

**ANNUAL REPORT
& ACCOUNTS
2011-12**





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The trustees present their report and the audited financial statements for the year ended 31 March 2012

The Disasters Emergency Committee brings together the leading UK aid agencies to raise money at times of humanitarian crisis in poorer countries. By working together we can raise more money to save lives and rebuild shattered communities.

Company No. 3356526
 Registered Charity No.1062638

Cover image: Workers in action as they dig an earth dam to store water outside the town of Isiolo in Kenya on July 12, 2011

Siegfried Modola/Shoot the Earth/ActionAid



CHAIRMAN'S STATEMENT

Surrounded by shattered buildings and a massive concrete wall pock-marked by shell holes and small bullet craters, I met Malaika Issack. What could drive anyone to seek shelter in a city like Mogadishu, scarred by twenty years of war?

Malaika fled her village with her husband and six children after all the animals they depended on for their survival died, one after the other. She is from the region of Bay, which in July 2011 was one of the first regions in south central Somalia to fall into famine. She told me the rice, flour, sugar and vegetable oil she received as part of this DEC-funded food distribution by Islamic Relief meant her family would eat well that night for the first time in two months.

Such food distributions should never be needed. By helping vulnerable communities become more resilient to the disasters they will have to face, we can prevent much suffering and death, as well as making recovery from any crisis easier and faster. This approach is actually cheaper than dealing with the consequences of doing nothing. In Wajir, in north east Kenya, I saw this principle in practice. Improving and capping shallow wells was one simple example – it means more water can be drawn to help both people and cattle survive drought. It also keeps the water clean which means children weakened by hunger are less likely to get diarrhoea and die.

How to ensure we reduce the threat posed by predictable crises is a huge challenge to the humanitarian community. We know which areas are most vulnerable and how we can support communities to strengthen their resilience. The early warnings when a food crisis is imminent are now clear and specific. Following a successful appeal in 2011 for the East Africa crisis, the DEC helped highlight the issue of improving pre-emptive responses through its evaluation processes and we have commissioned further work on what we can learn from that disaster with Chatham House. We have also begun work on a study into how to reduce the risk of disasters in Pakistan after catastrophic monsoon flooding hit the country two years in a row. While our members can build the increasing of resilience into the work they do with disaster-affected communities, funding effective pre-emptive action remains hugely challenging, as the current food crisis in West Africa has shown.

My first year as chairman has also been an eventful one for the DEC itself. We have revised our fundraising strategy, to ensure member agencies are able to make the best possible use of all their capabilities to promote DEC appeals and to increase the emphasis on our own digital fundraising. We are updating our brand to make the urgency and collective nature of the work we deliver with our members clearer.



DEC Chairman Clive Jones with Malaika

Our approach to membership, based on common standards to ensure quality, has been discussed as a potential model for addressing the confusion that arises when vast numbers of international organisations, with varying degrees of capacity and professionalism, descend on poor countries after a high profile disaster. We are very grateful for the support of our media partners and appreciate their commitment to continue to develop our relationship. The creation and broadcast of our television appeals in particular is critical to our success and we are working together to ensure DEC appeals reach the largest possible audience on air and online. As the media landscape continues to change rapidly we are also seeking to develop new partnerships to increase our engagement with major online communities.

I want to personally thank Sheila Adam, Victoria Hardman, Adrian Martin and Judy Beard for their work on the board and to welcome Clare Thompson as our new honorary treasurer and Jeremy Bennett as deputy chairman.

Finally, after 12 years of extraordinary service our chief executive Brendan Gormley will be leaving us this year. Under his leadership, the DEC has raised over £900m to help the survivors of floods, earthquakes, hurricanes, volcanoes, conflicts and food crises around the world. We are extremely pleased to have been able to appoint as our new chief executive Saleh Saeed, formerly of DEC member agency Islamic Relief Worldwide.



EAST AFRICA CRISIS APPEAL

Many of the people living in the arid areas of north eastern Africa have long suffered high levels of chronic malnutrition. Successive droughts have undermined their livelihoods and eroded their assets, making their grip on life increasingly tenuous.

In 2011, one of the worst droughts in at least 25 years saw the situation tip over into a grave humanitarian emergency in Kenya and Ethiopia. In parts of Somalia, where there has been 20 years of conflict, a famine was declared. As harvests failed and cattle died, tens of thousands of people fled south central Somalia and sought food and water in Kenya, Ethiopia and the Mogadishu area. At the height of the crisis more than 13 million people were in dire need of aid.

On 5 July 2011, approximately two weeks before famine was declared in parts of south central Somalia, the DEC opened an appeal for Ethiopia, Kenya, Somalia and South Sudan. Over the subsequent six months £79 million was raised, £40m by DEC and £39m directly by our member agencies.

Above: After all their goats and sheep died, Osman Sheikh Hussein and his family walked for 32 days from southern Somalia to Kenya to escape the drought and violence. Life is still hard in the Dadaab refugee camp but he told an aid worker from CARE that "...for the first time in many years I feel safe and don't go to sleep worrying my children may die".

Impact of the Crisis

Famine

IN SOMALIA WAS THE FIRST OF THE 21ST CENTURY

13 million+

PEOPLE AFFECTED

100,000+

REFUGEES FLED SOMALIA IN JUNE, JULY AND AUGUST 2011

10s of thousands

OF PEOPLE DIED

BEFORE THE CRISIS

SOMALIA HAS SUFFERED 20 YEARS OF WAR

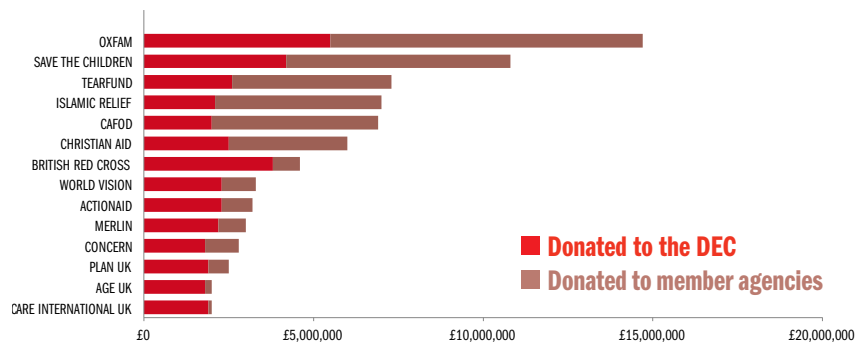
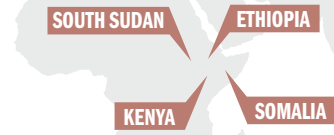
ONE IN FIVE CHILDREN BORN IN SOMALIA DIES BEFORE THEIR 5TH BIRTHDAY.

THE ARID LANDS IN NORTH EAST KENYA AND SOUTH EAST ETHIOPIA ARE POOR, REMOTE AND PRONE TO CONFLICT

IN ETHIOPIA 44% OF THE POPULATION IS CHRONICALLY MALNOURISHED

On 5 July 2011 the DEC opened its appeal raising a total of

£79M



£40M Donated to the DEC

£39M Donated to member agencies

HOW WE HELPED

Since the launch of the appeal, DEC-funded aid has reached 2.3m people across the region. More than 40% of the money spent so far has helped pay to provide food, with water and healthcare making up the bulk of the rest of the expenditure.

The crisis became widely recognised around the world when tens of thousands of emaciated Somali refugees began arriving in the Dadaab refugee camp in eastern Kenya. They were dehydrated and malnourished with many children in particular requiring urgent treatment to survive. DEC member agencies played a major role in caring for displaced people here and across the region – providing emergency care for children with malnutrition, food, clean water, hygienic toilets, household items and medical treatment.

Many of the worst affected communities were heavily dependent upon their animals for their livelihoods. Member agencies worked with these communities by buying animals they couldn't feed and helping vaccinate the rest against diseases that could kill animals weakened by hunger. In addition to providing short term emergency support they also undertook projects such as capping wells to keep water clean and to make more water available more easily. For those communities involved in agriculture, good quality seeds and tools have helped them re-establish their livelihoods.

Drought means that women and girls frequently have to walk further to find water and firewood, leaving less time for other essential activities including schooling. It also puts them at increased risk from robbery and rape. Particular efforts were therefore made by many member agencies to involve women in water and sanitation committees to ensure their needs were properly addressed.



Brendan Paddy / DEC in north east Kenya

“THE EFFECT, IS SIMPLE, TRANSFORMING AND IMPORTANT.”
– CLIVE JONES, DEC CHAIRMAN

On his 2012 visit to East Africa, DEC Chairman Clive Jones visited Griftu in north east Kenya with Islamic Relief where he saw how DEC funds had improved a well serving seven schools and the district hospital.

CHALLENGES

Conflict and violence has affected aid operations in all countries but particularly Somalia. Increasing restrictions imposed on UN agencies and charities in south central Somalia had a direct impact on aid distribution, logistics and the monitoring of projects.

In eastern Kenya, attacks on government targets and the abduction of foreign nationals led to the temporary suspension of some programmes and the scaling back of others. Agencies adjusted their procedures to remotely manage projects in order to continue delivering aid. The aid effort in South Sudan was also affected by fighting in some areas between different ethnic groups. In Ethiopia, conflict between different ethnic groups led to a two-week suspension of activities in one area.

Reaching those in need was also made difficult by the onset of heavy rains across the region in October 2011, which caused flooding and left some roads impassable. Water-borne diseases like cholera and those carried by mosquitoes, such as dengue fever, spread particularly quickly in the over-crowded camps for displaced people once the rains came.

In Ethiopia, the government has shown strong leadership in preventing and managing food crises, but because all new or increased aid work required government approval, the response of many aid agencies was delayed.

Shortages of skilled local staff also made it difficult for some programmes to get underway whilst others were challenged in scaling up and changing direction from their existing development programmes.

REVIEW AND LESSON LEARNING

In October and November 2011 field work was undertaken for an independent Real Time Evaluation (RTE) commissioned by the DEC. Security issues meant that the RTE focused on Kenya and Ethiopia only and some parts of eastern Kenya were impossible to visit. The full reports are now available on the DEC website.

