

July 2016



Registered charity no. 1062638
Company no. 3356526

**ANNUAL REPORT
& ACCOUNTS
2015-2016**

CHAIR'S STATEMENT

At 11.56am on 25th April 2015, Nepal experienced one of the biggest earthquakes the country had ever known. With a magnitude of 7.8, the quake was phenomenal, as was the devastation it caused to the lives of those living in Nepal.

- **8,891 people** lost their lives in the Nepal Earthquake
- **22,300 people** were injured from collapsing buildings, falling rubble and unstable ground
- **893,000 homes** were destroyed or damaged

Within 24 hours of the earthquake striking Nepal, DEC's Board of Trustees held a teleconference to assess early data and intelligence, including reports from within Nepal from some of the 13 member agencies. The Board concluded that DEC's appeal criteria had clearly been met and approved launch of a DEC public appeal to raise funds to help those in need.

By a day later, the Secretariat – DEC's small staff team led by Chief Executive, Saleh Saeed - had secured support from broadcast media and other Rapid Response Network partners; systems and logistics to enable a launch were in place; and donations channels were opened. Joanna Lumley presented the DEC Nepal Earthquake Appeal on both BBC and ITV on Tuesday evening.

Within a day of the launch of the DEC appeal, the British public had given nearly £14 million to help the people of Nepal; in addition, DFID awarded DEC £5 million under UK Aid Match.

The DEC Nepal Earthquake Appeal raised a total of £87.7 million - over £55 million by DEC directly, £32 million by member agencies. Within 14 days of launch, DEC committed £33 million of appeal funds to its member agencies, towards emergency programmes in Nepal – helping more than 1.6 million people in the first six months of the response. For 2015/16 as a whole, DEC committed £52.1 million of appeal funds to member agencies for an overall response that will continue for up to 36 months.

DEC spent a total of £3.3 million towards the fundraising and other costs of this appeal, equivalent to six pence for every

£1 donated. Our costs are kept low in part by the generous support of DEC's many partners – including broadcast and media partners, banks and other businesses.

We are indeed Stronger Together - once again, the UK public has so generously come to the aid of families devastated by disaster while DEC and its member agencies have again demonstrated the true power of collaboration in support of the relief effort in Nepal.

While this financial year has been dominated by the Nepal appeal, DEC has been working energetically to be ready to respond even more effectively in future emergencies. We conducted a careful assessment of performance during the Nepal appeal to learn lessons, including from new innovations such as the stronger focus on generating video content. An independent review of DEC's governance arrangements was generally very positive, while identifying a few areas for improvement. A first-ever survey of views of DEC's member agencies staff contacts was undertaken to evaluate the performance and ways of working of the Secretariat, helping inform a wider organisational review to assess the charity's future needs in terms of staffing capacity and skills. The Board of Trustees also took time to review the results, experience and learning arising from five DEC appeals over the past 3 years to inform the aims and ambitions of our new DEC Strategy for 2016-19.



Clive Jones
Chairman

ABOUT DEC

DEC has 13 member agencies, all leading UK-based international aid charities, as follows:

ActionAid UK
Age International
British Red Cross
CAFOD
CARE International UK
Christian Aid
Concern Worldwide UK
Islamic Relief Worldwide
Oxfam GB
Plan International UK
Save the Children
Tearfund
World Vision UK

ALWAYS READY TO RESPOND

DEC, together with its 13 members, stands always ready to respond in the case of a major humanitarian crisis - whether this is caused by natural events (earthquake, typhoon, flood or famine) or the result of man-made conflicts. The decision to launch a DEC appeal is informed by three criteria:

1. Scale of humanitarian need;
2. Capacity of DEC member agencies effectively to respond on the ground
3. Public awareness and empathy

If the Secretariat assess, in close collaboration with member agencies and broadcast partners, that all 3 of these criteria are met, the Board of Trustees will be convened – often by teleconference - to make a decision to launch a DEC appeal. If the decision is made to launch a DEC fundraising appeal, the Secretariat then works quickly with the DEC members, broadcast and other partners, to prepare the case for public support; to put in place the media and communications required to reach out widely to the general public; and the systems needed rapidly and effectively to process donations received through the DEC website, by phone, post, text, at bank counters and cash machines, or by the generous efforts of community fundraisers, schools and faith groups nationwide.

Once the Secretariat is confident that everything is ready for a public appeal launch, DEC begins a “period of joint

action” with its 13 member agencies, usually a fortnight long. During this period, all parties work closely together – expert staff from the member agencies temporarily relocate to DEC’s offices to run a joint communications team; marketing and fundraising are coordinated to give precedence to DEC (for example, only DEC will generally advertise in newspapers during this period); and all member agencies use joint branding with DEC to highlight to their supporters the unique collective nature of the DEC appeal.

Individual member agencies are free to decide whether or not to participate in a DEC public fundraising appeal - this may relate to their capacity to respond and/or presence on the ground in the places affected. DEC members confirm participation or otherwise ahead of a decision to launch a DEC appeal; if they choose to participate then, subject to their submitting suitable programme plans and budgets, they will have an entitlement to a share of funds raised by DEC – and commit also to fundraising energetically towards their own appeals.

RESPONDING TOGETHER

DEC's 13 members include the UK's leading aid agencies and they are best placed to respond on the ground in the aftermath of a major humanitarian crisis. Funds raised in a DEC appeal are very quickly committed to member agencies so that they can press ahead with meeting the urgent needs of the people most affected by the crisis and also scale up operations to deliver disaster response programmes.

A formula known as the Indicator of Capacity (IOC) is used to allocate appeal funds among DEC member agencies. As each member knows in advance what its share of any funds raised will be, they can begin delivering help to those in need within days of a disaster or emergency. DEC informs member agencies of their estimated income from an appeal after one week and commits funds towards disaster response programmes two weeks after the appeal launch.

The Secretariat has oversight of the programmes of response delivered by its member agencies with DEC funds. While members have considerable scope to use DEC funds flexibly to achieve the greatest impact in their programmes

of humanitarian response, plans and budgets must follow certain guidelines that seek to ensure that members' programmes are well-targeted towards those individuals and households most in need, cost effective in terms of DEC donor funds; and delivered in line with the highest standards of transparency and accountability. During each period of response following a DEC appeal - a first 6-month phase directed to meeting urgent humanitarian needs and a second phase designed to help, for instance, with longer-term recovery of livelihoods – member agencies provide DEC with regular reports and financial updates. These allow the Secretariat both to monitor progress of DEC-funded programmes as well as to report back to supporters on the use of their donations.

