

DISASTERS EMERGENCY COMMITTEE

Annual Trustees'
Report and Accounts
2007/08

Disasters **Emergency** Committee
Working together

DEC

Disasters Emergency Committee Annual Trustees' Report and Accounts 2007/08

The aims of the DEC

In the event of a major emergency overseas, the DEC Secretariat launches and co-ordinates a high profile national appeal for public donations to provide appropriate emergency relief for people in urgent need. Speaking on behalf of and with the expertise and authority of its Member Agencies the DEC ensures the appeal gets maximum publicity. This way, the most is made of public support at crucial times which allows the DEC Member Agencies to acquire essential extra income.

In addition the DEC:

- Ensures that funds raised are used in an effective, timely and fully accountable way
- Facilitates agency co-operation, co-ordination and communication
- Raises standards in the implementation of humanitarian responses.

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Foreword

New look Annual Report from the DEC Trustees

Welcome to the DEC Annual Report for 2007/08. We hope that this new report format reflects the DEC's continued commitment to improving its accountability for how the money is raised by the DEC and then spent by its Member Agencies.

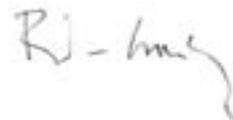
It has been a busy year with two quite different appeals for Darfur & Chad and Bangladesh, while winding up the Tsunami Appeal fund, and as we go to print we have launched an appeal for the awful tragedy unfolding in Myanmar (Burma), so we have much to reflect on and share and hope this report does the year's progress justice.

In terms of improving performance, the Trustees have chosen key areas to monitor systematically and to communicate back to you, the donors and organisations, who are crucial for the success of our appeals. They are the critical areas of performance on which we want to drive improvement, and we acknowledge that the last two are particularly challenging.

- we run well managed appeals
- we use funds as stated
- we achieve intended programme objectives and outcomes
- we are committed to agreed humanitarian principles, standards and behaviours
- we are accountable to beneficiaries
- we learn from our experience

The report sets out this year's achievements and challenges and from this baseline we will highlight, each year, any improvements both for the running of well managed appeals and delivering best practice in humanitarian response.

Many thanks,



Brendan Gormley
CEO

Key Achievements against the 3 DEC priorities for 2007/08

Priority 1 Maximise income for appeals

The DEC launched 2 appeals this year

Darfur & Chad Crisis

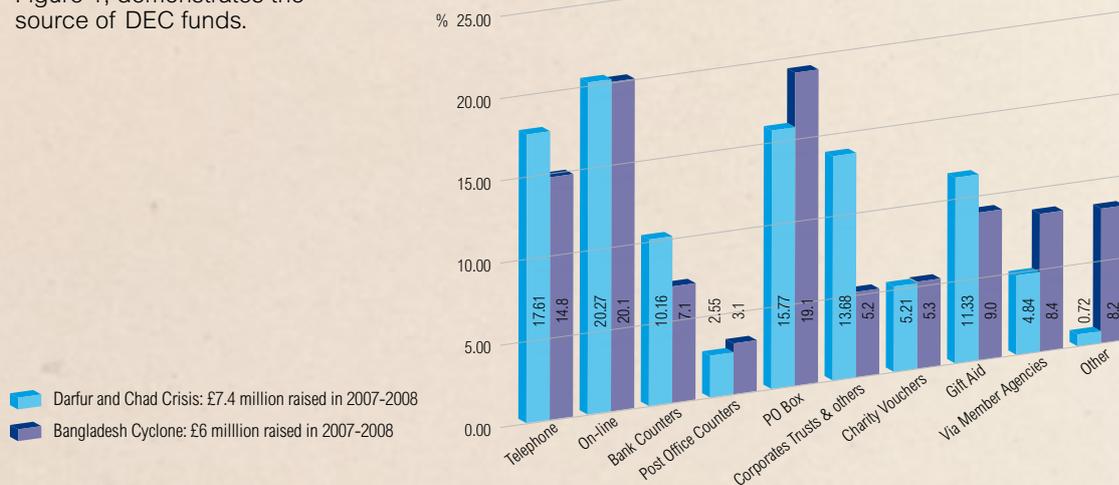
In May 2007, the DEC appealed to the UK public for their help with what the United Nations described as the world's worst humanitarian crisis. Four and a half million people were brought to the brink of disaster in the Darfur region of Sudan, with the conflict spilling over into neighbouring Chad and the Central African Republic. This was the second time the DEC had appealed for Darfur because of the worsening situation. The appeal was open throughout the financial year and it raised over £13 million (£7 million directly by the DEC and £6 million by DEC Member Agencies). Gift Aid income is £800,000. Programme activities were designed to help around 284,200 households; with an average of 5 - 6 people per household. The number of people supported by DEC funds is likely to be approximately 1.5 million.

Bangladesh Cyclone

At the end of November 2007, the DEC appealed again to the public, this time in the aftermath of Cyclone Sidr, when rescuers struggled to reach isolated areas along Bangladesh's devastated coast. We asked for support to give aid to millions of survivors. Three thousand people were confirmed dead and five million were affected. This emergency came soon after the flooding in the northern regions of the country. The appeal raised £8 million and was an important contribution to the relief effort (£6m by DEC and £2m by DEC Member Agencies). Gift Aid income to date is £537,000. The appeal remains open into the next financial year.

Source of Funds

Figure 1, demonstrates the source of DEC funds.





Appeal activities

Press coverage

National and Regional press releases were issued over a two week period for both the Darfur & Chad and Bangladesh appeals. The DEC placed press advertisements in 34 national papers for Darfur & Chad and 14 for Bangladesh. It was particularly difficult to obtain coverage for the Bangladesh appeal because most advertising space had been pre-bought by commercial advertisers for their Christmas promotions.

Press conferences

For the Darfur & Chad appeal there was a press conference at Save the Children's office in London and for the Bangladesh appeal one in the House of Lords (hosted by Baroness Udin) and another on Brick Lane, London (hosted by the Bangladesh restaurateurs).

Telephone calls

For the launch night 5000 lines were set up for the Darfur & Chad appeal and 4000 lines for the Bangladesh appeal. Volunteers gave support on the TV launch night. For Darfur & Chad there were approximately 100 and for Bangladesh 70 volunteers. Our automated donation call lines have taken 28,000 calls for the Darfur & Chad appeal and 25,000 for the Bangladesh appeal.

TV and Radio coverage

The BBC, ITN, Sky, Channel 4, Channel 5 and MTV all covered the Darfur & Chad appeal. The BBC produced an appeal broadcast for the Bangladesh appeal that was used by ITN and others whilst Sky produced their own. Joanna Lumley and Fergal Keane presented the appeals for Darfur & Chad. Adrian Chiles presented the BBC produced appeal for Bangladesh. In the nations, celebrities presented appeals in Scotland and Wales. Commercial radio stations covered the Darfur & Chad and Bangladesh appeals at least twice a day for a period of two weeks.

New Media advertising

DEC electronic banners started to be used in the Darfur & Chad appeal and 19 million impressions were served through major websites. With additional attention to this new media in the Bangladesh appeal the number of impressions increased to 33 million.

Appealing to the public

The DEC approached the public to support both the Darfur & Chad and Bangladesh appeals through email or letter mailings. Donors can also receive feedback through electronic media following an appeal.

Key Achievements against the 3 DEC priorities for 2007/08

Priority 2 Improved accountability

The Trustees agreed the following aims for a new Accountability Framework:

- ensure that the DEC remains publicly and independently accountable
- strengthen the Board's ability to hold members and the Secretariat to account
- ensure members have mechanisms of accountability to beneficiaries
- improve performance
- enhance reputation through a commitment to open information.

During the year, a rigorous process of assessment and reporting against accountability priorities set out below was rolled out.