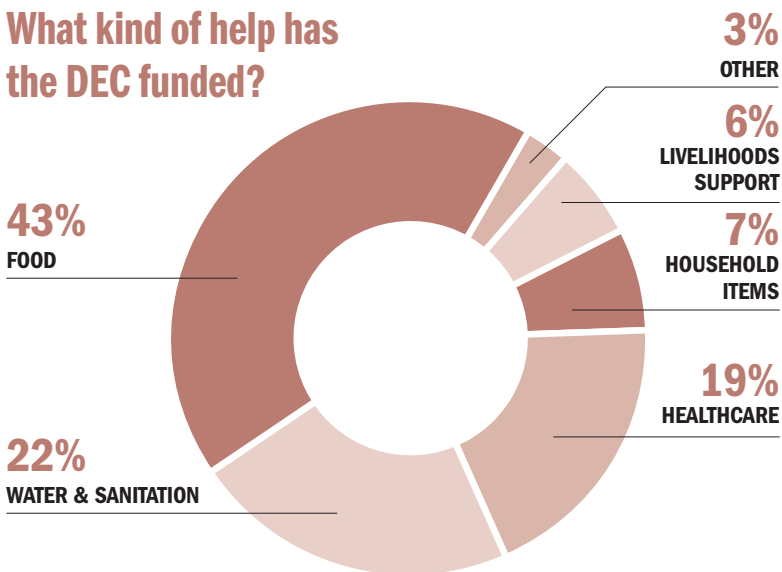
At least five members will complete independent evaluations of their work: ActionAid, Christian Aid, Concern, Save the Children and Tearfund. Reports from these missions will be published during 2012.

CONCLUSION

In the first six months of the response member agencies spent £16.9m of the £40m raised directly by the DEC over the same period. DEC funds were found by independent consultants to have played a major role in enabling member agencies to scale up their response to the crisis before funds from other sources became available. The challenge remains for the wider humanitarian community to find a way of responding pre-emptively to predicted food crises.

Recovery for the affected communities will take a long time and real progress in Somalia is dependent on an end to the conflict and a sustainable political settlement. DEC members will continue supporting communities with appeal funds until mid 2013 with a particular emphasis on securing water supplies, providing further food aid and supporting livelihoods.

What kind of help has the DEC funded?



Below: Dahabo Adan, 25, with one of her three children pictured at a monthly food distribution arranged by ActionAid in north east Kenya



Soren Bjerregaard / ActionAid

Where DEC funds have been spent in East Africa





HEADLINE ACHIEVEMENTS



HEALTHCARE

608,000+

people educated in health and hygiene

59,000

malnourished children treated

182,000

people given healthcare

6,000

mosquito nets distributed



WATER AND SANITATION

427,000+

people provided with water purification tablets

42

wells with hand pumps built, improved or repaired

871,000+

people's water supply improved

495

latrines built



FOOD

628,000

people given food or cash for food



LIVELIHOOD

97,000

people receiving cash or paid work

3,200+

farmers supplied with seeds or tools

15,000+

people benefiting from the purchase of livestock they could not feed



SHELTER / HOUSEHOLD ITEMS

63,000

people given basic shelter or household items

Anna MacSwain/Merlin

Left: Angelina Agehem, 16 years old, is from the Turkana area of north west Kenya and is nine months pregnant with her second child. She received food from Merlin at the height of the crisis and medical care for herself and her baby.



PAKISTAN FLOODS APPEAL

Pakistan is amongst the most heavily populated and disaster prone countries on earth. The monsoon floods that struck in July and August 2010 caused one of the largest disasters of the 21st century in terms of both the geographical extent of the flooding and the numbers affected.

Over 12 million people saw their homes damaged or destroyed. Fields and crops were inundated and livestock drowned. Roads, bridges, schools, hospitals and businesses were badly damaged or destroyed. Many already very poor people were left with nearly nothing as they fled to higher ground with their families, saving only their lives and whatever they could carry with them.

Most DEC member agencies already had a substantial presence in the mountainous province of Khyber Pakhtunkhwa (KPK) and were quick to respond when it was hit by flooding. As flood waters swept down the Indus valley, eventually submerging more than 20% of the country, the scale of the crisis grew rapidly. The DEC opened its appeal on 3 August 2010. The final total raised was £71 million; £41m was given to the DEC itself and £30m was donated to the member agencies.

Above: Survivors fleeing their village in Sindh province after flood waters caused their homes to collapse

Impact of the floods

18 million

PEOPLE AFFECTED

12 million

PEOPLE SAW THEIR HOMES DAMAGED OR DESTROYED

1,985

PEOPLE KILLED

450,000

LIVESTOCK LOST

2.2 million

HECTARES OF CROPS DAMAGED OR DESTROYED

BEFORE THE FLOODS

PAKISTAN WAS 125TH OF 169 COUNTRIES IN THE UN HUMAN DEVELOPMENT INDEX

22% OF PEOPLE WERE SURVIVING ON LESS THAN \$US1.25 PER DAY

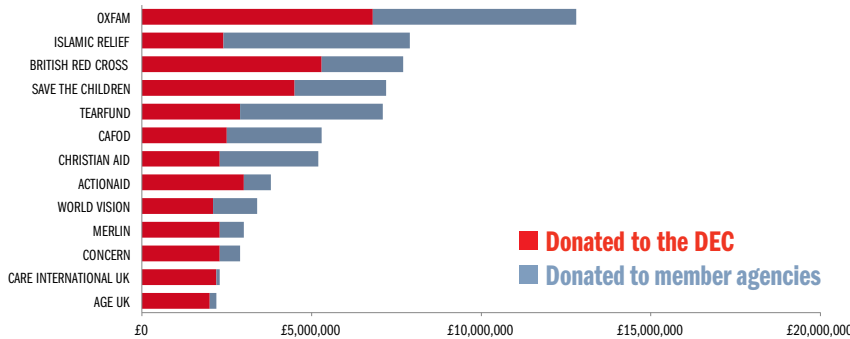
23% OF THE POPULATION WERE UNDERNOURISHED

25TH HIGHEST INFANT MORTALITY IN THE WORLD

On 3 August 2010 the DEC opened its appeal raising a total of

£71M

PAKISTAN



£41M Donated to the DEC
£30M Donated to member agencies.

Gideon Mendel / Corbis / ActionAid

HOW WE HELPED

More than 1.8 million people have been reached by DEC funded aid across four of the worst affected provinces. Initially the focus was on the replacement of essential household items and providing food, healthcare and shelter. Giving survivors cash, vouchers or 'cash for work' proved extremely successful as it allowed families to decide their own priorities, such as which household items they had to replace immediately and what could wait. Cash for work schemes also helped repair flood damaged villages.

The focus has now shifted to supporting people to re-establish their livelihoods and repairing or rebuilding homes. The replacement of goats and chickens, and provision of good quality seeds and tools, has helped farmers earn an income and provide food for their families and communities. Grants, loans and training have been provided to sole traders and small businesses. Care has been taken to involve vulnerable or excluded groups including women in conservative rural areas and the elderly.

Several member agencies have supported health clinics and services with replacement equipment, medicines and training for staff. An emphasis on training female health workers has helped services reach more women and children. The inundation destroyed countless water sources leaving people vulnerable to water-borne diseases. DEC members and partners have replaced water pumps and repaired or improved water supply systems, enabling many people to enjoy safe drinking water. Installation of latrines and training on good hygiene practices has reduced the incidence of disease.



Jacqueline M. Koch/Merlin

Above: In north west Pakistan a mother and child share high energy biscuits provided by Merlin at one of their mobile health clinics.

CHALLENGES

DEC members have many years of experience of working in Pakistan and have drawn on this as they met with considerable challenges in helping flood survivors. The huge scale of the disaster put pressure on local suppliers who struggled to meet the increased demand for relief and reconstruction materials. This was a contributory factor in the drastic inflation that put pressure on initial budgets. Economies were found where possible and plans adjusted where necessary.

Pakistan was struck by further flooding in 2011 and this required a renewed emergency response which delayed the delivery of many recovery plans. DEC funds were used by some agencies in their 2011 responses where affected communities had also been hit by the 2010 flooding. Continuing political instability and insecurity led some agencies to adopt remote management of their partners in some areas, meaning the projects could continue to be delivered. This approach had to be balanced against the risk of corruption and limits in the capacity of some partners. Ongoing training has been particularly important both to enable some partners to work independently and to deal with the high staff turnover that has affected many members as well as their partners.

Whilst remaining mindful of the importance of respecting local customs and cultural preferences, DEC members have worked hard to ensure the involvement of women in their programmes. This has often meant working separately with men and women because they would not associate freely but it has allowed many women to be helped who would otherwise have been excluded.

REVIEW AND LESSON LEARNING

The DEC commissioned an independent real-time evaluation three months after the launch of the appeal. It actively sought to highlight the publication of the evaluation report; issuing a press release, posting a summary and the full report on the DEC website, and summarising the findings in last year's annual report. Since then four members have undertaken evaluations of their programmes and these are published both on their websites and on the DEC's. This year Islamic Relief will also conduct an evaluation of their flood response.

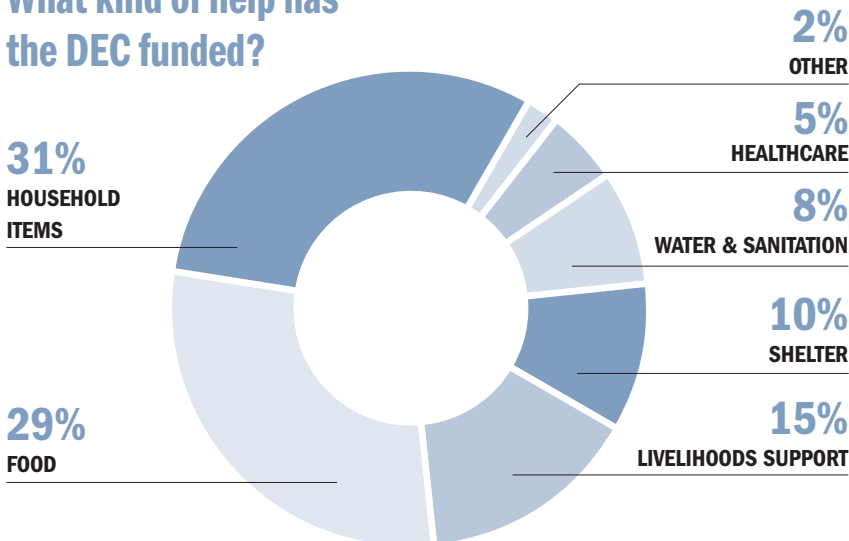
CONCLUSION

The experience and capacity of the DEC member agencies and their partners in Pakistan has allowed them to provide assistance to 1.8 million people in the face of what remains an extremely challenging operating environment. Increasingly their work has focused on helping survivors rebuild their homes, and provide for themselves and their families. This is being done in a way which wherever possible helps ensure that the communities and individuals with which we work are more resilient in the face of the certain threat arising from Pakistan's vulnerability to both natural and man-made disasters.

In the six months to the end of July 2012 member agencies were planning to spend the final £10m of funds collected directly by the DEC. Much of this was to be used to complete more time-consuming shelter, livelihood, and water and sanitation projects. Even after all DEC funds are spent, most members will continue to support the flood rehabilitation effort until at least 2013.

