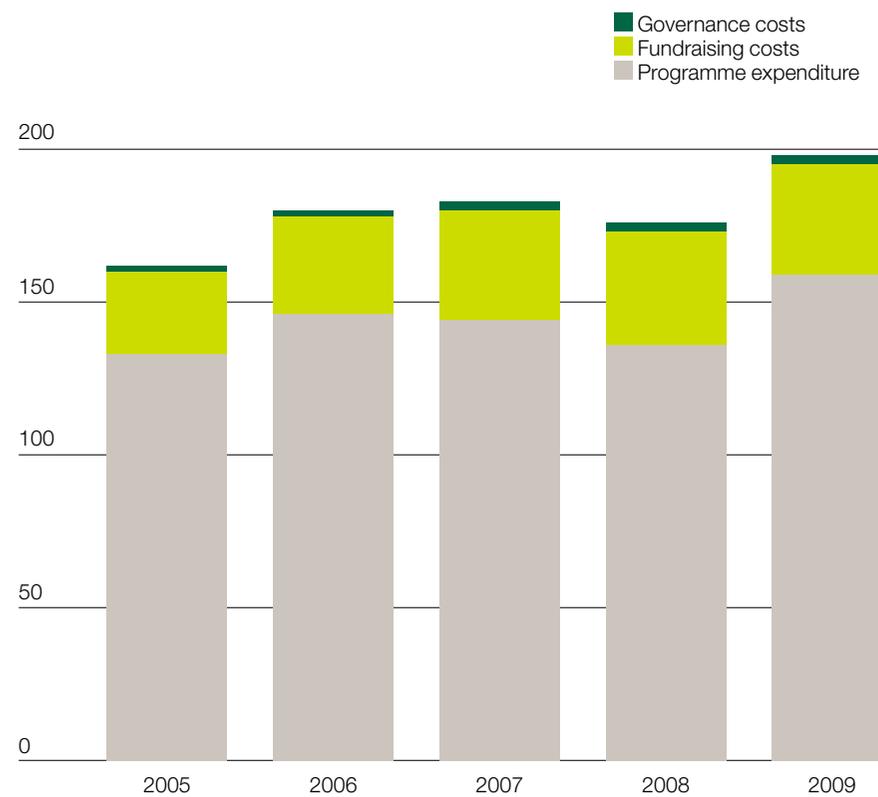
250



Expenditure

€'000

250



AAI Board Members

Karen Brown
(Vice Chair), UK

Poguri Chennaiah
India

Patrick Dowling
(Treasurer), Ireland

Cândido Grzybowski
Brazil

Nyaradzayi Gumbonzvanda
Zimbabwe

Alexandra Mitsotaki
Greece

Irene Ovonji-Odida
(Chair), Uganda

Matteo Passini
Italy

Sriprapha Petcharamesree
Thailand

Members of the Board, Associates and Affiliates



Irene Ovonji-Odida, (AAI Board Chair), Former Member of Parliament, East African Legislative Assembly (EALA), Advocate. As a member of EALA, Hon. Ovonji has been key in developing linkages between EALA and the civil society on trade and

development agenda, leading to the first 1st EALA/CSO workshop on trade and development (April 2003). She organised participation of EALA in the WTO negotiations and chaired daily the African Government Parliament/ CSO forum in Cancun, 5th WTO Ministerial meeting. The strength she brings to ActionAid is the linkage with the sub-regional, regional and international bodies. Irene is also a human rights lawyer, with several years of experience in civil society, academia and government in the field of law and policy formulation, advocacy, negotiations and training. She coordinated and managed two-year national research on domestic relations law, one of the key areas affecting women's rights in Uganda. Irene has published various papers and reports including: *Land, Gender and Poverty: an assessment of the Land Co-Ownership proposal*, 2000 UNFA Country Population Assessment, 1999; *Law Reform Commission, 1998. Report on reform of the law of Domestic Relations ISIS-WICCE*, 1998; *Documentation of Violations of Women's Human Rights During Conflict* (Rapporteur), UNFPA, 1996; *Bride-wealth, Marriage and the Status of Women*, Ministry of Planning/ Population Secretariat, 1996; *Gender and Reproductive Rights in National Population Strategy*, Ministry of Gender and Development/DAINDA, 1995. *Women and Inheritance*, Volume 5.



Alexandra Mitsotaki studied Political Sciences at the Institute of Political Sciences in Paris, and went on to study Development Law before working for the Organisation for Economic Co-operation and Development (OECD). She is a founder of

ActionAid Hellas, established in 1998, and joined the Board of ActionAid International in 2003



Cândido Grzybowski is General Director of the Brazilian Institute of Social and Economical Analysis (IBASE), an internationally active non-governmental organisation in Brazil. He was involved in the creation of the Inter-American Agriculture and Democracy Network (RIAD) and the World Social Forum (WSF) in 2000, and civil society organisations' response to the General Agreement on Tariffs and Trade (GATT) and the World Trade Organisation (WTO). He joined the ActionAid UK Board in 2001 and moved to the Board of ActionAid International in 2003.