- We run well managed appeals
- We use funds as stated
- We achieve intended programme objectives and outcomes
- We are committed to agreed humanitarian principles, standards and behaviours
- We are accountable to beneficiaries
- We learn from our experience

The Board of Trustees will use the evidence gathered to hold Member Agencies and the Secretariat to account and keep the public informed about how the DEC has performed annually. The Trustees are keen that the DEC Accountability Priorities represent 'frontiers of good practice' and reflect areas for improvement.

Monitoring of appeal expenditure

The Secretariat defines clear terms of reference for monitoring visits. The visits to both Chad and Bangladesh aimed to review what is being delivered, to reflect on how these programmes are supporting beneficiaries and to provide evidence for learning, especially for high risk areas.

The DEC collaborated in a National Audit Office 'Value for Money Review' providing an independent report of the 2006 response to the Kashmir (Asia) Earthquake.

Information exchange and learning

Throughout the year the Secretariat continued to facilitate Member Agencies' sharing of information on areas and countries of concern. Six teleconferences were held, including two on Zimbabwe; two of the six teleconferences contributed to decisions to launch appeals. Written submissions with field reports are shared on the Members' area of the DEC website.

In addition the Trustees are committed to raising standards in the delivery of humanitarian programmes. During the year the DEC has reviewed construction in Indonesia and explored the challenges of involving vulnerable groups in local needs assessments.

DEC Operations Manual

May 2008

www.dec.org.uk

Priority 3 Effective administration

New membership criteria

The Board has published new membership criteria to ensure the DEC is open to the leading UK charities capable of upholding established standards in humanitarian aid for emergency relief. The DEC has decided on a maximum membership of 15 to ensure that it remains cost effective and manageable in running successful unified appeals.

Office system improvements

A new website has been launched with the Darfur & Chad thank you and update message featuring Joanna Lumley. The new website has an improved structure, provides better navigation for users, more information on appeals and progress on disaster responses for donors and the public.

Web based access to donor records enables us to respond to donor queries within 24 hours which has improved levels of donor care. Numbers of donor queries for the Darfur & Chad and Bangladesh appeals were 324 and 206 respectively with less than 0.5 percent of these being complaints.

The Secretariat has reviewed and reissued the DEC Operations Manual which is the key tool for guiding the Secretariat interactions and agreements with Member Agencies. The new Manual improved the reporting on disaster responses and the evidence for reporting back on progress both to the Member Agencies and the general public.

A new critical path planner for launching an appeal with the key decision points and contributors has been established. This made it possible to launch the Bangladesh cyclone appeal within 48 hours of confirmation of the broadcasters' support.







© Penny Tweedie/Help the Aged

Tsunami Summary 2007

On 26 December 2004, South Asia, South East Asia and Somalia were hit by a series of tsunamis. Over 230,000 people lost their lives and millions saw their livelihoods and homes wiped out. The DEC launched an immediate appeal to respond to this devastating natural disaster across 7 countries.

Left

Balakrishnan, aged 56 (on the far right of the photo), is the leader of the Elders' Self-Help Group (ESHG) in Thalangua, India. The tsunami destroyed his boat, and with it the source of the family's income. Help the Aged provided Balakrishnan with a loan so that he could buy a new fishing boat. He now earns enough money from fishing to support his family. Not only can he feed and clothe them, but he can also cover their medical needs when necessary.

Facts and figures

Figure 2: Allocation of DEC funds and expenditure by Member Agencies for years 2005, 2006 and 2007

Member Agencies	Total Allocation £'000	Expenditure 2005 £'000	Expenditure 2006 £'000	Expenditure 2007 £'000	Total Expenditure £'000
ActionAid	29,564	9,882	9,298	9,406	28,586
British Red Cross	64,625	12,898	18,236	27,552	58,686
Cafod	25,321	9,003	11,699	4,553	25,255
Care International UK	33,434	8,288	12,522	10,255	31,065
Christian Aid	37,444	14,029	16,080	7,285	37,394
Concern Worldwide	11,096	6,059	5,037	-	11,096
Help the Aged	9,232	2,296	2,646	3,802	8,744
Islamic Relief	2,200	-	-	1,014	1,014
Merlin	10,845	1,998	4,399	4,022	10,419
Oxfam	65,785	22,522	20,289	18,107	60,918
Save the Children	52,468	19,809	17,403	14,694	51,906
Tearfund	19,852	2,749	7,886	8,553	19,188
World Vision	20,210	5,808	7,850	6,204	19,862
Total	382,076	115,341	133,345	115,447	364,133

Expenditure for three years represents 95% of the allocation and the remainder of the allocation will be expended in 2008

Funding by country affected

Seven countries received support from DEC Member Agencies in accordance with the impact of the tsunami.

Figure 3: Expenditure of DEC funds by country, 2007: £'000 and percentage

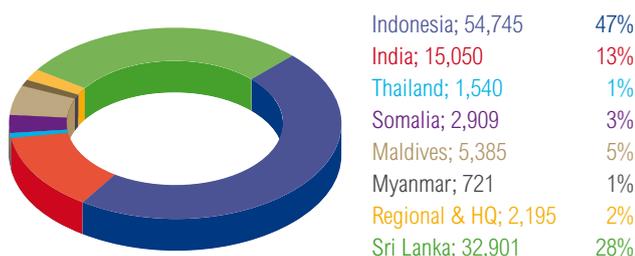
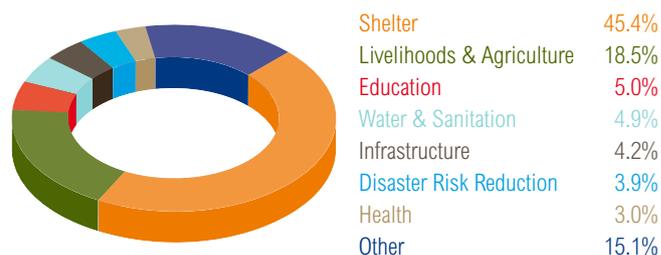


Figure 4: Use of funds by sector of activity, 2007



Major achievements in 2007

Shelter

10,659 houses built

570 houses repaired

34 community buildings constructed – 8 of which are for elderly people

1 community library

Livelihoods

747 boats distributed or repaired and 2,574 fishing nets distributed

2,365 micro finance projects started

20 demonstration farms developed & 172 agricultural tool kits provided

35,000 rubber seedlings distributed

276 animals provided such as goats, pigs, cows and buffaloes

23 artificial fishing reefs created

Numerous enterprises established such as grocery shops, bakeries, dress making, goat rearing

Water and Sanitation

33 large scale water systems implemented

56 bore holes drilled

2,924 wells built

3 spring sources created

8,265 latrines constructed or repaired

23 organic composts

Health

236 health centres built

104 mobile health camps set up

30,068 people provided with dental treatment and 33,432 dental hygiene kits distributed

13,852 health kits provided

506 disability aids distributed

3,119 eye operations carried out

Numerous training sessions on HIV/Aids awareness and hygiene promotion

Emergency Relief / Risk Reduction

38 risk assessments carried out in villages

Over 17,000 kits distributed containing tools & household goods

55 school tents and 3000 family tents

Numerous educational and training sessions

Education

30 schools constructed

15 educational centres established

250 children with disabilities enrolled in education

Thousands of teachers trained

Future Plans

In 2008 just under £14.5 million has been disbursed to DEC Member Agencies for use mainly in Indonesia and Sri Lanka. Part of these funds will be used to complete projects already started with a further 1,214 houses to be built, along with many toilets and water supplies. Due to the continuing conflict in Sri Lanka some of the funding will be used to provide for those who are displaced from their homes. Around 35% of the available funding will be used for programmes to strengthen community capacity to deal with future disasters.