DEC and its members seek to uphold the highest standards of transparency and accountability, both towards the UK supporters who have donated to an appeal as well as towards disaster affected communities themselves. DEC commissions an independent response review in the first months of each response to assess early impact and effectiveness of members' programmes and also to enable learning and the sharing of good practice. The report of this review is published on the DEC website.

Previously, DEC has reported on appeals in significant detail in the Annual Report. Starting this year, the level of detail in this report has been reduced although a summary of activities and achievements related to the DEC Nepal Earthquake Appeal is provided. We will now publish two special reports for each DEC appeal, with much more detail than it is possible to include in the Annual Report, coinciding with the first anniversary of launch of an appeal and the completion by member agencies of all DEC-funded response programmes – two or three years after the related disaster. This new approach to appeal reporting will be more effective because it links directly to the cycle of when DEC receives reports from its member agencies on how DEC funds have been spent in responding to each humanitarian crisis. The first in this new series of reports was published in April 2016, one year after the Nepal Earthquake.

REPORT OF THE TRUSTEES

Strategic Report 2015-16 - achievements and performance.

DEC HAS THREE KEY STRATEGIC OBJECTIVES

1. RESPONDING TOGETHER

DEC will work in partnership across member agencies and the Rapid Response Network (“RRN”) to maximise the funds we raise and their impact.

2. MORE EFFECTIVE

TOGETHER – Collectively, we will improve effectiveness, accountability and standards.

3. MANAGING AND WORKING

TOGETHER – A high performing Secretariat, with the right structure, systems and processes to deliver the strategy.

OBJECTIVE 1 - RESPONDING TOGETHER

During the financial year ended 31 March 2016, DEC launched one appeal – responding to the massive earthquake that shook Nepal on 25 April 2015. It was the worst earthquake to hit Nepal for 80 years and was followed by a second large earthquake a fortnight later. In total 8,891 people were killed, over 22,300 injured and over 893,000 homes were destroyed. Overall, 8.1 million people were affected across Nepal.

DEC moved swiftly to respond, with the Board of Trustees making the decision to launch a public fundraising appeal within 36 hours of the earthquake. The announcement of the DEC Nepal Earthquake Appeal was reported by almost every national UK media outlet on Monday 27 April 2015. This was quickly followed by the formal launch, with broadcast appeals carried by the BBC, ITV, Sky, Channel Four, Channel Five and commercial radio stations on 28 April.

Overall the DEC media team reached a potential audience of 140 million people across TV, radio, print and online news, with many members of the public seeing multiple stories mentioning the DEC appeal. Social media updates reached a potential audience of over 50 million; on Facebook, DEC’s decision to invest in a significant increase in the production of video content helped double our reach compared to the 2013 Philippines Typhoon Appeal.

Alongside the main broadcast appeals, we continued our successful television fundraising partnerships with ITV’s Britain’s Got Talent, the Champions League and Good Morning Britain. Corporate supporters included BT, British Airways, Co-operative Group, TfL, Vodafone, Paypal, Greggs, the British Bankers Association and many of its members including Lloyds, HSBC, RBS and Barclays. There was strong support for the appeal also from DEC’s newer digital supporters: 38 Degrees, Change.org, eBay, NewsNow and Mumsnet.

The DEC Nepal Earthquake Appeal raised a total of £87.7 million, including £32 million by member agencies and over £55 million

by DEC directly. This included £5 million UK AidMatch funding, contributed by the government Department for International Development (“DfID”). As well as general donations from the British public, DEC received £6.4 million from corporate supporters, major donors and trusts.

Although DEC appeals benefit from great pro bono support from the broadcasters, banks and other RRN partners – and heavily discounted rates elsewhere, DEC needs to invest in advertising, marketing, supporter care and communications to maximise our fundraising impact in each appeal. DEC’s costs for the Nepal Earthquake Appeal in the financial year totalled £3.3 million, equivalent to 6 pence for every £1 raised.

Evaluation of the results of the Nepal Earthquake Appeal confirms that DEC performed well towards our first strategic objective of Responding Together to maximise fundraising in the appeal. We made excellent progress in building DEC’s digital profile, greatly increasing the production of video content, innovating with social media appeal videos and achieving strong fundraising returns from targeted advertising on Facebook. These activities also helped DEC to engage a significantly younger audience. We also successfully trialled regular giving by SMS (a text donation of £3 a month for six months); provided regular updates to donors via mailing, email, our website and social media; and produced daily ‘behind the scenes’ updates for the DEC YouTube channel and a live-streamed ‘Ask DEC’ video Q&A event to improve accountability to the public.

It remains an objective to run a live telethon-type fundraising event during a high profile DEC appeal. While this was not achievable in the Nepal appeal, planning and development has progressed well since, such that we expect to be ready to act on this objective in the next DEC appeal in response to a natural disaster. We have more work to do also in developing our website, including the ease of making a donation; improving our use of data in marketing; and streamlining processes to provide better service to our supporters.

DEC NEPAL EARTHQUAKE APPEAL - KEY STATISTICS

- The DEC Nepal Earthquake Appeal raised a total of £87.7 million, including £32 million by member agencies and over £55 million by DEC directly - including £5 million UK AidMatch funding contributed by the Department for International Development.
- DEC's costs for the Nepal Earthquake Appeal in the financial year totalled £3.3 million, equivalent to 6 pence for every £1 raised.
- High value and corporate supporters donated over £6.4 million
- Returns from 'pay-per-click' advertising maintained a good average return of £9 for every £1 invested by DEC, in spite of very competitive bidding
- DEC supporters registered over 700 fundraising events on Just Giving, raising more than £1.1 million in this way.
- London Underground collections raised over £120,000, a new record
- In just two weeks, over 140 videos were produced - more than in the DEC's 50 year history - live broadcasts, short pieces to camera, aid delivery packages from DEC member agencies and daily appeal updates.
- The Daniel Craig appeal video proved to be our most shared post ever on Facebook, with 228,699 views; 18,319 likes and comments; and 4,815 shares
- Innovative and engaging fundraising initiatives such as Alasdair's story.