Below: Taj Bibi, 28, carries water from the pump installed by ActionAid in her village in Sindh province, Taj said "Before the pump was installed I lost my unborn child while fetching water from the far off well".

What kind of help has the DEC funded?



Umar Farooq / ActionAid

RECENT ACHIEVEMENTS



HEALTHCARE

780,000+

people supported via health facilities

29,000+

children vaccinated



WATER AND SANITATION

25,000+

people benefitting from water supply provision or improvement

28,000+

hygiene kits distributed

4,100+

people attending health and hygiene promotion sessions

19,000+

water containers distributed

87,000+

people provided with toilets or latrines



SHELTER

19,000+

people benefitting from improved shelter



FOOD

18,000+

people provided with food



LIVELIHOODS

42,000+

benefiting from Cash for Work

244,000+

people benefiting from seeds, farming tools and livestock

64,000+

people supported via vaccination for livestock



OTHER

14,000+

people trained in Disaster Risk Reduction



Left: Shazia, 12 (top) and Sana, 6 (bottom) had to flee their home village of Thull in the province of Sindh during the floods. Many children were very anxious after the floods and art therapy was one of the activities organised by Save the Children to help children overcome their fears.



HAITI

EARTHQUAKE APPEAL

It is now over two years since the devastating earthquake that struck Port au Prince and surrounding areas of Haiti on 12 January 2010. There was massive destruction of the country's physical infrastructure, around 220,000 people were estimated to have died, over 500,000 people sought refuge in the rest of the country, and 1.5 million people were displaced to temporary camps.

This disaster would have been a huge challenge to any country, but Haiti is the poorest nation in the western hemisphere, and has suffered decades of weak government and corruption. It also remains vulnerable to hurricanes and seasonal flooding. Even before the earthquake at least 200,000 people lived on the streets and many more were tenants with few rights. The cholera outbreak that began in October 2010 represented a new threat and is now estimated to have killed about 7,000 people. Many DEC member agencies contributed to bringing the epidemic under control with both preventative and curative measures, but cholera is now endemic in Haiti.

The DEC appeal raised £107m – £72m was donated to the DEC itself and £35m to member agencies. In the light of the challenges survivors faced in rebuilding their lives, the DEC agreed that the funds it raised could be spent over three years.

Above: In Mariani on the edge of Port au Prince, ActionAid worked with a local partner agency to provide improved shelter for some of the survivors who lost their homes in the earthquake.

Impact of the quake

7.0

MAGNITUDE EARTHQUAKE STRUCK NEAR PORT AU PRINCE

1.5 million

PEOPLE WERE LIVING IN THE STREETS AFTER THE QUAKE

4,000

SCHOOLS DAMAGED OR DESTROYED

25%

OF CIVIL SERVANTS IN PORT AU PRINCE DIED

BEFORE THE EARTHQUAKE

HAITI WAS 145TH OF 169 COUNTRIES IN THE UN HUMAN DEVELOPMENT INDEX

86% OF PEOPLE IN PORT AU PRINCE LIVED IN SLUMS

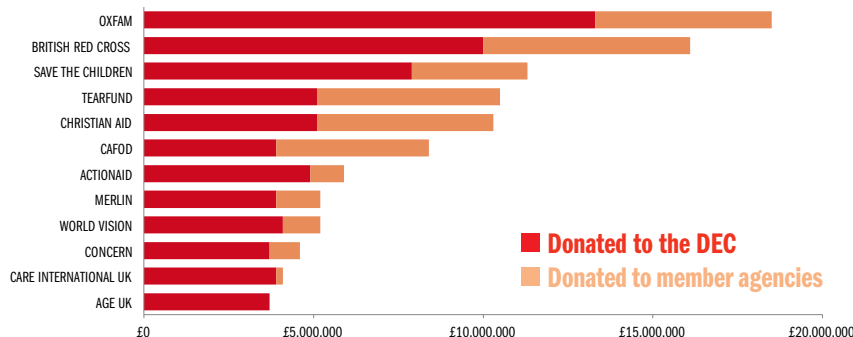
80% UNEMPLOYMENT

LESS THAN 50% OF PEOPLE HAD ACCESS TO SAFE DRINKING WATER

On 13 January 2010 the DEC opened its appeal raising a total of

£107M

HAITI



£72M Donated to the DEC

£35M Donated to member agencies.

HOW WE HELPED

Since the earthquake DEC member agencies have reached more than 1.8m people with DEC-funded aid. They are still providing a wide range of support to survivors as they continue to try to rebuild their lives. Large numbers of survivors have benefited from improved water supplies, solid waste management, education on cholera prevention and healthcare.

A significant number have received support to improve their housing. Smaller numbers have received cash grants, loans, training or other assistance to set up or expand small businesses. Much of this livelihood support work has revolved around small scale construction and has included training on how to make homes more resistant to earthquakes and hurricanes.

DEC members have also helped some local communities secure land for housing and sought to defend the interests of those facing forced evictions from camps with nowhere else to go. They have worked hard to help relevant government agencies, especially those responsible for water, sanitation, and healthcare, to take over the services delivered by NGOs during the emergency response.

Overcoming the challenges that remain will increasingly be a question of how to push forward social and economic development in a chronically poor country with a troubled past. Most DEC agencies will continue their developmental work in Haiti long after emergency funds are exhausted.



Kateryna Perus / Oxfam

“...IT’S JUST AMAZING: I’M BACK ON MY FEET!”

– Marie Carole Boucicaut

In a poor area of Port au Prince, Marie Carole Boucicaut, right, has used the grant she received from Oxfam to buy stock for the small shop she has set up. She also helped run one of the community canteens funded by Oxfam after the earthquake.

CHALLENGES

More than two years after the earthquake, Haiti remains without an effective government. Michel Martelly was elected President in March 2011, but his third choice of Prime Minister, Garry Conille, resigned on 24 February 2012. There is therefore still no leadership to push through the huge reconstruction effort that is needed. Over 500,000 people remain in tented camps in Port au Prince and many more are living in damaged houses. DEC agencies seeking to secure agreement from local authorities to release land for housing or other construction work have often found this process extremely slow and difficult. Survivors who understandably feel abandoned by government structures often have expectations of what NGOs should provide which we cannot meet, particularly in the area of reconstruction.

REVIEW AND LESSON LEARNING

Age UK, CAFOD, Oxfam, and Merlin undertook external evaluations of their DEC-funded projects in 2011-12. Most other members have either undertaken internal reviews or are planning evaluations in 2012. All member agencies have gained valuable experience of implementing recovery projects in densely populated urban areas with very weak government agencies but a population with high expectations. Many members note that in the context of Haiti there has been no simple transition from the relief phase to recovery. This is both because of the lack of government-led reconstruction and due to the need to be ready to respond to new crises including hurricanes, flooding and a possible resurgence of cholera.

CONCLUSION

Of the £72m raised directly by the DEC, our member agencies spent £19.1m within six months of the earthquake and £40.4m in the following 18 months. Remaining funds raised by the DEC directly will be spent by January 2013. In spite of a consistently challenging context, member agencies have been able to help many survivors by improving health services, water supplies, sanitation, livelihoods, housing conditions, and by helping to deal with a potentially devastating cholera epidemic. In addition they have supported the development of the operational and advocacy capacity of the Haitian NGOs and communities with which they have worked.

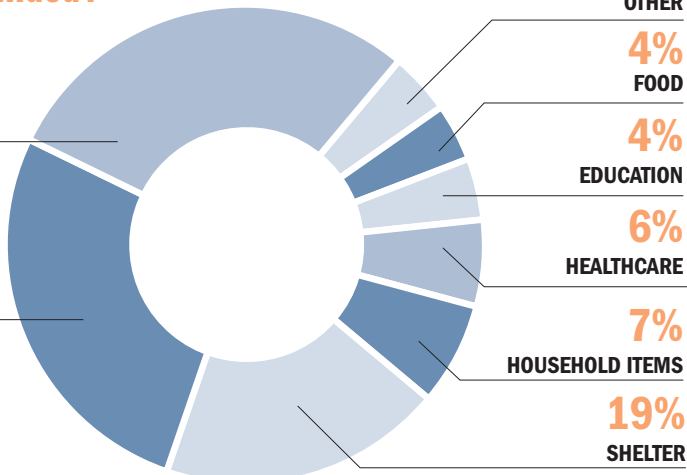
The DEC Haiti Earthquake Appeal and wider efforts of the DEC member agencies have saved lives in the aftermath of the earthquake and provided help to many in rebuilding their lives in an extremely difficult context. Without the Appeal income many DEC member agencies would long ago have exhausted their own resources and would have had to withdraw or scale back their support to many communities in Haiti.

Below: Tearfund has paid local tradesmen to rebuild a school for 150 primary and secondary pupils from remote hillside villages surrounding Tom Gato in south west Haiti.

What kind of help has the DEC funded?

29%
WATER AND SANITATION

27%
LIVELIHOODS



Warren Alcott/Tearfund



“WE FEEL A LOT SAFER”

– Suzanne Lucien

Suzanne Lucien, 62, and her husband Hurbain Julien, 82, received a solar powered kit including a telephone charger, lamp and radio from a partner of DEC member Age UK. The kit has helped them stay in touch, informed and to feel safer.

RECENT ACHIEVEMENTS



HEALTHCARE

4,600+

mosquito nets distributed

8,300+

pregnant women or children vaccinated

120,000+

patients provided with healthcare



WATER AND SANITATION

340,000+

people provided with improved water supply

405,000+

people educated about cholera prevention

70,000+

people benefiting from rubbish collection

4,200+

latrines built or repaired



LIVELIHOODS

904

people involved in construction provided with training or tools

2,400+

small business plans funded

23,000+

people benefitting from tools and seeds for farming

5,100

people trained in business and work skills



SHELTER / HOUSEHOLD ITEMS

34,000+

people benefitting from improvised shelter



EDUCATION

17,000+

children supported to attend school



OTHER

10,000+

people trained in Disaster Risk Reduction

HOW WE ENSURE QUALITY

The DEC brings together the 14 leading UK humanitarian agencies – we are a national organisation but our members have global reach. DEC agencies work in 120 countries with over 23,000 partner organisations. These international and local partners, together with our member’s staff and volunteers are united by a common commitment: to provide the best possible support to those whose lives have been torn apart by disasters.

DEC Accountability Priorities

We continue to use the DEC Accountability Framework to articulate this common commitment and to hold our members to account for meeting it. Each agency is assessed annually against the 21 ways of working which sit beneath our four priorities. The external validators of this process, the One World Trust, then look in detail at a sample of these indicators. This year the Trust confirmed that “overall, performance across the five Ways of Working examined for validation was promising, with strong policies and frequent examples of innovation”. In 2012 members were brought together in peer challenge workshops to explore some diverse elements of this framework – from their fraud controls to their systems for ensuring that programmes help build the resilience of disaster affected communities.