Darfur and Chad Crisis Appeal Summary

The Darfur and Chad appeal was launched in May 2007 in response to the continued crisis in the region and the imminent onset of rains, which seriously threatened to affect the displaced populations who were living in aging tented camps.

Over the period of the appeal a total of £7.4 million was raised by the DEC of which £6 million was allocated to Member Agencies in the initial funding with the remainder in March 2008. Programme activities were designed to help around 284,200 households; with an average of 5-6 people per household the number supported by DEC funds is likely to be approximately 1.5 million.

Left

Creating a decent shelter before the rains arrive is a top priority for refugee families from Darfur and those displaced within Chad. In June 2007, Save the Children sent 45 tonnes of vital supplies to Eastern Chad, including enough heavy duty tarpaulins to shelter 5,000 families.

Background to the appeal

Despite the signing of the Darfur Peace Agreement in May 2006 between the government and one rebel faction violence in all three Darfur states continues. Local communities were still being attacked by militias, with renewed clashes between Janjaweed militias and rebel forces in certain areas. Banditry and looting were widespread, along with rape and killing of civilians. This resulted in vast movements of people across the border to neighbouring Chad. It is estimated that 230,000 refugees fled to Eastern Chad from the Darfur region of Sudan between October 2003 and April 2004.

Neighbouring Central African Republic (CAR) also saw an increasing number of civilians being

killed, wounded, left homeless and destitute or being caught up in the escalating armed conflicts that spread across the northern parts of the CAR. Uprooted families fled into the bush or sought safety with host communities in Chad. Between 150,000 and 282,000 people were displaced internally with reports of population movements across the border into neighbouring countries.

Programme Progress

The following table, figure 5, sets out how the money was allocated to the Member Agencies, for use in the three countries affected by this crisis and the number of beneficiaries they expect to assist per country.

Figure 5: Allocation of funds by country and Member Agency and expected beneficiaries per country, as at February 2008.

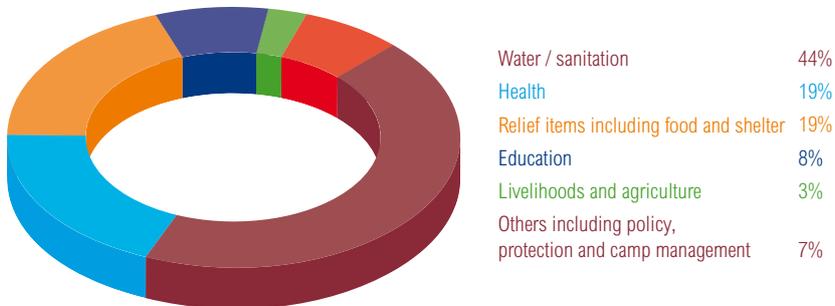
Member Agency	Sudan Darfur £'000s	Chad £'000s	Central African Republic £'000s	Total £'000s
British Red Cross	860	153	134	1,147
CAFOD	322	-	-	322
Christian Aid	215	295	-	510
CARE International UK	243	139	-	382
Concern	-	180	-	180
Help the Aged	180	-	-	180
Islamic Relief	3	232	-	235
Merlin	-	-	180	180
Oxfam	796	622	-	1,418
Save the Children UK	-	697	-	697
Tearfund	291	-	-	291
World Vision	376	-	-	376
Totals	3,286	2,318	314	5,918
Percentage of funding	56%	39%	5%	
Expected No of Beneficiary Households	189,000	70,000	25,000	284,000
Average number of members per Household	5 – 6	5	5	



Save the Children

What programmes are being undertaken?

Figure 6: Use of funds by sector of activity



Headline achievements (9 months)

Education

101 community teachers trained
6,000 children have access to safe play areas
5 community based child protection networks established reaching over 7,000
Construction of 3 permanent schools plus another supported with equipment and books

Water and Sanitation

12 water supply networks set up
44 boreholes drilled and 16 wells dug with a further 10 chlorinated
104 water points built &/or repaired and fenced
16,409 latrines constructed or rehabilitated
1008 wash stands constructed
Community water committees trained and employed to manage the water points and numerous public health hygiene promotion activities carried out
21 geophysical surveys conducted

Health

1 health clinic and 1 paediatric ward reconstructed with a further 11 rehabilitated and supported
Primary Healthcare provided in 4 communes in Central African Republic
Around 36,000 households have improved access to health care including surgical support to 99 weapon wounded patients
2 nutrition stabilisation centres constructed plus 6 feeding programmes established and/or supported
8,738 mosquito nets distributed
53 health personnel and 28 traditional birth attendants trained
Over 16,712 health education sessions undertaken

Protection and Camp Management

Curriculum for training on sexual and gender based violence developed and training provided with 326 people
3 internally displaced persons camps managed with camp committees established
8 child friendly spaces constructed
5,000 households sensitised on conflict mitigation

Livelihoods

24,158 households received fodder for animals or seeds and tools; 60,000 tree seedlings were distributed
15 para-vets received training
300,000 animals vaccinated
90 people received skills training plus 600 trained in building fuel efficient stoves
100 donkey carts provided to women headed households
8 flour grinding machines provided

Shelter and Relief Items

More than 63,620 households provided with shelter materials and/or household items
2,049 people supported with food baskets
273 people received new shelters
788 hygiene kits distributed

Challenges faced by the Member Agencies

Many of the Member Agencies faced challenges in implementing their intended programmes, the greatest one being the continued insecurity across the region. Attacks on humanitarian staff, vehicles and premises have made it difficult for the Member Agencies to reach project areas. In addition, during the very heavy rainy period roads became impassable and some areas were cut off. At times it became necessary to use helicopters for transporting staff and relief items, greatly increasing the cost of the programmes.

The difficulties of working in the hostile environment of Darfur, Chad and CAR are clear. Four Member Agencies that started up new programmes in Chad and CAR were not fully operational after 3 months. Furthermore, at the end of the 9 month disaster response period 6 out of 12 Member Agencies sought a 3 month extension in order to complete their planned activities.

Although access to clean water is a major need, and many Member Agencies planned to drill boreholes and sink wells, some have been hampered by the lack of adequate competent contractors to complete the work. Where this has been the case, community hygiene education has been carried out to assist households to make the best and safest use of the available water.

Review activity and lesson learning

An independent Monitoring Mission to Chad was undertaken in August 2007. The consultant found that Member Agencies that were already operational were able to scale up activities with the help of DEC funds. Five Member Agencies set up new programmes and although skilled in rapid response, faced huge difficulties. Despite that, DEC Member Agencies had on the whole arrived in time to distribute the essential items before the rainy season.

The report stressed the complexity of the context, with conflict and a harsh environment. The key issues for improvement were that coordination mechanisms between Member Agencies and other bodies such as the UN needed to be strengthened; one Member Agency had staff isolated due to the impassable roads; and whilst security of staff was paramount, Member Agencies should endeavour to avoid cutting themselves off from the population through over cautious security procedures and protocols.

Through their own monitoring of the programmes Member Agencies have identified a number of lessons such as:

- the need to distribute mosquito nets to women in Chad, as the society is polygamous, men may have several households
- people have used tarpaulins to dry cassava rather than for shelter, so additional tarpaulins have been provided
- for water and sanitation projects it is important to employ more women as community mobilisers and to increase the hygiene training for the community in order that the programme is effective
- water hand pumps are more likely to be durable rather than motorised systems, as they require less maintenance.

Conclusion

From the beginning of March 2008 six Member Agencies are utilising the remaining appeal funds of £1,085,000 with 24% allocated to programmes in Darfur and 76% to Chad. These activities should be completed by the end of November 2008.