OBJECTIVE 2 - MORE EFFECTIVE TOGETHER

Just 2 weeks after launch of the Nepal appeal, £33 million was allocated to DEC member agencies towards disaster response programmes to help those households most in need following the devastation of the earthquake. Overall, £52.1 million of Nepal appeal funds were allocated to DEC member agencies during this financial year.

In the immediate aftermath of the earthquake, people needed urgent help with shelter as so many homes were destroyed. DEC member agencies mostly provided tarpaulins and ropes initially, shifting to more robust materials and shelter kits, particularly corrugated iron for roofs, as the monsoon season arrived a few months later. A key part of the shelter work was increasing beneficiaries' ability to construct their own homes, both temporary and permanent, so member agencies also trained people in masonry skills. Shelter programmes accounted for 55% of overall spending by member agencies during the first six months of the response. Cash programming, including cash grants to help vulnerable households with rebuilding or to meet daily needs and Cash for work activities, for example, to remove rubble, accounted for 18% of spending during the first six months of the response; a further 10% of spending was attributable to water, sanitation and hygiene programmes.

DEC commissioned a "Response Review" after three months to identify key challenges and areas for improvement. This is published on the DEC website.

The DEC-funded response in Nepal is continuing, with future plans by member agencies focussed on restoring livelihoods to enable self-sufficiency and also supporting shelter reconstruction. DEC funds allocated to member agencies will be spent by April 2018.

Evidence from the first six month phase of programmes, which has a greater focus on emergency response, indicates some good progress has been made towards DEC's strategic objective of being More Effective Together. From late April to October 2015,

DEC's 13 member agencies and their partners reached more than 1.6 million people using DEC funds. This was over 50% higher than they had expected in their initial plans; this in spite of the complex logistical and other challenges they faced in delivering aid in Nepal.

DEC recently published a Nepal "One Year On" report – the first of its kind – to lay out in more detail than for any previous appeal how the appeal was run, how money was spent, what was achieved and the challenges faced in delivering aid. This aims to provide better accountability for DEC funds. In addition, to foster transparency more generally, DEC has published new information on the website of the International Aid Transparency Initiative.

DEC funded programmes also continue in response to previous DEC appeals, for Ebola, Gaza and the Philippines. While the humanitarian crisis facing Syria has also continued, funds raised from the DEC Syria Crisis Appeal launched in March 2013 have been fully spent. Cumulatively, £13.3 million of appeal funds was spent on response programmes by DEC member agencies in Syria and to help Syrian refugees in Jordan, Lebanon and Iraq.

In working towards our strategic objective of being More Effective Together – collectively, we will improve effectiveness, accountability and standards – DEC and member agencies have, during this financial year, committed to adopting the Core Humanitarian Standards ("CHS") as a common framework. This will replace DEC's Accountability Framework ("DECAF") in due course. Working closely together, DEC and member agencies, have contributed to the development of the tools and guidelines to help implement the new CHS framework and all DEC members are currently undertaking a self assessment of their own ways of working against CHS. More work remains to be done to embed CHS within DEC and members and this is reflected in our future plans.

REPORT OF THE TRUSTEES

DEC NEPAL EARTHQUAKE RESPONSE - KEY STATISTICS

29,000

hygiene kits were distributed benefitting 185,000 people



90,000

people received unconditional cash transfers



66,000

people benefitted from household kits (e.g. kitchen items, solar lamps)



67,000

shelter kits and 38,000 corrugated galvanised iron bundles distributed



233,000

people have access to safe drinking water through water point reconstruction and installed purification units



180

local masons trained in earthquake resilient shelter reconstruction



121,700

people have received medical treatment



45,000

people benefitted from grain storage



135,000

people benefitted from 48,000 food parcels



Note: These are examples, not a complete list of all aid activities.

OBJECTIVE 3 - MANAGING AND WORKING TOGETHER

DEC's third strategic objective for the year recognises the importance of a highly performing DEC Secretariat, with the right structure, systems and processes to deliver the strategy. The small Secretariat staff team, mostly new in post following changes in 2012/13, has been tested through an intense frequency of DEC appeals – five in the past 3 years. The high workload of running a DEC appeal, both during and after the immediate fundraising focus, can create pressures for the Secretariat and has limited its capacity to drive forward new developments in systems and other areas.

In this final year of DEC's current 3-year Strategy 2013-16, we have assessed carefully our experience and learning over five successful DEC appeals to help inform future plans and priorities. We conducted a first-ever survey of views of member agency' staff and contacts to assess their experience of the Secretariat; results were very positive while also identifying some areas for further improvement. During the year we revisited our approach to risk management and made changes to ensure a sharper focus on DEC's strategic risks, using an assessment of risk appetite to inform decision-making. A review of DEC's governance was also undertaken this year and demonstrated that current arrangements are working well. In response to the findings of this

review, a Remuneration Committee was created. We carried out an organisational review to evaluate the Secretariat structure and staffing in the context of future challenges and opportunities for DEC.

Overall, the evidence from these various initiatives shows that DEC has made significant advances against the strategic objective of Managing and Working Together. However, sustaining this progress will require some modest increase in staffing capacity for the Secretariat. The Board of Trustees approved a new DEC Strategy for 2016-19 that retains the same core objectives for DEC alongside some significant new ambitions.

FUTURE OBJECTIVES

DEC Strategy for 2016-19 reiterates our core remit of working collaboratively with members to respond effectively to humanitarian crises, using the model of DEC appeals to maximise fundraising and thereby our collective impact for disaster-affected communities in response programmes delivered by DEC member agencies. The importance of a strong and effective Secretariat is reinforced also as an underpinning strategic objective essential to the delivery of DEC strategy.

Recognising the rapid changes in the environment in which DEC operates – in broadcasting, digital and social media as well as from a perspective of humanitarian needs and changes in the international aid sector - our new Strategy and Objectives for 2016/17 begin a journey of transformation for DEC as we work together to build on unique strengths, meet challenges and embrace new opportunities. These objectives are as follows:

1.Raising funds together - DEC will work in partnership across member agencies and the Rapid Response Network to maximise our collective impact in fundraising.