WE LEARN FROM OUR EXPERIENCE, TAKING OUR LEARNING FROM ONE EMERGENCY TO THE NEXT.

WE ACHIEVE INTENDED PROGRAMME OBJECTIVES IN ACCORDANCE WITH AGREED HUMANITARIAN STANDARDS, PRINCIPLES AND BEHAVIOURS

WE USE OUR RESOURCES EFFICIENTLY AND EFFECTIVELY

WE ARE ACCOUNTABLE TO DISASTER AFFECTED POPULATIONS



Fraud & Loss

We believe that minimising the impact of fraud and loss is never more important than when those affected are amongst the most vulnerable people in the world. Sadly, fraud and loss remains part of our reality – just as it is for all organisations, from corner shops to multinational businesses.

This year we looked in detail at the systems member agencies have in place to respond to cases of actual and suspected fraud or loss. Maintaining strong controls in this area is part of our understanding of what is required to ensure that resources are used efficiently and effectively.

All DEC agencies have sound financial and audit mechanisms in place to investigate suspected frauds and to manage risk. In the most challenging area – detection – agencies are seeing the benefit of their broader commitment to being accountable to disaster affected populations. In explaining programme plans to communities and providing appropriate complaint mechanisms, our agencies can harness the power of disaster affected people as whistleblowers in the fight against fraud.

Disaster Risk Reduction and Resilience



Delivering humanitarian assistance in line with agreed humanitarian standards, principles and behaviours is not about ticking boxes. This is about doing the right sorts of projects in the right ways. One of the principles our members are committed to is that their work should contribute to disaster risk reduction and build the resilience of communities to future disasters. This means meeting people's immediate needs – for food, water, shelter and safety – where possible in ways that will help them cope with the next earthquake or volcano, flood or drought.



Caroline Gluck/Oxfam

Pakistan

When flood waters surged through Pakistan in 2010 they washed away people's lives, homes, crops and animals. We cannot prevent events like this but there are things we can do to temper their impact on human lives. Our members have delivered disaster preparedness training to communities in Pakistan. Such training supports people to identify vulnerabilities in their own environment, to strengthen early warning mechanisms and to explore ways in which they can prepare themselves for future flooding.

East Africa

The people who live in arid areas of East Africa are some of the most resilient in the world – they face water and food scarcity every year but 2011 was an extreme event which left millions in dire need. Here, building resilience to future crisis means helping families to strengthen their existing coping mechanisms. In Ethiopia one of the members has been training families in how to make and store feed for cattle – this allows people to keep fattening cattle when the earth is scorched instead of having to sell them at rock bottom prices in order to survive the harshest months.



Brendan Praddy/DEC



Richard Hanson / Tearfund

Haiti

One of the reasons for the high number of people killed by the Haiti earthquake was that many people lived in poorly constructed concrete houses. These collapsed as the earth shook, killing those they were meant to protect. Our members have trained local builders in hurricane and earthquake resistant construction techniques – helping to make houses for those in greatest need but also leaving a lasting legacy of knowledge that can help reduce the risks faced by the future generations.

HOW WE SPEND YOUR MONEY

The purchase of goods, like food and medical supplies, represents a significant part of the cost of aid but it is not the only part that matters. The rest is not simply 'waste', 'overheads' or 'administration'. The other things on which our members spend money, like logistics, staff and UK support are in fact an important part of ensuring your money is used to provide aid in a way that is efficient, effective and transparent.

AID GOODS

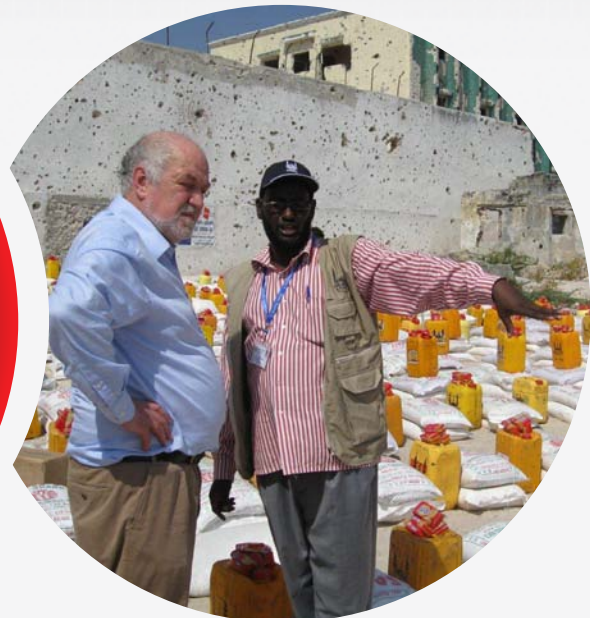
68%

£11,462,000

Buying food, blankets, medical supplies, tents and other goods, as well as providing medical treatment. Goods will usually be purchased locally or regionally wherever possible to reduce costs, speed delivery and stimulate the local economy.

The first six months of the East Africa Response

£16,900,000
of funds donated directly
to the DEC for East Africa
spent in the first
six months.



Above: Our Chairman Clive Jones at a DEC-funded food distribution in Mogadishu with Islamic Relief Emergency Programme Manager Ahmed Ibrahim

LOGISTICS

10%

£1,612,000

Aid must be delivered before it can be of any use. Goods must be stored in warehouses until a well organised distribution to clearly identified survivors can be arranged. Staff need an office to work from if their efforts are to be effectively organised.

STAFF SUPPORT

4%

£638,000

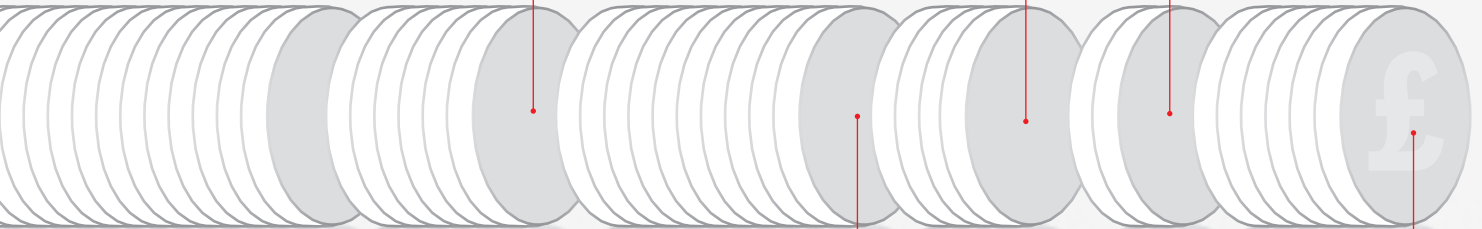
If staff are going to get the job done when they are away from home they need somewhere to live, to get to and from the disaster area, to be fed and kept safe from harm.

ASSETS

2%

£425,000

Occasionally essential equipment like computers, vehicles or phones can't be begged, borrowed or rented and must be bought. DEC money is only used to pay for their use during the emergency response.



STAFF

10%

£1,683,000

Emergency responses generally need small numbers of international experts who might be disaster managers, logisticians, doctors or water engineers. They also need local staff or partners who do the bulk of the work in any response.

UK SUPPORT

6%

£1,080,000

Staff at DEC member agencies in the UK do a lot of work to support responses in the disaster zone. This includes hiring experts to work on the response, providing technical advice and organising logistics such as aid flights. They also make sure money is well spent and that we can report how it was spent to donors by auditing programme accounts, monitoring projects to ensure they deliver and evaluating work to see what we could learn for the future.

Strategic Objective 1

MAXIMISING INCOME

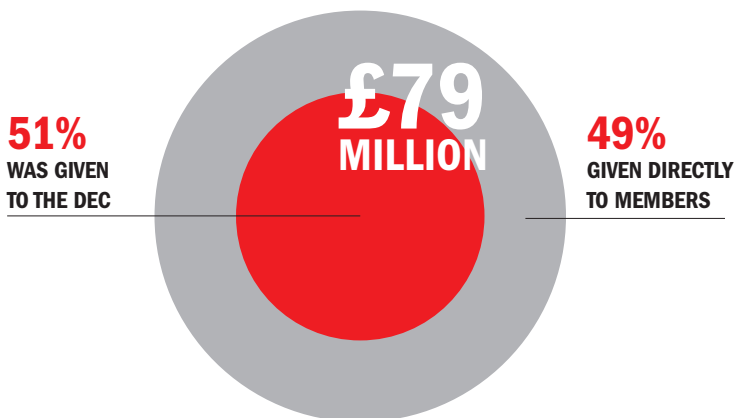
When the slowly developing disaster in East Africa hit crisis point in the middle of 2011, the DEC launched an appeal that generated a huge public response and went on to raise £79m. News coverage highlighted the plight of families from Somalia affected by drought and conflict who had walked hundreds of miles to Kenya in order to find food and treatment for their malnourished children. The appeal was supported by BBC; ITV; ITN; Sky; Channel 4 and Channel Five. Our thanks go to Lenny Henry, Jason Isaacs and Fay Ripley for presenting the appeals and being so committed to making them a success.



In addition to news coverage, some media created their own initiatives to support the DEC appeal. This Morning on ITV ran a series of packages about the crisis over a week, appealing for viewer support. The Independent on Sunday ran a three week campaign to encourage readers to 'give a day's pay'. The support of the leading broadcasters and press organisations is invaluable to every DEC appeal.

Polly Gilchrist joined the team as fundraising manager in April 2011 and helped us make a number of improvements to our fundraising systems in time for the East Africa Crisis Appeal. For example, she helped ensure the 'text to give' mechanism was promoted more widely which led to over £1.2 million being raised in this way, an increase of over 500% on previous appeals. We were proud to win two digital fundraising awards during the year, for our use of 'text to give' and for our digital marketing. We also developed a fresh new look for our fundraising emails and began to place greater emphasis on giving our supporters updates on how their money was helping our member agencies deliver aid. Member agencies saw the share of income they raised directly increase during the East Africa Appeal as new DEC fundraising guidelines allowed them to appeal to their existing supporters more effectively.

East Africa Appeal



No contemporary fundraising campaign would now be complete without a strong social media element and many people used Facebook and Twitter both to help us promote the appeal and to share their reasons for donating:

Facebook



Felicity P:

made my donation, I hope you raise a lot of money for this worthwhile cause, please give whatever you can, however small a contribution, it all adds up, we can't turn our backs on these people.... they may live on the other side of the world, but we cant ignore there plight.. xx



Felicity A.W:

We're on Income Support (so no Gift Aid, I'm afraid) and we've donated £100. We're poor by UK standards but, by East African standards, we're rich. If we can donate, so can other people.