In light of the difficulties experienced by the Member Agencies and identified by the Monitoring Mission, the Board will consider commissioning a review to establish whether the criteria for launching an appeal should be further defined to ensure that all Member Agencies wishing to participate in the appeal are able to respond in good time and whether the 9 month timeframe is applicable in all situations.



Bangladesh Cyclone Appeal Summary

On 15th November 2007, cyclone Sidr with strong winds over 155 miles per hour crossed from the northern Bay of Bengal triggering a high tidal surge 15 feet high which swept inland and devastated a total of 30 districts of Bangladesh. On 22nd November, the DEC launched an appeal for funds from the public to enable Member Agencies to respond to the need of the affected communities. The DEC has raised £6 million to date of which £5 million has been allocated to the Member Agencies. The appeal will close at the end of August 2008 and a final allocation will be made.

Left

Halim sitting by a partially built home. Halim received 18 pieces of metal sheeting, screws, nails and timber from Oxfam to build his new house. Because of his carpentry experience, he also received a carpentry toolkit that will enable him to help others in the community rebuild their homes in return for a small fee.

Background to the Appeal

Bangladesh is the 7th most populous country in the world, and is one of the countries most prone to natural disasters.

Despite huge efforts to put in place disaster management plans, the tremendous force of Cyclone Sidr still resulted in a trail of death and destruction; approximately 3,275 people were killed with a further 39,773 injured. Millions of families were left homeless, children orphaned, women widowed and many left with disabilities. In total around 5.5 million people were and continue to be affected and half a million homes destroyed. Roads and bridges were swept away and trees uprooted.

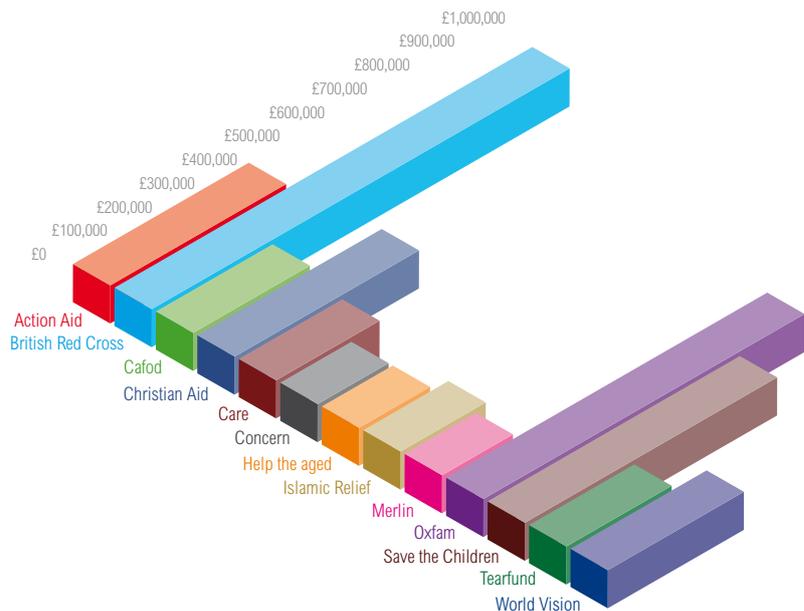
Not only were lives lost and people injured, their livelihoods were also ripped apart; crops planted on 1.61 million hectares of agricultural land were damaged, with crops on at least 0.2 million hectares completely destroyed. Large numbers of cattle, buffalo, goats and poultry were killed with numerous animal carcasses found floating in the rivers or washed up on the river banks.

Community infrastructure was swept away, schools, hospitals and clinics lost, along with all the equipment. As is usually the case children under 5 and women, especially pregnant women and breastfeeding mothers, people with disabilities and elderly people are most affected. Children as well as adults were left in a state of shock from the overwhelming physical destruction.

Who is benefiting from this response?

The people living in the 9 coastal districts were the most severely affected by the cyclone, namely Bagherhat, Barguna, Barisal, Gopalganj, Khulna, Madaripur, Patuakhali, Pirojpur and Shariatpur. DEC Member Agencies concentrated on 5 districts, however Christian Aid also worked in the remaining 4 districts and Merlin undertook a health needs assessment right across the region to inform medical response.

Figure 7:
Allocation of funds to Member Agencies



Programme progress

The initial swift allocation of funds to Member Agencies followed the standard criteria as set out in the DEC Operations Manual. However, due to a larger and longer than expected flow of income a second allocation was made in January 2008. Two Member Agencies elected not to take up these funds, which were then apportioned to the remaining 11.

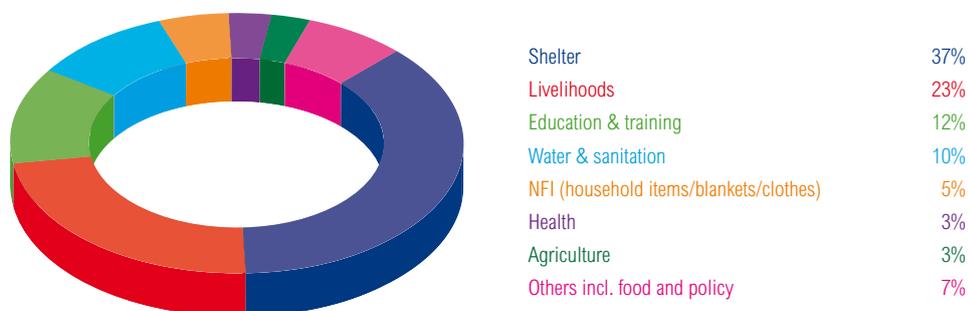
At the 3 month stage 25% of the funds have been spent. This may appear lower than expected and can be explained as being due in part to use of funding received from other sources to provide for the early interventions. In addition, the more costly shelter and reconstruction and livelihoods programmes will be implemented during the remainder of the response period.

What programmes are being undertaken?

Figure 8 shows how Member Agencies have allocated programme funds to different types of support. Due to the higher costs associated with providing shelter, this is the highest percentage.

The priority immediately after the cyclone struck was to protect lives and minimise the suffering of surviving families. Member Agencies supported the Government of Bangladesh by assisting with the provision and distribution of food rations; providing access to emergency healthcare; distributing clothes and bed nets to protect against disease carrying mosquitoes; providing clean drinking water and lime to purify ponds and distributing temporary shelter material such as plastic sheeting or tarpaulin. An effective way Member Agencies assisted communities was through programmes which provided cash for work. This enables people to meet their own individual needs, helps keep the local economy running and assists in the clean up operations following the massive destruction of community infrastructure.

Figure 8:
Use of funds by sector of activity



Headline achievements (3 months)

Relief Items Distributed

Food packs to 36,138 households
Clothing to 55,056 households
Kitchen utensils to 18,000 households
7,500 blankets
3,000 jerry cans

Water and Sanitation

Chlorinated water distributed for
30 days to 13,500 households
19,500 hygiene kits
Water pond treatment for at least
48,339 households
67 tube wells repaired or cleaned
Hygiene education sessions held

Livelihoods

Emergency cash for work for
around 28,500 households
Seeds for 21,596 households
310 fishing nets

Shelter and Education

Tarpaulins to assist 3,600
households
140 transitional houses set up
Corrugated iron sheeting provided
to 1,414 households
190 safe spaces set up for children

Health

Improved access to health care
systems for 104,503 households
Emergency medical assistance
provided to 58,278
Oral rehydration solution
distributed to 5,000 older people
2,000 mosquito nets

At the 3 month stage the emergency relief phase has been officially closed by the Government of Bangladesh with Member Agencies now laying emphasis on livelihoods and shelter programmes that will reduce the risks associated with future disasters.



Challenges faced by the Member Agencies

One of the early challenges identified by the Member Agencies is the speedy progression of their medium term livelihoods and shelter programmes. The Bangladesh NGO Bureau requires that all such plans are submitted and approved by them before they can start implementation. In addition, stringently applied regulations have led to changes being made to the planned shelter programmes resulting in fewer households benefitting from the Member Agencies' support.