2.Helping those in need together - working with member agencies, DEC funding will deliver highly effective programmes to help disaster-affected communities. We will also explore how an alternative appeal model could help address humanitarian crises that do not get media attention and for which DEC's existing appeal criteria are not therefore met (specifically the third criterion). We aim to design and deliver a pilot of this during the 2016-19 strategy period.

3.Managing and working together – a high-performing and effective DEC Secretariat, equipped for and focussed on delivering the strategy.

4.Transforming DEC for a digital age – transforming our ways of working to embrace the opportunities of digital media and technologies.

FINANCIAL REVIEW

Total income for the year amounted to £57.6 m (2015: £40.7m). During the year, the DEC Nepal Earthquake Appeal raised £55.7m (including gift aid and bank interest). Additional income in the year of £1.9m (2015: £3m) was received for other DEC appeals launched in prior years, donations from member agencies and general unrestricted income.

Total expenditure for the year amounted to £59.3m (2015: £41.6m), including £54.6m (2015: £37.3m) of appeal funds committed to member agencies for use towards relief programmes and £4.4m (2015: £4.0m) in costs of raising funds. DEC's core costs are covered mainly by contributions from member agencies, with appeal specific costs charged to the related appeal.

RISK MANAGEMENT

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 independent evaluation and regular reporting.

DEC maintains a risk register and regularly reviews the risks associated with its responsibilities for fundraising, stewardship and oversight, including what controls and safeguards operate to manage or mitigate risks. Key risks identified in the risk register include:

- The risk that a DEC appeal is unsuccessful, or is seen as such, raising a low level of funds. This risk is perhaps greatest in relation to humanitarian crises that arise from conflict or are slow in their onset. In managing this risk, DEC has robust criteria for calling an appeal and processes for engaging with the charity's multiple stakeholders.

- The risk that programmes funded by DEC and run by member agencies fail to deliver the planned benefits to disaster affected communities, whether due to poor quality or financial losses, including risks of fraud or diversion of funds. In managing these risks, DEC has a detailed framework of accountability to ensure member agencies have in place effective systems, processes and controls.

- The risk that IT failures or a security breach results in unauthorised access to stored data and a loss of confidence in DEC or damage to the charity's reputation. In managing this risk, DEC works closely with its fundraising partners and suppliers.

- The risk that strongly negative media or publicity, whether direct or indirect, cause damage to DEC's position with the public, donors or other stakeholders. In managing this risk, DEC works with members to be transparent in its communications and accountable to donors.

- The risk of losing ground to a new digital competitor or to changes in news media and public viewing habits towards DEC's traditional broadcast appeal. In the Nepal appeal we greatly increased video content and innovated with other digital engagement; DEC Strategy for 2016-19 also responds to this risk as outlined above in our future objectives.

- The risk that changes in regulation towards charity fundraising impact adversely on DEC's ability to raise funds in future appeals. DEC has been contributing to the debate and planning how best to uphold new standards for supporters while responding effectively in appeals.

The risks were managed satisfactorily during the year.

REPORT OF THE TRUSTEES

RESERVES POLICY

The unrestricted funds in the balance sheet comprise a general and designated reserve. The trustees have reviewed the requirement for free reserves, which are those unrestricted funds not designated for specific purposes or otherwise committed. DEC's free reserves at the year end were £695k (2015, £612k), which was equivalent to approximately 5.8 months' cover of the Secretariat's costs. This is above the target indicated by the policy of maintaining free reserves at a level of £500k overall.

The expendable endowment created in the year to 31 March 2011 had a balance at the year end of £1.25m (2015, £1.24m) which the trustees stated would be used to support activities of the DEC for a further six years.

In the context of DEC Strategy for 2016-19, trustees have agreed that the excess over the target level for free reserves together with funds from the expendable endowment will be used towards meeting the challenges and opportunities of digital media and technologies as outlined in our future objectives.

INVESTMENT POLICY

Under its memorandum and articles of association, the charity has the power to make investments. DEC needs to be in a position to enable its member agencies to act very quickly in emergencies and therefore has a policy to balance keeping a proportion of funds in instant access and short-term deposits that can be accessed readily with considerations of high security and reasonable investment return.

During the year we reviewed our arrangements for managing DEC funds, looking at various options for segregated and pooled cash funds. Given market conditions, currently and for the foreseeable future, interest earnings from short-term cash investments are relatively low. Following an evaluation of options, we appointed Cazenove Capital Management to administer DEC funds.

GOING CONCERN

The strategic report includes a review of financial performance and of 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Disasters Emergency Committee (DEC) has been operating since 1963 and was registered as an independent charity on 4 June 1997. DEC is incorporated in the UK as a company limited by guarantee, registered in England and Wales. We have no share capital and the guarantee is limited to £1 for each of our 13 members. Our governing document is the Memorandum and Articles of Association of the company.

BOARD OF TRUSTEES

The Board of Trustees are directors of the company and, as shown on page 23, comprise six independent trustees (including the Chair of Trustees, Vice Chair and Honorary Treasurer) alongside the Chief Executives of each of DEC's member charities. Trustees have no financial beneficial interest in the charity but do have voting rights. Trustees receive no remuneration or any other emoluments from DEC. Biographies of trustees are shown on DEC's website.

The Board meets three times each year, including an annual away-day to

review DEC's strategy, performance and future plans. The Board has established sub-committees – Membership and Accountability; Audit, Finance and Risk; Remuneration – that operate under agreed terms of reference, oversee key aspects of DEC activity and report back to the full Board. These committees are chaired by independent trustees and include member trustees also, as shown on page 23.

Independent trustees, the Chairman and Honorary Treasurer, hold office for a term of three years; they may then be reappointed for a second term, with provision to extend this second term by up to 12 months, and then retire from office. Member trustees hold office for a term that is related to their roles as Chief Executive of a DEC member agency. During the year, with all current office holders due to retire in 2017, the Board agreed to extend the terms of office of the Chairman by 12 months to March 2018; of the Vice Chairman by 9 months to July 2018; and of the Honorary Treasurer by 1 month to July 2017, in order to ensure an orderly transition.

The appointment of new independent trustees is overseen by the Board with support from the Membership and Accountability Committee, following an analysis of skills, targeted advertising and an interview process. We also take account of diversity. The Chair is nominated by the independent trustees and appointed by majority agreement of the member Trustees.