Karen Brown (Vice Chair) has had a long career as a practitioner in the UK's creative industries – as television producer, programme commissioner, Deputy Director Programmes at Channel Four Television, Learning Champion at Royal Botanic Gardens Kew, and as a non-executive director of a public independent television production company. She also studies at Camberwell College, University of the Arts London. From 2004-2009 she was Chair of ActionAidUK. She joined the board of ActionAid International in 2004 and convenes its Audit and Risk Committee.



Matteo Passini is Chief Executive Officer of BIT spa which specialises in local financing of cooperative credit and food farming banks. He is also a lecturer in Ethical Finance at the University of Bologna. Matteo obtained an economics degree from Ca' Foscari University of Venice and went on to work for the Banca Commerciale Italiana. He then moved to

Banca Etica, taking up successive posts in the organisation as General Director, Banca Popolare Etica – Padova, Director – Milan, CEO and then Manager of Alliances & Strategic Partnerships. Since 2000 he has been a Board member of AICCON. Matteo was elected as Chair of the ActionAid Italy Board in January 2007, and joined the Board of ActionAid International in January of the same year.



Patrick Dowling, (Treasurer) has had a career mainly in banking and finance and has been Finance Director of a number of public limited companies. Patrick was formerly Chair of the ActionAid Ireland Board from October 2002 and first joined the International Board in 2003. In December 2006, he resigned as Chair of the Board of ActionAid Ireland, but continued in his capacity as Treasurer on the ActionAid International Board until April 2007. Patrick rejoined the International Board as Treasurer in August 2008.



Sriprapha Petcharamesree has been a lecturer on the Human Rights Studies Programme at Mahidol University, Thailand since 1996, teaching Human Rights in Asia and Human Rights in International Relations. She is also a visiting lecturer at the Southeast Asian Studies Programme at Thammasat University. Sriprapha has also worked with the Department of Technical and Economic Cooperation at the Ministry of Foreign Affairs in Bangkok and with UNICEF in development and humanitarian areas. She has been a member and advisor on public hearings relating to Thailand's draft National Human Rights Commission (NHRC) Bill, and sits on various of the commission's committees. She joined the Board of ActionAid International in 2005 as an independent trustee.



Poguri Chennaiah, is a social activist, engaged with the rural poor, especially Dalits and agricultural workers, for nearly three decades. He has been instrumental in taking up the cause of agricultural labour through various campaigns for land rights. He has been instrumental in giving shape to a strong agricultural workers' union in Andhra Pradesh, Vyarusaya Vruthidarula Union, bringing together many activist groups and giving them the vision and direction to become social movements.



Nyaradzayi Gumbonzvanda, from Zimbabwe, joined the World YWCA in 2007. She has over 10 years of experience with the United Nations, where she served as Regional Director for the United Nations Development Fund for Women (UNIFEM) in Eastern and Horn Africa covering 13 countries. She had previously worked as a human rights officer with UNICEF in Liberia and Zimbabwe. Gumbonzvanda also served as interim coordinator for the Zimbabwe Women Lawyers Association during its formative stage and in the Ministry of Justice and Constitutional Affairs in Zimbabwe as a law officer. For the last 20 year, She has been working on issues of women and children's human rights, with a special focus on crisis countries. Active in the women's movement, Gumbonzvanda has focused on issues of violence against women, peace with justice, property rights and HIV and AIDS. She is a trained human rights lawyer with extensive experience in conflict resolution and mediation.

Associates and Affiliates

Affiliates

Australia
Brazil
Ghana
Greece
Guatemala
India
Ireland
Italy
Kenya
MS
Sweden
Uganda
UK
USA

Associates

France (PSO)
Malawi
Nepal
The Netherlands (Niza)
Nigeria
Sierra Leone

Approved by the Board

Thailand,
Bangladesh
Tanzania
(not registered by 9 June 2010)

ActionAid

ActionAid International

PostNet suite #248
Private bag X31
Saxonwold 2132
Johannesburg
South Africa
Tel: +27 11 731 4500
Fax: +27 11 880 8082
mail.jhb@actionaid.org

ActionAid UK Head Office

33-39 Bowling Green Lane
London
EC1R 0BJ
Tel: +44 (0)20 3122 7561
Fax: +44 (0)20 3122 0899

ActionAid Europe

Rue de Commerce 41
1000 Brussels
Tel: 00 32 0 2 502 55 01
Fax: 00 32 0 2 502 62 03

ActionAid Africa

4th floor AACC building
Waiyaki way
Westlands
Nairobi
Kenya
Tel: 00 254 20 425 0000
Fax: 00 254 20 445 0089
admin@actionafrica.org

ActionAid Asia

13th floor regent house building
183 Rajamri road
Lumpini
Pathumwan
Bangkok 10330
Tel: 00 66 2 651 9066
Fax: 00 66 2 651 9070
mail@actionaidasia.org

ActionAid Americas

Rua santa luzia
651/17th floor
Centro 20030-40
Rio de Janeiro
Tel: 00 55 21 2189 4600
Fax: 00 55 21 2189 4612
americas.mail@actionaid.org

ActionAid is an international anti-poverty agency working in over 40 countries, taking sides with poor people to end poverty and injustice together.

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ActionAid International is incorporated in South Africa under section 21A of the Companies Act 1973

Registration number 2004/007117/10
August 2010