Review activity and lesson learning

A DEC Monitoring Mission identified that almost all Member Agencies appropriately used cash transfers and vegetable seed distribution to help with the early recovery, enabling communities to quickly re-establish gardens for the planting season. Three Member Agencies drew on lessons from previous disasters and targeted their shelter efforts on quality transitional materials to provide adequate protection against the impending monsoon. There was good evidence of involvement of beneficiaries in the disaster response with a high awareness of gender issues and the importance of respecting local customs and culture.

Delays were noted, however, in the transition from relief to recovery with some Member Agencies citing government indecision over standards and approvals as well as the challenge of recruiting personnel to scale up operations.

The Mission identified that the majority of Member Agencies failed to plan adequately for affected people who owned no land and who risk being left unsupported when the response is phased out. Recommendations include that any further allocation is targeted directly to this vulnerable group.

Conclusion

Cyclone Sidr caused huge damage to the coastal area of Bangladesh, with considerable loss of life; however, the losses were significantly less than in the cyclone of 1991 when more than 100,000 people perished. The reduction in the death toll is due largely to the efforts of the Government of Bangladesh and the International Community, including DEC Member Agencies, to put in place Disaster Risk Reduction plans. Their presence in the country and long standing relationships with partner agencies enabled many of them to utilise resources promptly in the early phase of the relief activities.

A number of DEC Member Agencies have planned to use the funds raised to assist with medium to longer term interventions such as rehabilitation and reconstruction of infrastructure and limited housing projects. Due to constraints around planning and permissions, these are taking longer to get off the ground.

Management and Improvement Report

Accountability Priorities

Well-managed appeals are central to the DEC Secretariat and quality disaster response programmes are the responsibility of the DEC Member Agencies.

To support excellence in these areas the Board of Trustees has agreed the key priorities for which the DEC should be held accountable and where it will collectively strive for continuous improvement.

The Member Agencies and the DEC Secretariat are committed to delivering on these priorities which are reviewed on an annual basis by the Board of Trustees. Both report performance and assurance activity against ways of working which underpin successful delivery of these priorities. The Board discusses individual and collective performance against these standards and will report annually on overall results and planned improvement actions.

Commentary on the Accountability Priorities Well Managed Appeals

We fundraise effectively

The Secretariat has embedded processes to ensure that donations are processed in line with donors' requirements. Formal reviews take place after every appeal to identify areas for improvement with early preparation to implement learning for the next appeal. Challenges include embedding processes for all activities, improving the fundraising strategy for each appeal linked to resources and budgets and providing more timely information for appeal messages.

We allocate funds promptly in accordance with capacity

There are well practised procedures for the allocation of funds and their timely distribution to the Member Agencies in line with their capacity as reflected in their disaster response plans. Letters of agreement confirm allocations and responsibilities. The Secretariat disburses funds directly to the Members for them to use according to the plans submitted. Challenges include setting targets and monitoring compliance.

We actively review programmes and facilitate learning

There are embedded reporting and review systems for monitoring Member Agencies' delivery of programmes. The reviews of programme delivery take place regularly. Financial plans and key risks are reported and regularly reviewed with Trustees. The Secretariat will aim to facilitate learning and follow up identified lessons more rigorously.

We are accountable to stakeholders

The Secretariat is committed to being accountable to stakeholders and has concentrated its efforts on donor accountability. It has also taken steps during the year to establish and then address the needs of those organisations (broadcasters, banks etc) that back the appeal

We are committed to agreed humanitarian principles, standards and behaviours

The majority of Member Agencies' assessments showed room for improvement in this area. This is mainly because although many have processes to embed the standards within operations (e.g. within programme proposals), these are often not subject to formal assurance mechanisms to verify that they have been applied as designed. All Member Agencies were able to demonstrate a statement of standards, albeit that several highlighted gaps.

Quality Disaster Responses

We use funds as stated

Overall, DEC Member Agencies demonstrated embedded processes in respect of financial control. In all Member Agencies, documented processes were in place governing the use of funds. Whilst some identified isolated weaknesses within the financial control framework, all articulated confidence in their processes for overall financial control.

We are accountable to beneficiaries

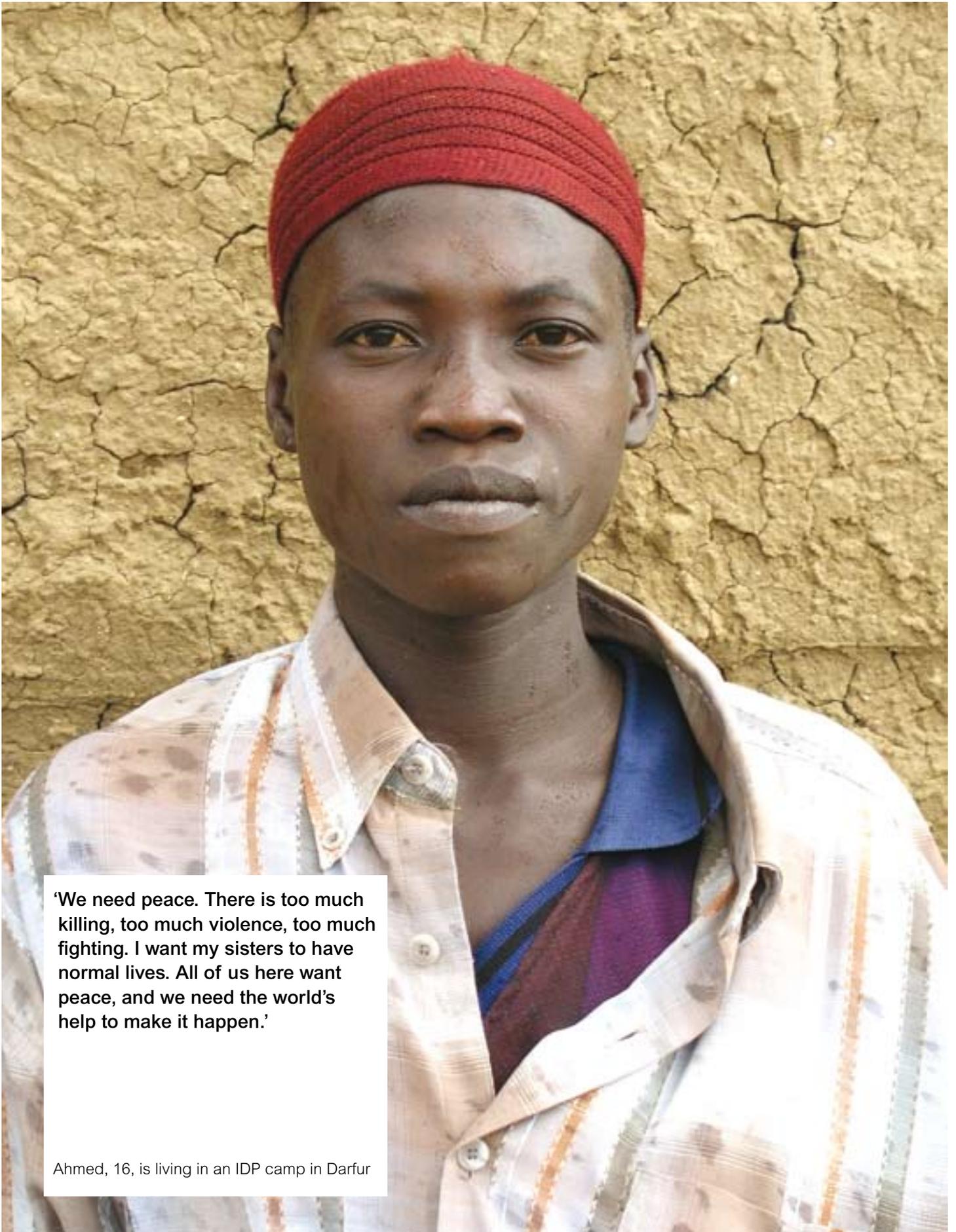
All of the Member Agencies communicated challenges in this area of the framework. Whilst aspects of beneficiary accountability were demonstrated to be present within all programmes to some degree, for the majority of Member Agencies there were not clear processes in place to ensure that this happens for every programme.