TRUSTEE INDUCTION AND CONDUCT

Trustees sign consent and eligibility forms and complete a declaration of interests that is reviewed annually. New trustees are given a detailed induction by the Chair of Trustees, DEC's Chief Executive and staff. A Trustee handbook is also provided to new trustees, including relevant policies, procedures, governance information and role descriptions. This is revisited after one year to support each trustee's ongoing learning and development with DEC.

MANAGEMENT

Day-to-day management of the charity is delegated to Chief Executive, Saleh Saeed, who leads the Secretariat staff team. Performance and risk is monitored against strategic objectives. The Secretariat staff headcount is currently 16 full-time positions and 1 part-time position. This is planned to increase to 20 positions in support of our new strategy for 2016-19. Alongside the staff team, the Secretariat benefits from the help of regular volunteers and employs temporary staff or uses freelance contractors where these are required to help with specific projects or the increased workload linked to a DEC appeal.

REMUNERATION

Following a recommendation from the review of governance arrangements in the year, a dedicated Remuneration Committee was formed. The committee has delegated responsibility on behalf of the Board for overseeing reward policy and practice for the Secretariat staff team, including setting the remuneration of the Chief Executive and the range of pay for the management team. The committee sets DEC's reward policy that provides for an annual cost of living increase in line with reported inflation rates, with a pay benchmarking exercise done every 3 years to ensure that remuneration levels remain competitive in line with averages for the wider charity sector.

STATEMENT OF 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 including the Strategic 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; and
- 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.

Each of the persons who is a trustee at the date of approval of this report confirms that insofar as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and that they 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.

MEETING AND REPORTING ON PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The structure of the Trustees' Annual Report includes reporting on our strategic aims, DEC's activities and achievements during the year and our plans for 2016/17. We have highlighted how our work furthers our charitable purpose 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 by DEC appeals to 13 of the UK's leading humanitarian agencies.
- 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.

This trustees report, including the strategic report, was approved by the Board of Trustees and signed on its behalf by:



Clive Jones
Chairman



Clare Thompson
Honorary Treasurer

27 July 2016

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 2016 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 AUDITORS

As explained more fully in the statement of trustees' responsibilities set out in the report of the board of trustees, 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 report of the trustees including the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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
- 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 report of the board of trustees, including the strategic 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
- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of trustees' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit



Noelia Serrano (Senior statutory auditor)

27 July 2016

for and on behalf of Sayer Vincent LLP,
Statutory Auditors
Invicta House, 108-114 Golden Lane,
LONDON, EC1Y 0TL

ACCOUNTS

Statement of Financial Activities for the year ended 31 March 2016

Incorporating an income and expenditure account

	Note	Unrestricted funds £000	Endowment funds £000	Restricted funds £000	2016 Total £000	2015 Total £000
Income from						
Donations and legacies		1,046	-	-	1,046	1,193
Charitable activities						
DEC Nepal Earthquake Appeal		5,401	-	50,019	55,420	-
DEC Ebola Crisis Appeal		86	-	309	395	23,579
DEC Gaza Crisis Appeal		39	-	5	44	12,311
Other DEC appeals		66	-	174	240	3,235
Cash investments		7	10	408	425	340
Total income		6,645	10	50,915	57,570	40,658
Expenditure on:						
Raising funds		649	-	3,766	4,415	3,984
Charitable activities						
Nepal Earthquake disaster response programmes	4	172	-	52,092	52,264	-
Ebola Crisis disaster response programmes	4	1	-	1,278	1,279	20,800
Gaza Crisis disaster response programmes	4	-	-	433	433	10,599
Other disaster response programmes	4	-	-	772	772	5,947
Lesson learning and accountability		96	-	-	96	100
Total expenditure	3	918	-	58,341	59,259	41,615
Net income/(expenditure) for the year		5,727	10	(7,426)	(1,689)	(957)
Transfers between funds	15	(5,706)	-	5,706	-	-
Net movement in funds		21	10	(1,720)	(1,689)	5,288
Reconciliation of funds						
Total funds brought forward	15	765	1,240	2,326	4,331	5,288
Total funds carried forward	15	<u>786</u>	<u>1,250</u>	<u>606</u>	<u>2,642</u>	<u>4,331</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Comparative figures for 2015 are shown in note 2 to the accounts. Movements in funds are disclosed in note 15 to the financial statements.

ACCOUNTS

Balance Sheet as at 31 March 2016

	Note	£000	2016 £000	2015 £000
Fixed assets				
Tangible fixed assets	8		91	153
			91	153
Current assets				
Debtors	9	1,373		3,659
Investments	10	10,003		14,062
Cash at bank and in hand	10	29,451		25,246
		40,827		42,967
Liabilities				
Creditors: amounts due within one year	11	(28,620)		(28,219)
Net current assets			12,207	14,901
Creditors: amounts due after one year	12		(9,656)	(10,570)
Net assets	14		2,642	4,331
Funds				
Unrestricted funds				
General reserves	15		786	765
Expendable endowment	15		1,250	1,240
Restricted funds	15		606	2,326
Total funds			2,642	4,331

Approved by the trustees on 27 July 2016 and signed on their behalf by



Clive Jones
Chairman



Clare Thompson
Honorary Treasurer

ACCOUNTS

Statement of cash flows for the year ended 31 March 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities	16		
Net cash used in operating activities		(279)	(6,867)
Cash flows from investing activities			
Interest from investments		425	340
Purchase of fixed assets		-	(174)
Net sale of current asset investments		4,059	11,801
Net cash used in investing activities		4,484	11,967
Change in cash and cash equivalents in the year		4,205	5,100
Cash and cash equivalents at the beginning of the year		25,246	20,146
Cash and cash equivalents at the end of the year	10	29,451	25,246

ACCOUNTS

Notes to the financial statements for the year ended 31 March 2016

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014.

Opening balances and net income/(expenditure) for the year in accordance with the requirements of FRS 102 are unchanged from those reported under previous GAAP and, therefore, no reconciliation is shown.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and that the amount can be measured reliably. Income includes associated gift aid tax reclaims.