Teresa C:

Our Church is having a special collection this weekend for East Africa. We all need to do all we can. I have made a donation and...will also share this on my page to try to spread the news.



Veronica Steel:

Well done DEC!!! This is the way to go, keep working you wonderful people, like me there are thousands more willing to help and support you to make a difference in this broken planet. Thanks for posting news in Facebook, this is very encouraging.

Justgiving

Kitty asked for donations to the East Africa Crisis Appeal instead of presents for her 4th birthday and raised £800. Kitty's mother wrote on the fundraising page she set up for her daughter:

Kitty saw the babies in East Africa and said 'Don't the babies have any breakfast?' When I told her they didn't she was very sad and said she wanted to try and help them get some breakfast. As it's her fourth birthday this August, we're asking not for presents but to help give other children in Somalia some food.

The world in which the DEC operates has changed dramatically in recent years, both as a consequence of the global economic situation and the fast pace of change in the communications techniques and channels available for fundraising campaigns. In order to address a number of emerging trends we have worked with our members to create a new fundraising strategy with clear goals and priorities. This was agreed at the March 2012 board meeting and will be rolled out during 2012.

Donor comment

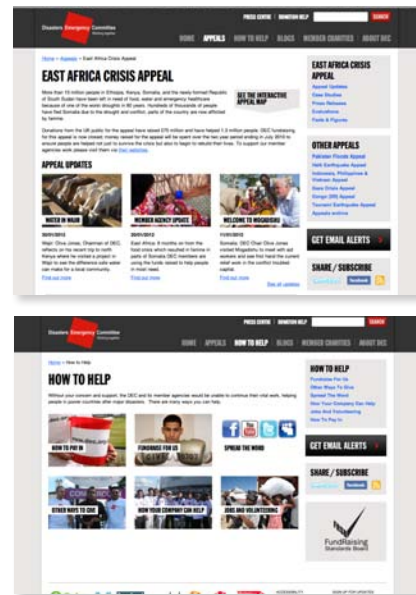
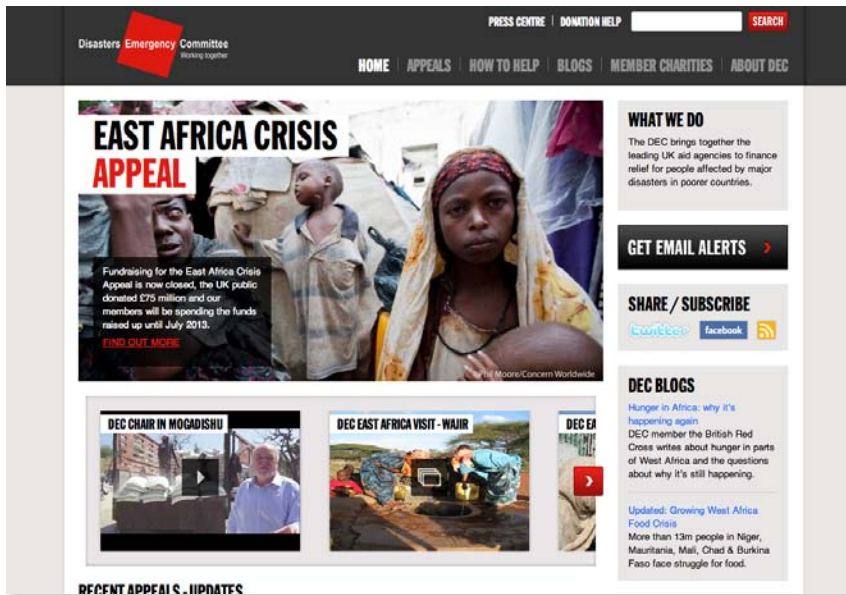
"Prevention please, and follow up. Things disappear from the media a year or two after the disaster, the DEC could let us know what is going on several years later, and importantly, what has been learned, and how have these lessons been implemented...to prevent future disasters, or prepare for them better..."

Current and planned work

The aim of the new fundraising strategy is to increase the total income for DEC appeals in order to reach and help more people affected by future disasters. Central to this goal is ensuring member agencies can make better use of their capacity to promote appeals and collect funds. The DEC will also work towards enabling member agencies to maximise the lifetime income from appeal donors and will seek to strengthen its own relationship with supporters by improving our communications to demonstrate how donations have helped make a difference. As all DEC appeals are unpredictable it may not be possible to have all the elements of the strategy in place for the next appeal but we will have indicators to measure the impact of the changes we have made.

Strategic Objective 2

BUILDING TRUST



The new DEC website went live at the end of July 2011, immediately after the period of joint action for the East Africa Crisis Appeal. The site has enabled us to share more stories in more powerful ways, focusing on what our members are delivering in the region and some of the challenges they have faced. There has been a 50% jump in our monthly visitor figures compared with the aftermath of the Pakistan floods. Many of the visits are from people who have discovered our content after we promoted it through the use of social media, with Facebook and Twitter being the main drivers of traffic.

The DEC has not run an appeal since the new website was launched but when we do, we are expecting to see a modest increase in the proportion of website visitors who make a donation could be significant as more wavering potential donors are persuaded to give. This should be achieved as a result of our far more professional and compelling home page, which can be stripped to its essential elements at times of peak traffic when the goal is for most visitors to click through immediately to the donation processing page.

Given that the last three DEC appeals have raised over £250m, even a modest increase in the proportion of website visitors who make a donation could be significant in financial terms. We are also expecting the next appeal will present an opportunity to build on the current increase in monthly traffic, as a very large audience of donors discover the new website and return for updates. By sharing our member's stories with this larger audience of donors, and engaging donors in an online conversation, we aim to enhance trust and further increase future donations.



Nelson Pereira

Our new chairman Clive Jones has encouraged the DEC, major broadcasters and news organisations to review how appeals could be promoted through the media and there have been a series of related discussions and negotiations during the year. This activity culminated in a reception for media partners at the studio of sculptor Anthony Gormley at the end of 2011, co-hosted by the DEC and the Director General of the BBC Mark Thompson (pictured above, centre). The major broadcasters have agreed measures including producing appeals specifically for younger people, running appeals on more channels, directing website visitors to the DEC and continuing to highlight appeals where they are reporting news about a disaster as a service to their audiences.

In developing the fundraising strategy we identified that our existing brand failed to sufficiently emphasise the collective nature of our work. We wanted a visual identity that made the collaborative nature of the DEC clearer and which our member agencies could use comfortably alongside their own logos during appeals. We engaged a branding agency to consult with our donors, our members and media partners to develop a new brand, DEC logo and member/DEC logo format, all of which we will begin using in 2012.

Current and planned work

The communications strategy will be revised to ensure we continue to take advantage of digital communications opportunities to share more information on how money has been used, to engage supporters and to support fundraising. Strong relationships with established media will however remain extremely important because for the foreseeable future they are likely to continue to drive most donations and much of the engagement with our digital presence.

Strategic Objective 3

WORKING TOGETHER EFFECTIVELY

The Board were delighted to welcome Plan UK as the 14th member of the DEC in July 2011. Plan have a strong donor base and their operational work brings a particular focus on female sexual health and child protection.



COMMENT FROM THE PUBLIC CONSULTATION

“As a collective representing 14 charities, the DEC is trusted as being an efficient conduit for emergency funds. Perhaps, this trust should be reinforced by the DEC letting the public know a little more about itself - its constitution, terms of reference etc and its cost effectiveness in relation to funds sent direct to charities.”

COMMENT FROM THE PUBLIC CONSULTATION

“By working together the charities can be more effective - by avoiding duplication of effort, reducing cost/bureaucracy of administration and so being more effective and efficient in responding to disasters.”

During the East Africa Crisis, Brendan Gormley (below, centre) visited Kenya with the Secretary of State for Development Andrew Mitchell (below, right) and Ed Miliband visited the DEC offices to back our appeal. With cross-party support, the UK government also played an important leadership role in pledging early help for the international response to the crisis and encouraging other governments to do the same.

The reinvigoration of our engagement with the broadcasters is helping us deepen these strong, long-term relationships, which remain fundamental to the success of future DEC appeals. In parallel with this approach, we are also redoubling our efforts to bring key digitally-focused communication organisations into the Rapid Response Network.

Several independent trustees have retired during the year and we owe a great debt of thanks to Sheila Adam, Victoria Hardman and Adrian Martin who all served for two terms of three years, and also to Judy Beard who had to stand down due to family commitments. We have recruited Clare Thompson as honorary treasurer and Jeremy Bennett as deputy chairman, and they are both already making a significant contribution.



DFID / Pete Lewis

Justin Forsyth of Save the Children, Brendan Gormley of the DEC and Andrew Mitchell of DFID

After 12 years with the DEC our Chief Executive Brendan Gormley is stepping down. He will not be taking another full-time post but is acting as a government advisor and continuing to sit of the boards of the Noel Buxton and One World Media trusts. We are extremely pleased to have been able to appoint as our new chief executive Saleh Saeed, formerly of DEC member agency Islamic Relief Worldwide.



New DEC Chief Executive Saleh Saeed led DEC member agency Islamic Relief Worldwide for nearly four years through a major period of growth and organisational change. During this time he was ultimately responsible for 1,500 staff based in 24 countries and oversaw an increase in income of 45% from

£48m to £70m. He also played a leading role in Islamic Relief's responses to disasters, including those in Gaza, Haiti, Pakistan and East Africa – all part-funded by the DEC.

The future

We will be working closely with our member agencies to ensure that they and the secretariat are able to fundraise more effectively during the next appeal. We will be doing detailed planning with the broadcasters to put in place the strongest possible arrangements for promoting the next appeal. The honorary treasurer will lead a review of the board sub committees and the deputy chairman will lead the recruitment of another independent trustee in the coming months.

BOARD OF TRUSTEES

The Disasters Emergency Committee is a UK registered charity (number 1062638) and a UK company limited by guarantee (number 3356526). Its governing document is its memorandum and articles of association. The DEC operates as a fundraising umbrella organisation for 14 member charities and brings them together to raise money at times of grave humanitarian crisis in poorer countries.

We unite to make it simple for the public to give to those who urgently need help and are backed by the major supporters detailed on page 27. Our member agencies use the money raised to help people affected by disasters to survive and rebuild their lives.

The objectives of the charity as set out in the DEC operations manual are:

- i. creating an efficient appeal mechanism through the media for national fundraising and public response
- ii. ensuring that funds raised are used in an effective, timely and fully accountable way
- iii. facilitating agency co-operation, co-ordination and communication (in the UK)
- iv. raising standards in the implementation of humanitarian responses

The Disasters Emergency Committee is governed by a board consisting of the chief executive officer from each member agency, together with four independent trustees, plus a chairman and an honorary treasurer. These trustees are also directors of the company.