We achieve intended programme objectives and outcomes

The majority of Member Agencies communicated an overall confidence in their processes for programmatic control, albeit that most did identify areas for improvement. Member Agencies highlighted that the key weakness within this area of the framework is the ongoing assessment of unintended impacts of programme activity.

We learn from our experience

Member Agencies communicated challenges in this area and systems for organisational learning are often in relatively early stages of development in comparison to financial or programmatic processes. Most Member Agencies confirmed that learning within a given programme is embedded within the programme cycle. However, cross-programme and wider organisational learning is not yet fully developed and embedded for the majority of Member Agencies.



'We need peace. There is too much killing, too much violence, too much fighting. I want my sisters to have normal lives. All of us here want peace, and we need the world's help to make it happen.'

Ahmed, 16, is living in an IDP camp in Darfur

Plans for the Future

The Board have agreed a rolling three year Strategic Plan with three strategic objectives building on last year's achievements.

1. Maximum income from every appeal

To deliver appropriate marketing and operational campaigns which obtain optimal income against defined DEC emergency / crisis appeal categories.

During 2008/09 we will be developing categories for appeals based on differing levels of effective humanitarian responses and public awareness. This will enable us to communicate the implications of an emergency, and to develop and implement different press, marketing and disaster response strategies. In time we will set Key Performance Indicators for each category against which we can measure and evaluate performance and capture learning.

With the proliferation of new media opportunities the public are changing the way they are seeking news and donating to charity. Over the Strategic Plan period we will be working with current and new partners to adapt to this challenge.

2. Build Trust

Acquire and renew support from corporates, media partners and supporters, celebrities and donors with DEC Secretariat providing transparent, credible reports on the use of funds raised.

We will work with existing media partners to find interesting ways of providing post appeal feedback to the public. We will also increase our use of new media to give more engaging information.

In the past the DEC has been privileged to have our appeals represented by talented and committed celebrities who have supported our work at various stages of each appeal. We are looking to continue and increase support from well known figures for future appeals.

3. Effective DEC governance

The Board agree and monitor strategic direction and Member Agencies engage enthusiastically with the DEC.

The Accountability Framework has provided us with a sound methodology for assessing Member Agencies and the Secretariat against agreed accountability priorities. The priorities include areas of challenge, such as demonstrating commitment to humanitarian principles, standards and codes and in particular accountability to beneficiaries. During the coming year progress against improvement commitments will be monitored and reported.

New membership criteria were developed this year. Once the criteria have been published existing Member Agencies will be reviewed against these, as will potential new members. The aim is to ensure that the DEC membership continues to represent the leading UK agencies working on international humanitarian emergency relief.

DEC

Reference and administration details of the charity, its trustees and advisers

The Disasters Emergency Committee (DEC) is a UK registered charity (number 1062638) and a UK company limited by guarantee (number 3356526) and is governed by its Memorandum and Articles of Association. It operates as a fundraising umbrella organisation for 13 Member Agencies (Non Government Organisations – NGO's). It is governed by a Board consisting of the Chief Executive Officer from each Member Agency, together with up to four independent trustees, Chairman and Honorary Treasurer. These Trustees are also Directors of the Company.

Trustee Sub-Committees

Accountability
Audit
Recruitment
Remuneration
Risk Management



Richard Miller
Director
ActionAid UK
Risk Management



Lyndall Stein
Chief Executive
Concern Worldwide UK



Sir Nicholas Young
Chief Executive
British Red Cross



Michael Lake
Director General
Help the Aged
Remuneration



Chris Bain
Director
CAFOD
Accountability,
Audit



Dr Hany El Banna*
(resigned – 31st March 2008)
President
Islamic Relief



Geoffrey Dennis
Chief Executive
Care International UK
Risk Management,
Recruitment



To be appointed*
Chief Executive
Islamic Relief



Dr Daleep Mukarji
Director
Christian Aid
Accountability,
Remuneration



Carolyn Miller
Chief Executive
Merlin
Risk Management

*Further to the resignation of Dr Hany El Banna as CEO of Islamic Relief, Saleh Saeed will be appointed as the new CEO of Islamic Relief with effect from 30 June 2008 and will therefore become a trustee of the charity on that date.



Barbara Stocking
The Director
Oxfam
Recruitment,
Risk Management



Jasmine Whitbread
Chief Executive
Save the Children
Accountability



Matthew Frost
General Director
Tearfund



Charles Badenoch
Chief Executive
World Vision UK



Mike Walsh
Chair
DEC
Recruitment,
Remuneration



Adrian Martin
Honorary Treasurer
Chief Executive
Reynolds Porter
Chamberlain
Accountability, Audit,
Remuneration, Risk
Management



Dr Sheila Adam
Independent
Medical practitioner
and director within
NHS and Department
of Health (retired)
Accountability



Victoria Hardman
Independent
DEC
Audit, Recruitment



Dr Sheena McDonald
Independent
Radio and TV
producer/presenter
Recruitment,
Risk Management



Ann Grant
(appointed 26th
September 2007)
Independent
Vice Chairman
Standard Chartered
Capital Markets Ltd.
Accountability

Secretariat employees

Brendan Gormley
Chief Executive

Timothy Aseervatham
Finance Manager

Emma Boyle
Office Administrator

Annie Devonport
Humanitarian Programmes Advisor

Kathryn Hindley
Deputy Chief Executive

Patricia Sanders
Communications & Promotions

Jaime Walsh
Donations Assistant

Pat Willson
Donations Manager

Fiona Wilson
Internal Audit & Assurance

Registered Office

1st Floor
43 Chalton Street
London NW1 1DU

Bankers

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

Auditors

Deloitte & Touche LLP
2 New Street Square
London EC4A 3BZ

Solicitors

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

Structure, Governance and Management

Trustees' Responsibilities

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 Board allocates money raised by an appeal on the basis of a formula intended to reflect the capacity of each member. The Board monitors how allocated funds are spent and 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 Independent Trustees play an active role in Board meetings and Board committees as appropriate.

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 Chair's post is advertised and the Independent Trustees nominate a suitable candidate to the Member Trustees for approval. The candidate nominated cannot be a Member Trustee.
- new Independent Trustees are nominated by Independent Trustees and appointed by a majority agreement of the Member Trustees. Independent Trustees hold office for a term of three years and may be reappointed for a second term and then retire from office.
- the Trustees appoint an Honorary Treasurer and decide the term for the Honorary Treasurer.

The Trustees are responsible for preparing the Trustees' Report and the financial statements. The Trustees have chosen to prepare accounts for the charity in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). Company law requires the Trustees to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period and comply with UK GAAP and the Companies Act 1985. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Trustees' Report which complies with the requirements of the Companies Act 1985.

The Trustees are responsible for the maintenance and integrity of the charity website.

The Board of Trustees' decisions are made on the basis of a vote. Each Member Trustee and Independent Trustee and the Honorary Treasurer has an equal voting right. In the case of a split vote, the casting vote is made by the DEC Chair.

When the Trustees agree to launch an appeal, the day to day management of the appeal is delegated to the DEC Secretariat.

The Trustee Committees report on their conclusions to the full Board of Trustees.