Donations to DEC appeals are included as restricted income, used to fund the related disaster response programmes. Associated gift aid tax reclaims are included as unrestricted income and then transferred to the related restricted fund for each DEC appeal. Contributions from member agencies towards DEC's appeal preparedness is included as donations and accounted for when received.

Income from legacies is included when received from the estate or when the charity is notified by the executor that a distribution will be made.

Interest on funds held on cash deposit is included when receivable.

f) Donations of services

During the year the DEC has benefited from broadcasting, promotion and donations processing services received free or at discounted rates from various 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.

In accordance with the Charities SORP (FRS 102), volunteer time is not recognised. The trustees' annual report provides more information about their contribution.

g) Fund accounting

Restricted funds are used for specific purposes as laid down by the donor or related to a specific DEC appeal. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds relate to the costs incurred by the charity in encouraging individuals and other third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose

Expenditure on charitable activities includes the funds allocated to DEC member agencies towards the costs of delivering disaster response programmes. Expenditure is recognised when allocations are made to members because it is at this time that a firm commitment is made by DEC towards the planned programmes of work by members in response to each appeal.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) 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.

DEC informs the member agencies of their estimated income from an appeal after one week and commits funds towards disaster relief programmes two weeks after the appeal launch.

j) Allocation of support costs

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.

Fundraising expenditure has been shown separately. These costs are incurred in seeking donations and 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.

ACCOUNTS

Notes to the financial statements for the year ended 31 March 2016

Support costs which include costs associated with general management, financial management and accounting, information technology, human resources and premises are allocated across the categories of charitable expenditure, governance costs and the costs of generating funds. The basis of the cost allocation has been explained in the notes to the accounts.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Assets

costing £1,000 and above are capitalised. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements - 5 years or term of lease if shorter
 Furniture, fittings and office equipment - 5 years
 Computer equipment, software & web development - 3 years

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with

a maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash deposits with maturities above three months are shown as current asset investments.

n) Pension contributions

The charity has a stakeholder pension scheme and makes defined contributions based on salary. Pension contributions are charged to the statement of financial activities as incurred and attributed to unrestricted and restricted funds in line with other Secretariat staffing costs.

2. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £000	Endowment funds £000	Restricted funds £000	2015 Total funds £000
Income from:				
Donations and legacies	1,193	-	-	1,193
Charitable activities				
DEC Ebola Crisis Appeal	1,738	-	21,840	23,578
DEC Gaza Crisis Appeal	1,138	-	11,173	12,311
Other DEC appeals	1,201	-	2,035	3,236
Cash investments	3	12	325	340
Total income	5,273	12	35,373	40,658
Expenditure on:				
Raising funds	550	39	3,395	3,984
Charitable activities				
DEC Ebola Crisis Appeal	115	-	20,800	20,915
DEC Gaza Crisis Appeal	59	-	10,599	10,658
Other disaster response programmes	11	-	5,947	5,958
Lesson learning and accountability	100	-	-	100
Total expenditure	835	39	40,741	41,615
Net income/(expenditure) for the year	4,438	(27)	(5,368)	(957)
Transfers between funds	(4,077)	-	4,077	-
Net movement in funds	361	(27)	(1,291)	(957)
Total funds brought forward	404	1,267	3,617	5,288
Total funds carried forward	765	1,240	2,326	4,331

ACCOUNTS

Notes to the financial statements for the year ended 31 March 2016

3. TOTAL RESOURCES EXPENDED

	Member allocations	Other direct costs	Allocated support costs £'000	2016 funds £'000	2015 Total £'000
Cost of generating voluntary income	-	4,220	195	4,415	3,984
Disaster response programmes	54,575	-	-	54,575	37,346
Lesson learning and accountability	-	53	43	96	100
Governance costs	-	55	118	173	185
Total resources expended	54,575	4,328	356	59,259	41,615

		2016 £'000	2015 £'000
Support costs are allocated on the following basis:			
Nature of cost	Allocation basis		
Staff	Estimate of where staff spend their time	225	144
Premises and utilities and other overheads	Actual and estimated usage	131	266
Total allocated support costs		356	410

Allocated support costs: cost allocation includes an element of judgement and the charity has had to consider the cost and benefit of detailed calculations and record keeping. This allocation includes support costs where they are attributable and are a best estimate of the costs that have been so allocated. The various categories of support costs are described above (see note 1j).

ACCOUNTS

Notes to the financial statements for the year ended 31 March 2016

4. DISASTER RESPONSE PROGRAMMES

Appeal funds allocated and committed to participating member agencies are as follows:

	SCA £000	PTA £000	GCA £000	ECA £000	NCA £000	2016 Total £000	2015 Total £000
ActionAid	-	74	33	61	3,195	3,363	2,555
Age International	-	2	16	34	1,590	1,642	1,355
British Red Cross	185	-	60	163	6,258	6,666	3,728
CAFOD	(12)	60	(6)	70	2,421	2,533	2,031
CARE International UK	-	-	18	7	1,557	1,582	1,501
Christian Aid	-	94	42	113	4,323	4,572	3,173
Concern Worldwide UK	75	-	-	44	1,589	1,708	884
Islamic Relief	-	58	-	-	1,836	1,894	308
Oxfam	75	264	111	300	9,912	10,662	8,088
Plan International UK	30	-	24	66	2,596	2,716	1,946
Save the Children	75	(208)	102	235	10,421	10,625	7,647
Tearfund	-	-	-	94	3,051	3,145	1,524
World Vision UK	-	-	33	91	3,343	3,467	2,606
Total	428	344	433	1,278	52,092	54,575	37,346

Key

SCA: Syria Crisis Appeal

PTA: Philippines Typhoon Appeal

GCA: Gaza Crisis Appeal

ECA: Ebola Crisis Appeal

NEA: Nepal Earthquake Appeal

5. ANALYSIS OF STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

a) Staff costs were as follows:

	2016 £000	2015 £000
Salaries and wages	672	653
National insurance	64	62
Employer's contribution to defined contribution pension schemes	58	55
Temporary and agency staff	77	76
Total	871	846

ACCOUNTS

Notes to the financial statements for the year ended 31 March 2016

5. PARTICULARS OF EMPLOYEES (continued)

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

	2016 No.	2015 No.
£100,001 - £110,000	1	-
£90,001 - £100,000	-	1

The highest paid employee is the Chief Executive whose emoluments in the year include salary of £90,460 (2015: £89,520), an accommodation allowance of £10,000 (2015: nil) and pension contributions of £7,237 (8% of salary, as in 2015). No benefits in kind or other remuneration are paid. The total employee benefits including pension contributions of the key management personnel (see page 24) were £344,028 (2015: £330,558).

c) The average number of employees (head count based on number of staff employed) during the year was as follows:

	2016 No.	2015 No.
Fundraising and communications	10	9
Supporter care (temporary staff during appeals)	2	2
Lesson learning and evaluation	3	3
Governance	1	1
Finance and administration	3	3
Total	19	18

6. TRUSTEES

No trustees received emoluments in the year (2015: nil). Amounts reimbursed to Trustees for travel and other expenditure totalled £319 in the year (2015: £510).