Trustees' Role

The DEC board of trustees are accountable for the actions of the DEC. The board determines the policies that govern the way that the organisation functions. It is responsible for determining whether or not a particular emergency fulfils the appeal criteria. The DEC allocates money raised by an appeal on the basis of a formula intended to reflect the capacity of each member agency. Through its sub committees the board monitors how allocated funds are spent and that member agencies' plan their programmes in accordance with the parameters of the appeal. The effectiveness of the use of allocated funds is the responsibility of each member agency. The board of trustees' decisions are made on the basis of a vote. Each member trustee, independent trustee and the honorary treasurer has an equal voting right, an abstention in an appeal decision making situation is counted as a vote against an appeal. The DEC chairman votes with other trustees and also has a second or casting vote in the case of a split decision.

Independent trustees chair each of the sub committees which oversee key aspects of DEC activity and report back to the full board.

Trustees are nominated, elected and replaced as follows:

- The chief executive officer of each member agency is an 'ex officio' member of the DEC board.
- The chairman and independent trustee posts are advertised. The independent trustees nominate a suitable candidate for chairman to the member trustees for approval. The candidate nominated cannot be a member trustee.
- The chair and independent trustees hold office for a term of three years, they may be reappointed for a second term and then retire from office.
- The trustees appoint an honorary treasurer and have agreed the term for this appointment is in line with independent trustee appointments three years plus a second term of three years.

Trustee induction – upon joining the DEC board, new trustees are given an intensive induction explaining their roles and responsibilities, they are briefed on the history of the DEC, are provided with an information pack and attend an induction session with several member agencies.

Board of Trustees

Clive Jones CBE

Chairman
DEC
Membership & Nominations

Richard Miller

Executive Director
ActionAid UK
Audit

Sir Nicholas Young

Chief Executive
British Red Cross
Audit, co-opted to Membership & Nominations

Chris Bain

Director
CAFOD

Geoffrey Dennis

Chief Executive
Care International UK

Loretta Minghella

Director
Christian Aid
Accountability

Rose Caldwell

Executive Director
Concern Worldwide UK
Audit

Tom Wright CBE

Chief Executive
Age UK
Fundraising

Saleh Saeed

Chief Executive
Islamic Relief
(resigned 29th February 2012)
Accountability

Mohamed Ashmawey, PhD

Chief Executive
Islamic Relief
(appointed 1st February 2012)

Carolyn Miller

Chief Executive
Merlin
Fundraising, co-opted to Membership & Nominations

Barbara Stocking

Chief Executive
Oxfam GB

Marie Staunton

Chief Executive
Plan UK
(appointed 1st July 2011)

Justin Forsyth

Chief Executive
Save the Children

Matthew Frost

Chief Executive
Tearfund
Accountability

Justin Byworth

Chief Executive
World Vision UK
co-opted to Membership & Nominations

Dr Sheila Adam

Independent
(resigned 14th December 2011)
Medical practitioner and
previously director within NHS
and Department of Health
Chair Accountability; Membership & Nominations

Judy Beard

Co-opted Independent
(resigned 4th January 2012)
Chair Fundraising

Jeremy Bennett

Independent
Deputy Chairman
DEC
(appointed 20th December 2011)
Non-executive Director of Nomura
Senior Advisor to HM Treasury
Chair Membership & Nominations

Ann Grant

Independent
Vice Chairman Africa,
Standard Chartered Bank
*Accountability, Fundraising,
Membership & Nominations*

Victoria Hardman

Independent
Deputy Chairman
DEC (resigned 22nd June 2011)
Audit, Chair Membership & Nominations

Adrian Martin FCA

Honorary Treasurer (resigned
22nd June 2011)
Non Executive Director of
Morgan Sindall plc,
Safestore Holdings plc and M&C
Saatchi plc and RSM Tenon
Group PLC.
Former Chief Executive of
Reynolds Porter Chamberlain
LLP and former Managing
Partner of BDO LLP
Chair Audit, Membership & Nominations

Clare Thompson

Honorary Treasurer (appointed
22nd June 2011)
Former partner
PricewaterhouseCoopers
Chair Audit, Membership & Nominations

John Willis

Independent
Chief Executive
Mentorn Media
*Accountability, Fundraising,
Membership & Nominations*

Roles of the Board Sub committees

Accountability Committee

The committee is responsible for developing accountability policy; monitoring member agency and secretariat performance against this; and overseeing secretariat activity to promote learning and accountability.

Audit Committee

The audit committee is responsible for reviewing the draft financial statements and considering the external auditors management letter. In addition the committee is responsible for: advising trustees on the appointment of external auditors; reviewing external audit plans; reviewing the effectiveness of the internal control and risk management systems; and monitoring the implementation of audit recommendations.

Fundraising Committee

The committee's remit is to consider strategies for maximising DEC appeals income; developing a fundraising plan and budgets for different sorts of appeal; holding a review of fundraising after each appeal.

Membership and Nominations Committee

This committee is responsible for scanning the environment (with reference to the membership criteria); decisions on action with non-performing members and recruitment of independent trustees.

OUR PEOPLE AND SUPPORTERS

Thank you Brendan



Tina Stallard

Above: After leading the DEC through 12 extraordinary years during which he helped raise over £900m for survivors of floods, earthquakes, hurricanes, volcanoes, conflicts and food crises around the world our Chief Executive Brendan Gormley will be stepping down in 2012.

Secretariat Employees

Chief Executive
Brendan Gormley

Finance Manager
Timothy Aseervatham

Humanitarian Programmes
Advisor
Annie Devonport

Fundraising Manager
Polly Gilchrist

Digital Content Editor
Leon Green

Deputy Chief Executive
Kathryn Hindley

Communications Manager
Brendan Paddy

Senior Data Care Fundraiser
Carol Renfrew

Accountability & Audit
Manager
Cait Turvey Roe

Office Administrator
Lydia Roshanzamir

Volunteers

The secretariat has benefited from the services of volunteers throughout the year. We are grateful to Natalie Render, Sarah Maynard, Alan Gutsell, Rahimah Al-Nisa, Sheila Hodgson, Parisa Karbassi, Sally Pike, Conor Magowan-Greene and Melissa Surgey for their time and enthusiasm.

Registered Office

1st Floor
43 Chalton Street
London NW1 1DU

Professional Advisors Bankers

The Co-operative Bank plc
9 Prescott Street
London E1 8BE

Solicitors

Bates, Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6B

Solicitors

Debevoise & Plimpton LLP
Tower 42
Old Broad Street
London EC2N 1HQ

Auditors

resigned December 2011
Crowe Clark Whitehill
St Bride's House,
10 Salisbury Square,
London EC4Y 8EH

Auditors

appointed January 2012
Sayer Vincent
8 Angel Gate,
London EC1V 2SJ

Major Supporters 2011/12

Central to the DEC ways of working are our relationships with numerous partners and allies. The trustees warmly acknowledge and express sincere thanks to the following organisations that supply services and assist DEC secretariat at appeal time.

TV broadcasters

BBC, BSkyB, Channel 4, Channel 5, ITN, ITV Networks, S4C, Community Channel

Radio Broadcasters

BBC Radio, Radiocentre and commercial radio stations, Radio Advertising Clearance Centre.

Donations, logistics and processing

BT, British Bankers' Association and participating banks, HSBC specifically for ATM giving, Just Giving, English Premier League, the Big Give, EBay, Missionfish, Neo Ogilvy, Open Market and participating mobile network operators, Post Office Ltd, Royal Mail, RBS Worldpay and the Vodafone Foundation.



Finance

Trustees' responsibilities

The trustees (who are also the directors of the Disasters Emergency Committee for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for ensuring that adequate accounting records are kept that disclose with reasonable accuracy at any time the financial position of the

charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees are members of the charity and members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2012 was 20 (2011 – 20). The trustees have no financial beneficial interest in the charity but do have voting rights.

The trustees report includes a review of financial performance and the charity's reserves position. We have adequate financial resources and are well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call into doubt the charity's ability to continue. The accounts

have therefore been prepared on the basis that the charity is a going concern.

Risk

The DEC has a robust mechanism for identifying, reporting and managing risks and is accountable for the effective use of the charitable funds raised in its name. The DEC is not directly operational, it therefore delegates the management of risks associated with delivering humanitarian programmes to member agencies while maintaining oversight through a system of regular reporting. The DEC maintains a risk register and regularly reviews the risks associated with its responsibilities for fundraising, stewardship and oversight. During the year members have faced risks from conflict and inaccessibility of target populations in Somalia and parts of Kenya.

The East Africa Appeal also posed challenges in finding sensitive ways to communicate the complexity of the situation in the region. The challenge of communicating difficult messages is one the secretariat embraces but continues to manage. The secretariat had to manage some logistical difficulties in the year with increased demands being made on a small team with low level infrastructure support. To ease the pressure on the secretariat the board has approved additional funding to strengthen the secretariat's staffing levels for the year to 31st March 2013.

Financial review

The total income including gift aid and interest receivable for the year amounted to £42.81m (2011 - £49.51m). During the year, the DEC appeal for the East Africa Crisis raised £40.57m (including gift aid), additional income in the year of £2.24m was received for other DEC appeals launched in prior years, donations from member agencies and general unrestricted income. Distribution of appeal funds to member agencies amounted to £56.78m (2011 - £57.00m) for their humanitarian expenditure on all appeals relief programmes still in progress. As stated in last year's accounts, the remaining funds for the appeals for Myanmar, Congo and Gaza were disbursed to member agencies in May 2011. The remaining funds from the DEC IPV appeal were distributed in 2011/12.

Basis of allocation to Member Agencies

Member charities are entitled to a share of the appeal income if they opt into that appeal. A formula known as the Indicator of Capacity (IOC) is used to allocate appeal

Table 1. Analysis of cost of generating income over last five years (£'000)

Year	2007/08	2008/09	2009/10	2010/11	2011/12	Total
Total Incoming resources	23,036	25,830	73,687	49,511	42,810	214,874
Cost of generating funds	1,020	1,174	1,343	1,712	1,647	6,896
Cost of generating funds (%)	4.43	4.55	1.82	3.46	3.85	3.21

Table 2. Analysis of resources expended on charitable activities over last five years (£'000)

Year	2007/08	2008/09	2009/10	2010/11	2011/12	Total
Resources expended on charitable activities	110,739	37,782	23,874	57,126	56,914	286,435
Total resources expended	111,910	39,224	25,452	59,070	58,808	294,464
Resources expended on charitable activities (%)	98.95	96.32	93.80	96.71	96.78	97.27

Finance

funds among DEC member agencies. As each member knows what its share of any funds raised will be in advance, they can each begin delivering help to those in need within days of a disaster or emergency. The DEC informs the member agencies of their estimated income from an appeal after one week and confirms or revises the figure after two weeks of the appeal launch.