Audit Committee

The Audit Committee is responsible for reviewing the draft financial statements before they are presented to the Board and for considering external audit opinion and management letter. In addition the committee is responsible for advising trustees on the appointment of external auditors; reviewing external audit plans to ensure that they are appropriate; reviewing the effectiveness of the internal control systems and ensuring that the findings contained within audit committee reports are taken forward appropriately by the Secretariat. During the year, the committee put in place a tender process for appointment of external auditor for the financial year 2008/09.

Recruitment Committee

The Committee, chaired by an Independent Trustee, ensures that appropriate Independent Trustee candidates are identified and shortlisted. It interviews potential Independent Trustees and makes a recommendation to the Board. The process used to identify candidates depends on the competences sought; usually vacancies are advertised or where appropriate an open recruitment process promoted to a wide audience within the sector

and its networks. In the year to 31st March 2008 DEC has begun the process of seeking a replacement for Sheena MacDonald who retires in September 2008 after 6 years on the Board. The appointment will be made in the 2008/09 reporting period.

Risk Management Committee

The Risk Management Committee continued to meet quarterly throughout the year and feedback from these meetings featured on the agendas of full DEC Board meetings.

The Member Agencies are responsible for identifying, assessing, addressing and actively monitoring the key risks to a quality disaster response. Their disaster responses have continued to reflect the complexities of the working environment and the uniqueness of the response. In terms of overall risk profile the disaster response programmes for Darfur and Chad had to deal with the highest level of risk.

Key Risks to Member Agencies' Disaster Response

Tsunami Earthquake Appeal

A key risk area was potential community unrest following phase out of Member Agency programmes.

Mitigating action included: the development of exit strategies and exit action plans for each project site; coordination with national societies and agencies continuing in country; capacity assessments and training aiming to support local partners with longer term commitments; action to ensure that commitments to beneficiaries are closed; keeping communities and authorities informed of work and timescale intentions; working towards community ownership and sustainable projects.

Darfur & Chad Crisis Appeal

A key risk to a successful disaster response in Darfur and Chad was the insecurity and political instability potentially affecting the timeline of the response and perhaps more importantly access to intended programme areas.

Whilst this risk is essentially outside the control of the Member Agencies they have taken action to mitigate the effects which included: constant assessment and monitoring of the security and political situations; coordination and transparent working with authorities at national and local level; establishment of a remote programming strategy in case of temporary withdrawal; a high level of communication with the host community and displaced people, and with beneficiaries through

established community structures and informal channels; adaptation of logistical support to reach programme areas; capacity building of local staff and community workers. There was also a variety of actions to help ensure the safety of agency staff working in these areas.

Bangladesh Cyclone Appeal

Although the risk profile for this disaster response was lower, there are key risks to a quality response because of insufficient resources, in terms of both quantity and quality.

Mitigating action included: critical assessments to balance the number of beneficiaries and the quality of aid provided; prioritisation of vulnerable beneficiaries and identification of local availability of materials; working through local partners with strong experience and country knowledge; increased technical support to programme design and implementation; programme activities focussed on community labour more than material inputs; adapting planned outputs to reflect inflation.

During the year the Risk Management Committee approved the DEC Risk Management Strategy which forms part of the revised DEC Operations Manual.

Accountability Committee

During 2007 the Accountability Group was stood down and a standing Accountability Committee put in place. This marked the transition from a focus on the development of the new DEC Accountability Framework to its implementation. The agreed aims of the DEC Accountability Framework include maintaining public, independent accountability and strengthening the Board's ability to hold Member Agencies and the Secretariat to account.

As well as being charged with completing the implementation of the new DEC Accountability Framework, the Accountability Committee will, on an ongoing basis:

- review the evidence gathered from the Secretariat and Member Agency annual assessments
- agree the shape and focus of validation of the annual assessments
- review the draft accountability contributions to the Annual Report and DEC Board management information
- sign off proposals for DEC Secretariat commissioned collective quality initiatives on behalf of the DEC Board.

Acknowledgements

Dr Hany El-Banna Former President of Islamic Relief and DEC Trustee resigned on 31st March 2008. The DEC has been fortunate to have had the benefit of the vision, wisdom and sheer determination of Dr El-Banna. He will no doubt continue in his work for the service of the needy through the Humanitarian Forum of which he is Chairman. With thanks and appreciation for contributions to DEC by Dr Hany El-Banna.

Sheena McDonald's term of office will expire at the AGM on 9th July 2008. Sheena, who works as a Radio and TV presenter and producer took up the role of a DEC Independent trustee six years ago. Her commitment to the DEC Board and to the humanitarian needs of people affected by disasters has been exemplary. The DEC Board gratefully acknowledges the work and support of fellow Trustee Sheena McDonald.

Major Supporters 2007/08

Central to the Disasters Emergency Committee's (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, ITV Networks
Centrem MTV Networks International, S4C.

Radio Broadcasters

BBC Radio, Commercial Radio stations, Independent Media Distribution, Independent Radio News, Radio Advertising Clearance Centre, Radiocentre, Satellite Media Services.

Donations, logistics and processing

Alliance & Leicester, BBC Audiocall Worldwide, British Bankers' Association, BT, Royal Mail, Servebase Global Card Solutions, Streamline Merchant Services, Post Office Ltd, DSICMM Group, Remploy Offiscope, Valldata Services Ltd.

Communications, New Media, Advertising.

Ogilvy, Neo, Mindshare, Sift Unity, The Farm.

High profile supporters

Adrian Chiles
Fergal Keane
Joanna Lumley
Sally Magnusson
Dame Tanni Gray Thompson
Gary Owen
Blythe Duff
Jeremy Thompson
John Suchet



Financial Review

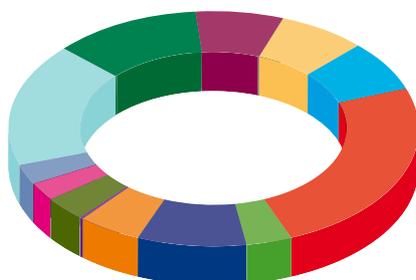
During the year, the DEC launched two appeals for overseas disasters which generated £13.45m in voluntary income. The total income of £23.04m during the year includes income for the new appeals in the year, voluntary income for previous appeals, investment income and additional gift aid recoveries. Investment income of £3.88m was generated mainly from funds of £108.94m brought forward from the Tsunami appeal. During the year a total of £110.51m (2007 - £156.30m) was distributed to the Member Agencies for their relief expenditure on DEC appeals. An analysis of disbursement of funds between the thirteen Member Agencies is shown in the pie chart below. Details of the movement of appeal funds can be found on note 13 to the financial statements.

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 98%. During these five years the DEC has distributed £473.9 million of donated funds to its Member Agencies for their relief work in the areas hit by disasters. Member Agencies are entitled to spend up to 5% on administration of programme delivery.

Cumulative fundraising costs, as a percentage of cumulative voluntary income over the past five years, is 1.01%. The DEC has raised £501 million over the last five years of which only £5.08 million was spent on fundraising.