7. NET OUTGOING RESOURCES FOR THE YEAR ARE STATED AFTER CHARGING:

	2016 £000	2015 £000
Depreciation charge	62	34
Operating lease rentals - premises	81	64
Auditors' remuneration (excluding VAT)		
Audit	24	24
Other services	1	1

ACCOUNTS

Notes to the financial statements for the year ended 31 March 2016

8. TANGIBLE FIXED ASSETS

	Leasehold improvements £000	Computer equipment, software and web development £000	Furniture, fittings and office equipment £000	Total £000
Cost				
At the start of the year	60	365	66	491
Additions	-	-	-	-
Disposals	-	(126)	(5)	(131)
At the end of the year	60	239	61	360
Depreciation				
At the start of the year	10	266	62	338
Disposals	-	(126)	(5)	(131)
Charge for the year	20	39	3	62
At the end of the year	30	179	60	269
Net book value				
At the end of the year	30	60	1	91
At the start of the year	50	99	4	153

9. DEBTORS

	2016 £000	2015 £000
Prepayments	42	36
Gift aid receivable	1,116	3,469
Legacy income receivable	205	-
Other debtors	10	154
	1,373	3,659

10. CASH AND CURRENT ASSET INVESTMENTS

	2016 £000	2015 £000
Cash at bank and in hand	29,451	25,246
Cash equivalents on deposit	10,003	14,062
	39,454	39,308

The balances in cash and short term deposits include £28.4m for the Nepal Earthquake Appeal, £6.1m for the Philippines Typhoon Appeal and £2.7m for the Ebola Crisis Appeal. While these funds have very largely been committed to member agencies towards disaster response programmes, the disbursement of these funds takes place over the period of those programmes.

ACCOUNTS

Notes to the financial statements for the year ended 31 March 2016

11. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2016 £000	2015 £000
Trade creditors	90	115
Taxation and social security costs	21	18
Due to member agencies - Disaster response programmes	28,407	27,889
Other creditors and accruals	102	197
	28,620	28,219

Amounts due to member agencies towards disaster response programmes include £19.3m for the Nepal Earthquake, £3.1m for the Ebola Crisis, £6m for the Philippines Typhoon (2015: Ebola Crisis £8.6m, Gaza Crisis £4.9m, Philippines Typhoon £14.4m).

12. CREDITORS: AMOUNTS DUE AFTER ONE YEAR

	2016 £000	2015 £000
Due to member agencies - Disaster response programmes	9,656	10,570

Amounts due to member agencies towards disaster response programmes relate to the Nepal Earthquake (2015: Ebola Crisis £3.6m, Gaza Crisis £0.1m, Philippines Typhoon £6.9m).

13. OPERATING LEASE COMMITMENTS

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2016 £000	2015 £000	2016 £000	2015 £000
Less than one year	81	-	4	-
One to five years	20	81	1	4

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £000	Endowment funds £000	Restricted funds £000	Total funds £000
Tangible fixed assets	7	84	-	91
Net current assets	779	1,166	10,262	12,207
Creditors: amounts due after one year	-	-	(9,656)	(9,656)
Net assets at the end of the year	786	1,250	606	2,642

ACCOUNTS

Notes to the financial statements for the year ended 31 March 2016

15. STATEMENT OF FUNDS

	At the start of the year £000	Income £000	Disaster response programmes £000	Resources expended £000	Transfers between funds £000	At the end of the year £000
Restricted funds:						
DEC Nepal Earthquake Appeal	-	50,266	(52,092)	(3,295)	5,415	294
DEC Ebola Crisis Appeal	1,125	339	(1,278)	(249)	86	23
DEC Gaza Crisis Appeal	497	25	(433)	(78)	39	50
DEC Philippines Typhoon Appeal	309	108	(344)	(82)	35	26
DEC Syria Crisis Appeal	392	5	(428)	-	31	-
DEC Next Appeal	3	172	-	(62)	100	213
Total restricted funds	2,326	50,915	(54,575)	(3,766)	5,706	606
Unrestricted funds:						
General reserve	679	1,053	-	(918)	(28)	786
Designated reserve	86	5,592	-	-	(5,678)	-
Total unrestricted funds	765	6,645	-	(918)	(5,706)	786
Expendable endowment	1,240	10	-	-	-	1,250
Total funds	4,331	57,570	(54,575)	(4,684)	-	2,642

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

The DEC Nepal Earthquake Appeal was launched on 28th April 2015 and raised £55.7m (including gift aid) in this financial year. This includes £5m UK Aid Match funding contributed by the Department for International Development. £52.1m was committed to member agencies in the year towards disaster response programmes in Nepal.

The DEC Ebola Crisis Appeal was launched on 29 October 2014. During the financial year, a further £425k (including gift aid) of income was received and £1.3m was committed to member agencies towards programmes in Sierra Leone, Liberia and Guinea.

The DEC Gaza Crisis Appeal was launched on 7 August 2014. During the financial year, a further £64k (including gift aid) of income was received and £433k was committed to member agencies towards response programmes in Gaza.

The DEC Philippines Typhoon Appeal was launched in November 2013. During the financial year, a further £143k (including gift aid) of income was received and £344k was committed to member agencies towards response programmes in the Philippines.

The DEC Syria Crisis Appeal was launched in March 2013 and remained open for an extended period in response to the ongoing problems in that country and the neighbouring region. An additional £36k (including gift aid) was received in the financial year and £428k was committed to member agencies towards response programmes in Syria.