Disbursements to Member Agencies

The appeal funds are allocated to member agencies according to their entitlement based on their programmes for each appeal. The funds are then disbursed monthly on their request based on actual expenditure and forecast for the following month. The liability is recorded in the month the request is received which is normally at the beginning of the month.

Achievements and Performance

DEC cost ratios change from one year to another depending on the public's response to the appeals launched during each year. Expenditure on charitable activities as a percentage of total resources expended over the past five years is over 97%. During these five years the DEC has distributed £294m of donated funds to its member agencies for their relief work in the areas hit by disasters.

Cumulative fundraising costs, as a percentage of cumulative voluntary income over the past five years is 3.21%. The DEC has raised in excess of £214m over the last five years of which £6.8m was spent on fundraising.

The DEC is fortunate to benefit from the support of national broadcasters and a number of other companies (see page 27) which together enable us to keep our fundraising costs low.

Volunteers

The benefit to the secretariat of volunteer support throughout the year is not easily expressed in monetary terms; however, on average this is roughly equivalent to one full time administration support officer.

Investment policy and performance

Under the memorandum and articles of association, the charity has the power to make investments. However, the charity needs to be in a position to enable member agencies to react very quickly to emergencies and therefore has a policy of keeping funds in short-term deposits (i.e. fixed term or call deposits with top

security rating and fixed interest or with a fixed relationship to base rate) which can be accessed readily. The base rate during the year remained at 0.5% but the average yields from short term deposits were in the region of 0.90% to 1.00%. The investment policy was reviewed by the trustees during the year and now allows investments in 'AAA' and 'AA' rated banks and building societies with assets over £1 billion. At the balance sheet date funds totalling £30.66m were on short term fixed deposits and £0.71m in interest bearing current accounts.

Reserves policy

The general reserve fund represents the unrestricted funds in the balance sheet. The trustees have reviewed the requirement for free reserves, which are those unrestricted funds not designated for specific purposes or otherwise committed. The free reserves at the year end were £405k (2011, £551k), which was approximately 4 months of the secretariat's costs, and the steady release of funds from the reserve supports the revised policy of maintaining free reserves of no less than the equivalent of 3 months of the secretariat's core budget.

The expendable endowment created in the year to 31st March 2011 had a balance of £1.54m (2011, £1.71m) which the trustees stated would be used to support activities of the DEC for a further nine years. As stated in previous year's report, the secretariat utilised part of the reserves on further development of the donor database and commenced improvement of its website as part of the communication strategy.

During the year, fund help at 31st March 2011 relating to gift aid of £4.019m for the Pakistan Floods Appeal were transferred from the designated funds to the Pakistan Floods Appeal account.

Public Benefit Reporting

In this respect the trustees have noted and paid due regard to the Charity Commission's statutory guidance on public benefit that is relevant to the DEC's mission, and the report has highlighted details of the DEC's activities that illustrate how our work fulfils that mission and the significant benefits it brings to:

- people in poorer countries in urgent need of emergency relief regardless of race, creed or nationality through the funding provided to 14 of the UK's leading humanitarian agencies (the public benefit is described in the three appeal summaries for the East Africa, Pakistan and Haiti).

- the promotion of the efficiency and effectiveness of life saving assistance and the alleviation of poverty.
- people in poorer countries affected by an emergency situation being involved in the relief effort and being treated with dignity

Auditors

During the year, Crow Clarke Whitehill resigned and Sayer Vincent were appointed to be the auditors for the financial year to 31st March 2012.

Each of the persons who is a trustee at the date of approval of this report confirms that in so far as the trustees are aware:

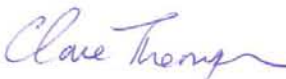
- there is no relevant audit information of which the company's auditors are unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section S.418 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



Clive Jones
Chairman



Clare Thompson
Honorary Treasurer

20th June 2012

1st Floor
43 Chalton Street
London NW1 1DU

Finance

Independent auditors' report to the members of Disasters Emergency Committee

We have audited the financial statements of Disasters Emergency Committee for the year ended 31 March 2012 which comprise the statement of financial activities, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out in the trustees' report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the 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 financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Catherine L Sayer
Senior statutory auditor

21 June 2012

for and on behalf of Sayer Vincent
Statutory Auditors
8 Angel Gate
City Road
LONDON EC1V 2SJ

Finance

Statement of Financial Activities for the year ended 31st March 2012

(incorporating the income and expenditure account)

	Note	Restricted funds £'000	Unrestricted funds £'000	Endowment funds £'000	2012 Total £'000	2011 Total £'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Appeal income		36,323	5,369	-	41,692	46,830
Donations from member agencies		-	675	-	675	540
Other voluntary income		-	42	5	47	1,735
Investment income	2	369	27	-	396	406
Total incoming resources		36,692	6,113	5	42,810	49,511
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	3	816	831	-	1,647	1,712
Charitable activities						
Distribution to member agencies	4	56,778	-	-	56,778	57,012
Lesson learning and evaluation	3	136	-	-	136	114
Governance costs	3	18	229	-	247	232
Total resources expended		57,748	1,060	-	58,808	59,070
Net (outgoing)/incoming resources before transfers		(21,056)	5,053	5	(15,998)	(9,559)
Gross transfers	13	9,388	(9,218)	(170)	-	-
Net expenditure for the year		(11,668)	(4,165)	(165)	(15,998)	(9,559)
Reconciliation of funds						
Total funds brought forward	13	45,950	4,570	1,710	52,230	61,789
Total funds carried forward	13	34,282	405	1,545	36,232	52,230

All of the above results are derived from continuing activities. All gains or losses are recognised in the year and are included above. Accordingly a statement of total realised gains and losses has not been prepared.

The notes to the financial statements are an integral part of this statement of financial activities.

Finance

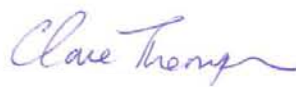
Balance Sheet as at 31st March 2012

	Note	£'000	2012 £'000	2011 £'000
Fixed assets				
Tangible fixed assets	8		<u>121</u>	<u>164</u>
			121	164
Current assets				
Debtors	9	4,866		11,498
Cash at bank and in hand	10	711		4,648
Short term deposits	10	<u>30,655</u>		<u>42,845</u>
		36,232		58,991
Liabilities				
Creditors: amounts due within one year	11	<u>(121)</u>		<u>(6,925)</u>
Net current assets			<u>36,111</u>	<u>52,066</u>
Net assets			<u>36,232</u>	<u>52,230</u>
Funds				
Unrestricted funds				
General reserves	13		405	551
Designated reserves	13		-	4,019
Expendable endowment	13		1,545	1,710
Restricted income funds	13		<u>34,282</u>	<u>45,950</u>
Total funds			<u>36,232</u>	<u>52,230</u>

Approved by the trustees on 20 June 2012 and signed on their behalf by



Clive Jones
Chairman



Clare Thompson
Honorary Treasurer

Registered Company Number: 3356526

Finance

Cash Flow Statement for the year ended 31st March 2012

	2012 £'000	2011 £'000
Reconciliation of net outgoing resources to net cash outflow from operating activities		
Net outgoing resources	(15,998)	(9,559)
Depreciation charge	69	50
Decrease / (increase) in debtors	6,632	(3,770)
(Decrease) / increase in creditors	(6,804)	5,294
Interest received	(396)	(406)
Net cash outflow from operating activities	(16,497)	(8,391)
Returns on investments and servicing of finance		
Interest received	396	406
Capital expenditure		
Payments to acquire tangible fixed assets	(26)	(90)
Cash outflow before management of liquid resources	(16,127)	(8,075)
Management of liquid resources		
Decrease / (increase) in investments held on short term deposits	12,190	(3,922)
Decrease in cash	(3,937)	(11,997)
Net cash resources at 1 April 2011	4,648	16,645
Net cash resources at 31 March 2012	711	4,648

Analysis of changes in net cash balance

	At the start of the year £'000	Cash flow £'000	At the end of the year £'000
Cash at bank and in hand	4,648	(3,937)	711
Short term deposits	42,845	(12,190)	30,655
Cash and short term deposits	47,493	(16,127)	31,366

Finance

Notes to the financial statements for the year ended 31st March 2012

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).

(b) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and includes associated tax reclaims. Income from member agencies is treated as donations and is accounted for when received.

During the year the DEC has benefited from advertising and donor fulfilment services received free or at discounted rates from many service providers. The value of these services is not reasonably quantifiable and measurable and the cost of identifying them and assessing their value to the DEC would outweigh the benefit to users of the accounts. Therefore no value has been attributed to these services in the accounts.

(c) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources. Overhead costs that are premises related are allocated on a floor area basis, staff costs are allocated on an estimate of time usage and other overheads have been allocated on the basis of the head count.

Fundraising expenditure has been shown separately. These costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities.

Support costs which include cost associated with general management, payroll administration, budgeting and accounting, information technology, human

resources, and financing are allocated across the categories of charitable expenditure, governance costs and the costs of generating funds. Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. Central overheads are allocated on the basis of their use with the aim of ensuring that those costs remaining within administration relate to the management of the charity's assets, organisational administration and statutory requirements (see note 3).

(d) Basis of allocation to member agencies

Member charities are entitled to a share of the appeal income if they opt into that appeal. A formula known as the Indicator of Capacity (IOC) is used to allocate appeal funds among DEC member agencies.

(e) Disbursements to member agencies

The appeal funds are allocated to member agencies according to their entitlement based on their programme for each appeal. The funds are then disbursed on a monthly basis on their request based on actual expenditure and forecast for the following month. The liability is recorded in the month the request is received by the secretariat.

(f) Fund accounting

Unrestricted funds comprise:

- General funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity
- Designated funds which have been designated for specific purposes by the trustees.

Expendable endowment relates to funds held on trust to be retained for the benefit of the charity as a capital fund. There is no requirement to spend the funds until the charity trustees decide to.

Restricted income funds are funds subject to specific restrictions imposed by donors or by the appeal. The purpose and use of the restricted funds is set out in note 13.

(g) Depreciation

Tangible fixed assets are stated at cost.

Depreciation is provided on all tangible assets at values calculated to write off the cost over their expected useful economic lives as follows:

Furniture and fittings:
20% straight line method

Database and finance software:
20% straight line method

Web development:
33% straight line method

The charity will capitalise items costing £1,000 or over.