During the financial year and since the DEC Nepal Earthquake Appeal closed to fundraising, £275k of income was received that will go towards the next DEC appeal. £62k of expenditure has also been incurred in preparation for the next DEC appeal.

General reserve transfers Unrestricted income includes £114k of legacy income that was designated in the year towards DEC appeals. This is shown as a transfer between funds of £11k to the DEC Nepal Earthquake Appeal and the balance to the next DEC appeal.

Designated funds Gift aid tax recoverable on donations to the DEC Nepal Earthquake and other DEC appeals, although unrestricted, is designated to the relief work respectively in Nepal and those crisis-affected countries for which DEC appeals are launched. Income accrued for gift aid to these appeals has already been transferred from the designated fund to the restricted fund for the DEC Nepal Earthquake Appeal and other DEC appeals respectively as there is a presumption that this money will be utilised towards these appeal responses.

Expendable endowment DEC received a legacy of £1.7m during the 2010/11 financial year which established an expendable endowment by a trustee declaration of trust to be spent over 10 years. No expenditure was incurred against the endowment fund in the financial year.

ACCOUNTS

Notes to the financial statements for the year ended 31 March 2016

16. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £000	2015 £000
Net expenditure for the reporting period (as per the statement of financial activities)	(1,689)	(957)
Depreciation charges	62	34
Interest from current asset investments	(425)	(340)
Decrease in debtors	2,286	1,985
Decrease in creditors	(513)	(7,589)
Net cash used in operating activities	(279)	(6,867)

17. RELATED PARTY TRANSACTIONS

The charity trustees disclosed on page 23 include chief executives of all member agencies. The material transactions are disclosed in note 6. The member agencies made donations of £750k (2015: £753k) in the year to the charity. In addition, £116k was collected in the year by the member agencies and passed onto the charity for the DEC Nepal Earthquake Appeal.

18. 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.

BOARD OF TRUSTEES

ROLES OF THE BOARD SUB-COMMITTEES

Membership and Accountability

Committee – Responsible for developing accountability policy and monitoring performance by member agencies and the Secretariat against it, and overseeing Secretariat activity to promote learning and accountability. The committee is also responsible for ensuring our membership criteria are appropriate; making decisions on action with non-performing members and recruitment of independent trustees.

Chair: Jeremy Bennett

Members: Ken Burnett, Rose Caldwell, Naser Haghamed, Baroness Helene Hayman, Clive Jones, Laurie Lee, Girish Menon, Richard Tait, Clare Thompson

Audit, Finance and Risk Committee –

Responsible for overseeing financial strategy, risk management and audit arrangements. The committee is also 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.

Chair: Clare Thompson

Members: Mike Adamson, Jeremy Bennett, Mark Goldring, Nigel Harris, Tim Pilkington, Chris Roles

Remuneration Committee –

Responsible for reviewing DEC Secretariat remuneration policy and practice on an annual basis for recommendation to the full Board.

Chair: Clive Jones

Members: Jeremy Bennett, Rose Caldwell, Chris Roles, Clare Thompson

BOARD OF TRUSTEES

INDEPENDENT TRUSTEES

Clive Jones, CBE

Chair of Trustees

Jeremy Bennett

Vice Chair

Clare Thompson

Honorary Treasurer

Ken Burnett

Baroness Helene Hayman

Richard Tait, CBE

MEMBER AGENCY TRUSTEES

David Alexander

ActionAid UK – Interim Executive Director
(resigned 31/08/15)

Girish Menon

ActionAid UK – Executive Director
(appointed 01/09/15)

Chris Roles

Age International – Director

Mike Adamson

British Red Cross – Chief Executive

Chris Bain

CAFOD – Director

Laurie Lee

CARE International UK – Chief Executive

Loretta Minghella, OBE

Christian Aid – Director

Rose Caldwell

Concern Worldwide UK – Executive Director

Mohamed Ashmawey, PhD

Islamic Relief Worldwide – Chief Executive
(resigned 23/03/16)

Naser Haghamed

Islamic Relief Worldwide – Chief Executive
(appointed 10/04/16)

Mark Goldring, CBE

Oxfam GB – Chief Executive

Tanya Barron

Plan International UK – Chief Executive

Justin Forsyth

Save the Children – Chief Executive
(resigned 31/01/16)

Tanya Steele

Save the Children – Interim Chief Executive
(appointed 01/02/16)

Matthew Frost

Tearfund – Chief Executive
(resigned 22/11/15)

Nigel Harris

Tearfund – Chief Executive
(appointed 23/11/15)

Tim Pilkington

World Vision UK – Chief Executive

DEC SECRETARIAT

KEY MANAGEMENT

Saleh Saeed OBE

Chief Executive

Adil Husseini

Director of Fundraising
and Marketing

Annie Devonport

Director of Programmes
and Accountability

Brendan Paddy

Director of Communications

Richard Dye

Director of Finance
and Business Development

OTHER PERMANENT STAFF

Adrian Walker

Executive and Board Support Officer

Annabelle Whipp

Fundraising Officer

Hannah Clarke

Philanthropy and Partnerships
Executive

Kathryn Brooke

Direct Marketing Manager
(on maternity leave)

Lisa Robinson

High Value Partnerships Manager

Matthew Warnock-Parkes

CRM Systems and Supporter
Services Manager

Nazia Hassan

Direct and Digital Marketing
Manager (maternity cover)

Frances Crowley

Monitoring, Evaluation,
Accountability and Learning Manager

Sarah Maynard

Programmes and Finance Officer

Leon Green

Digital Communications Manager

Margaret Ling

Accountant

Sarah Sansom

Business Executive

REGISTERED OFFICE

43 Chalton Street, London, NW1 1DU

AUDITORS

Sayer Vincent
Invicta House
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VOLUNTEERS

We were greatly assisted by help from volunteers, amounting to 179 days over the course of the year. Thank you to our office support volunteers Laurent Arnone, Mo Bulbrook, Zozi Goodman, Caitlin Jones, Hannah Taylor; also to Appeal and event volunteers Julius Billones, Mo Bulbrook, Zozi Goodman, Nathalie Llorente, Ruby Mughal, Laura Pyman, Fran Whipp.

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