(h) Operating leases

Costs in respect of operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

(i) Pension contributions

As part of the remuneration, the DEC makes a contribution based on salary to each employee's pension provider which could either be an employee's individual pension scheme or the DEC's stakeholder pension scheme. The contribution is charged and shown on the SOFA as paid.

Finance

Notes to the financial statements for the year ended 31st March 2012

2. Investment income

	2012 £'000	2011 £'000
Bank interest received	<u>396</u>	<u>406</u>

Bank interest received on the endowment funds has been allocated to the general reserve.

3. Total resources expended

	Member distributions £'000	Other direct costs £'000	Allocated support costs £'000	2012 Total £'000	2011 Total £'000
Cost of generating voluntary income	-	948	699	1,647	1,712
Distribution to member agencies	56,778	-	-	56,778	57,012
Lesson learning and evaluation	-	136	-	136	114
Governance	-	<u>73</u>	<u>174</u>	247	<u>232</u>
Total resources expended	<u>56,778</u>	<u>1,157</u>	<u>873</u>	58,808	<u>59,070</u>

Distribution to member agencies is the amount paid and committed during the year to each participating member agency subject to the agreed allocation. The agreed allocation of money raised from an appeal is based on a formula intended to match capacity of each participating member.

Governance costs

Governance costs include direct costs of £73,000 for governance infrastructure such as external audit, legal advice for trustees and costs associated with constitutional and statutory requirements e.g. the cost of preparing statutory accounts and annual reports as well as trustee meetings.

Support costs of £174,000 are also included, these are a proportion of the staffing, premises and office costs which are associated with the general running of the charity see Note 1c). The charity has had to consider the cost benefit of detailed calculations and record keeping and therefore has used an element of judgement to estimate the cost allocation as shown below.

Support costs and basis of allocation:

Nature of cost	Allocation basis	2012 £'000	2011 £'000
Staff	Estimate of where staff spend their time	662	358
Premises and utilities and other overheads	Actual and estimated usage	<u>211</u>	<u>154</u>
Total support		873	<u>512</u>

Finance

Notes to the financial statements for the year ended 31st March 2012

4. Distribution to member agencies

Disbursements from appeals payable to the following participating member agencies:

	DRC £'000	GCA £'000	MBA £'000	IPV £'000	HEA £'000	PFA £'000	EAC £'000	2012 Total £'000	2011 Total £'000
ActionAid UK	-	-	-	119	1,546	1,158	642	3,465	3,926
Age UK	-	-	-	70	1,005	590	957	2,622	2,752
British Red Cross	-	-	-	-	3,036	1,269	1,827	6,132	7,637
CAFOD	-	-	-	-	1,263	840	1,414	3,517	3,913
CARE International UK	-	77	-	(4)	1,197	224	1,027	2,521	3,400
Christian Aid	-	-	-	114	1,723	841	1,427	4,105	3,385
Concern Worldwide UK	-	-	-	-	1,392	1,392	856	3,640	1,806
Islamic Relief	-	-	-	141	142	206	1,042	1,531	2,510
Merlin	-	-	114	187	1,764	1,127	1,495	4,687	3,521
Oxfam	-	-	-	-	2,683	1,897	4,604	9,184	14,021
Plan	-	-	-	-	-	-	657	657	-
Save the Children	-	-	114	471	2,223	2,107	2,294	7,209	4,558
Tearfund	109	-	-	-	1,699	1,437	1,460	4,705	2,135
World Vision UK	-	-	-	27	1,083	257	1,436	2,803	3,448
Total	109	77	228	1,125	20,756	13,345	21,138	56,778	57,012

Key

DRC: Congo (DR) Crisis Appeal
GCA: Gaza Crisis Appeal
MBA: Myanmar (Burma) Appeal

IPV: Indonesia, Philippines, Vietnam Appeal
HEA: Haiti Earthquake Appeal
PFA: Pakistan Floods Appeal
EAC: East Africa Crisis Appeal

5. Particulars of employees

a) Their total remuneration was:

	2012 £'000	2011 £'000
Salaries and wages	459	429
National insurance	54	50
Pensions contributions and life assurance premiums	41	53
Total	554	532

b) Employees whose emoluments excluding pension contributions, were equal to or greater than £60,000 per annum

	2012 No.	2011 No.
£100,001 - £110,000	1	-
£90,001 - £100,000	-	1
£60,001 - £70,000	1	1

During the year, the employer's pension contributions to the above employees amounted to £12,039 (2011: £23,632)

Finance

Notes to the financial statements for the year ended 31st March 2012

c) The average number of persons employed by the charity during the year was:

	2012 No.	2011 No.
Fundraising	8	6
Finance	1	1
Administration	1	3
Total	10	10

6. Trustees

Emoluments

None of the trustees received emoluments in the year (2011: nil). Amounts reimbursed to one trustee for travel and other expenditure was £1,245 (2011: £1,635).

7. Net movement in funds is stated after charging:

	2012 £'000	2011 £'000
Auditors' remuneration - statutory audit fee	26	24
Operating lease payments - premises	57	52
Depreciation charge	69	50

8. Tangible fixed assets

	IT software and web development £'000	Furniture & fittings £'000	Total £'000
Cost			
At the start of the year	222	52	274
Additions in year	26	-	26
At the end of the year	248	52	300
Depreciation			
At the start of the year	67	43	110
Charge for the year	62	7	69
At the end of the year	129	50	179
Net book value			
At the end of the year	119	2	121
At the start of the year	155	9	164

Finance

Notes to the financial statements for the year ended 31st March 2012

9. Debtors

	2012 £'000	2011 £'000
Prepayments and accrued income	<u>4,866</u>	<u>11,498</u>

Prepayments and accrued income include gift aid recoveries for:

2012: Includes £4.6m gift aid claimed for East Africa Appeal, received April 2012

2011: Includes £4m and £6.5m gift aid claims for Pakistan Floods and Haiti Appeals, respectively, and subsequently received.

10. Cash and short term deposits

	2012 £'000	2011 £'000
Cash and interest bearing current accounts	711	4,648
Deposit accounts	<u>30,655</u>	<u>42,845</u>
Total	<u>31,366</u>	<u>47,493</u>

The balances in cash and short term deposits include balances of £13.5m for the East Africa Appeal launched in July 2011 which equates to around 38% of the appeal funds (excluding the claim for Gift Aid). The remainder will be fully disbursed in the second half of the programme cycle of 2 years; £6m and £9.6m of the above total represents funds for the Pakistan and Haiti Appeals respectively.

11. Creditors: amounts due within one year

	2012 £'000	2011 £'000
Trade creditors	57	66
Taxation and social security costs	17	14
Sundry creditors and accruals	<u>47</u>	<u>6,845</u>
Total	<u>121</u>	<u>6,925</u>

Sundry creditors in the previous year included £6.8m payable to member agencies. As at the current year end all amounts due to the member agencies had been paid up.

12. Financial commitments

During the next year, the company is committed to making the following annual payments on leasehold properties under operating leases which expire:

	2012 £'000	2011 £'000
Less than one year - other	21	-
Two to five years - other	-	21
Two to five years - premises	58	53

Finance

Notes to the financial statements for the year ended 31st March 2012

13. Statements of funds

	At the start of the year £'000	Income £'000	Distributed to members £'000	Resources expended £'000	Transfers between funds £'000	At the end of the year £'000
Restricted funds:						
DEC Myanmar						
Cyclone Appeal	228	-	228	-	-	-
DEC Congo (DR)						
Crisis Appeal	110	-	110	-	-	-
DEC Gaza Crisis Appeal	77	-	77	-	-	-
DEC IPV Appeal	1,127	-	1,126	1	-	-
DEC Haiti Earthquake Appeal	29,794	624	20,755	5	-	9,658
DEC Pakistan Floods Appeal	14,546	88	13,344	20	4,790	6,060
DEC East Africa Crisis Appeal	68	35,969	21,138	944	4,598	18,553
Next Appeal	-	11	-	-	-	11
Total restricted funds	45,950	36,692	56,778	970	9,388	34,282
Unrestricted funds:						
General reserve	551	744	-	1,060	170	405
Designated reserve	4,019	5,369	-	-	(9,388)	-
Total unrestricted funds	4,570	6,113	-	1,060	(9,218)	405
Expendable endowment	1,710	5	-	-	(170)	1,545
Total funds	52,230	42,810	56,778	2,030	-	36,232

Notes:

Restricted income funds

All restricted income fund balances at year end are represented by cash balances, debtors and creditors.

Funds remaining in DEC appeals for Myanmar, Congo and Gaza were fully allocated and disbursed in May 2011.

The DEC Disasters Appeal for Indonesia, Philippines and Vietnam was launched in October 2009. The disaster response programmes was completed in September 2011.

The appeal for the Haiti Earthquake, launched in January 2010, raised £72.4m in previous financial years and £62.3m has been remitted to the member agencies to date. A further £624k was received in the current year (£474k gift aid and £150k investment income). The remainder of the disbursements are due to be paid by January 2013.

For the Pakistan Floods Appeal, as of the reporting date, £34.5m had been remitted to the member agencies for their disaster response. The disaster response programmes are due to complete in July 2012.

During the current financial year the appeal for the East Africa Crisis, which was launched in July 2011, raised £40.5m of which £21.1m has already been requested and paid to the member agencies as at the year end date.

Finance

Notes to the financial statements for the year ended 31st March 2012

13. Statements of funds (continued)

Designated funds

Gift aid tax recoverable on donations to the Pakistan and East Africa appeals although unrestricted was committed to the relief work in Pakistan and East Africa, respectively. Funds were transferred to the Pakistan fund when the final gift aid amount was received from HMRC in the current financial year. The claim for gift aid on the East Africa appeal was accounted for within the designated fund and then transferred to the East Africa fund within the year. The money was subsequently received in April 2012.

Expendable endowment

DEC benefited from a legacy of £1.7m during the previous year which established an expendable endowment by a trustee declaration of trust to be spent over 10 years. A further sum of £5k receivable from the legacy has been included as accrued income in the current financial year. An amount of £100k was transferred to the general reserve for non-specific use in general administration costs and a further £70k utilised for a review of branding.

14. Related party transactions

The charity trustees disclosed on page 25 include executives of all member agencies. The material transactions are disclosed in note 4. The member agencies made donations of £675k (2011: £540k) in the year to the charity and, in addition, £1.4m was collected in the year by the member agencies and passed on to the DEC to be included in appeal income.

15. Taxation

The Disasters Emergency Committee is a registered charity and as such is potentially exempt from taxation of its income and gains to the extent that they fall within the charity exemptions in the Corporation Taxes Act 2010 or section 256 Taxation of Chargeable Gains Act 1992. No tax charge has arisen in the year.



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Red
Cross

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Plan

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tearfund

World Vision

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