Figure 9:
Distribution of
Appeal Funds to
Member Agencies:
£110.5m
Amounts in £'000



Amounts in £'000

Action Aid	£7,835
British Red Cross	£27,086
CAFOD	£3,981
Care International UK	£9,333
Christian Aid	£5,778
Concern	£275
Help the Aged	£3,715
Islamic Relief	£2,604
Merlin	£3,113
Oxfam	£18,854
Save the Children	£12,834
Tearfund	£7,438
World Vision UK	£7,665

Figure 10:
Analysis of cost of
generating income
over last five years
(£'000)

Year	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Total incoming resources	3,015	343,355	112,298	19,797	23,036	501,501
Cost of generating funds	71	1,686	1,699	604	1,020	5,080
Cost of generating funds (%)	2.35	0.49	1.51	3.05	4.43	1.01

Figure 11:
Analysis of
resources expended
on charitable
activities over last
five years (£'000)

Year	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Resources expended on charitable activities	5,924	51,703	149,096	156,492	110,739	473,954
Total resources expended	6,290	53,515	150,915	157,214	111,910	479,884
Resources expended on charitable activities (%)	94.18	96.61	98.79	99.54	98.95	98.77

Volunteers

The Secretariat has benefited from services of volunteers throughout the year. The benefit of the services derived cannot be expressed in monetary terms; however, on average the DEC was able to rely on services 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 charity has an investment policy which states that minimum rate of return on investment should be no less than 0.50% below base rate. During the year, two increments in base rates increased the rate to 5.75% and a reduction of 0.25% in December 2007 brought the rate down to 5.50% at the balance sheet date. The average yield for the year amounted to 5.75% against a bench mark of 5.00% as per investment policy and 5.50% (average Bank of England Base Rate for the year). The investment policy established in the wake of the substantial sums raised by the Tsunami Earthquake appeal in 2004/05 to invest funds in both bank deposits and 'AAA' rated liquidity funds in order to minimise risks associated with large scale investment continued into the current year. At balance sheet date funds totalling £18.17 million were on short term fixed deposits, 'AAA' rated liquidity funds with instant access and £9.62 million 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 review concluded that the appropriate level of free reserves should be equivalent to 6 months operational costs of the Secretariat, which allows flexibility to cover potential timing differences between realising appeal funds and claims from agencies, and to provide adequate working capital for DEC core costs. The free reserves at 31st March 2008 amounted to £545k (2007: £493k) in line with the policy. £108k of the free reserves were used for improvement to the

Secretariat systems and in particular for the expansion of the web site and change in premises. This expenditure had been agreed in 2006 by the Board of Trustees. £40k of this expenditure relates to capital items and it will be written down over the next 4 years in line with the current depreciation policy.

Auditors

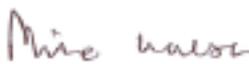
A resolution for the re-appointment of Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting on 9th July 2008.

Each of the persons who is a Trustee at the date of approval of this report confirms that:

- so far as the Trustees are aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- the Trustee has taken all the steps that s/he ought to have taken as a Trustee in order to make him/herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

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



Mike Walsh
Chairman



Adrian Martin
Honorary Treasurer

24th June 2008
1st Floor, 43 Chalton Street, London, NW1 1DU

Independent Auditors' Report to the Members of the Disasters Emergency Committee

We have audited the financial statements of Disasters Emergency Committee for the year ended 31st March 2008 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The responsibilities of the trustees (who are also the directors of Disasters Emergency Committee for the purposes of company law) for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

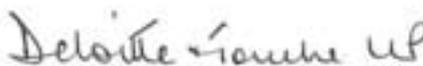
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31st March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors,
London, United Kingdom

24th June 2008

Statement of Financial Activities for the year ended March 31st 2008

(incorporating the income and expenditure account)

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2008 £'000	Total 2007 £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Appeal income		-	18,510	18,510	10,519
Donations from Member Agencies		529	-	529	441
Other voluntary income		120	-	120	31
		<u>649</u>	<u>18,510</u>	<u>19,159</u>	<u>10,991</u>
Investment income	2	<u>31</u>	<u>3,846</u>	<u>3,877</u>	<u>8,806</u>
Total incoming resources		<u><u>680</u></u>	<u><u>22,356</u></u>	<u><u>23,036</u></u>	<u><u>19,797</u></u>
Resources expended					
Cost of generating funds					
Costs of generating voluntary income	3	<u>477</u>	<u>543</u>	<u>1,020</u>	<u>604</u>
Charitable activities					
Distribution to Member Agencies	3,4	-	110,511	110,511	156,304
Lesson learning and evaluation	3	-	228	228	188
		<u>-</u>	<u>110,739</u>	<u>110,739</u>	<u>156,492</u>
Governance costs	3	<u>151</u>	<u>-</u>	<u>151</u>	<u>118</u>
Total resources expended		<u><u>628</u></u>	<u><u>111,282</u></u>	<u><u>111,910</u></u>	<u><u>157,214</u></u>
Net movement in funds		52	(88,926)	(88,874)	(137,417)
Total funds at 1 April	13	<u>493</u>	<u>115,329</u>	<u>115,822</u>	<u>253,239</u>
Total funds at 31 March	13	<u><u>545</u></u>	<u><u>26,403</u></u>	<u><u>26,948</u></u>	<u><u>115,822</u></u>

All the above results are derived from continuing activities. All gains and losses are recognised in the year 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

Balance Sheet

as at 31st March 2008

	Notes	2008 £'000	2007 £'000
Fixed Assets			
Tangible assets	8	<u>35</u>	<u>9</u>
Current Assets			
Debtors	9	764	545
Cash and short term deposits	10	<u>27,795</u>	<u>116,106</u>
		28,559	116,651
Creditors: amounts falling due within one year	11	<u>1,646</u>	<u>838</u>
Net current assets		<u>26,913</u>	<u>115,813</u>
Total assets less current liabilities		<u>26,948</u>	<u>115,822</u>
Net assets		<u>26,948</u>	<u>115,822</u>
Funds			
Restricted funds	13	26,403	115,329
Unrestricted funds	13	<u>545</u>	<u>493</u>
Total Funds	13	<u>26,948</u>	<u>115,822</u>

The Charity is free to apply its Unrestricted Funds on both capital and revenue expenditure without reference to external restrictions.

The financial statements on pages 36 to 47 were approved by the board on 24th June 2008 and signed on their behalf by:



Mike Walsh
Chairman



Adrian Martin
Honorary Treasurer

Cash Flow

for the year ended 31st March 2008

	2008 £'000	2007 £'000	
Reconciliation of net outgoing resources to net cash outflow from operating activities			
Net outgoing resources	(88,874)	(137,417)	
Depreciation charge	15	5	
Decrease/(increase) in debtors	(219)	31,769	
Increase/(decrease) in creditors	808	(166)	
Interest receivable	(3,877)	(8,806)	
	<hr/>	<hr/>	
Net cash outflow from operating activities	(92,147)	(114,615)	
Returns on investments and servicing of finance			
Interest receivable	3,877	8,806	
Capital expenditure			
Payments to acquire tangible fixed assets	(41)	(3)	
	<hr/>	<hr/>	
Cash outflow before management of liquid resources	(88,311)	(105,812)	
Management of liquid resources			
Decrease in investments held on short term deposits	94,725	101,529	
	<hr/>	<hr/>	
Increase/(decrease) in cash	6,414	(4,283)	
	<hr/>	<hr/>	
Analysis of changes in net cash balance			
	31st March 2007	Cash flow	31st March 2008
Cash at bank and in hand	3,207	6,414	9,621
Short term deposits	112,899	(94,725)	18,174
	<hr/>	<hr/>	<hr/>
Cash at bank and short term deposits	116,106	(88,311)	27,795
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements

for the ended 31st March 2008

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the applicable accounting standards and with the Statement of Recommended Practice on 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 cost of identifying all these services and assessing their value to the DEC would outweigh the benefit to users of the accounts and 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. The basis of the cost allocation has been explained in the notes to the accounts. 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) Fund accounting

General funds comprise funds which represent accumulated surpluses and deficits in the Statement of Financial Activities. General funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

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

Notes to the financial statements

for the year ended 31st March 2008

1. Accounting policies (continued)

(e) 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
Office equipment:	25% straight line method

(f) 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.

(g) Company status

The charity is a company limited by guarantee. The members are the trustees named on page 1. The liability in respect of the guarantee, as set out in the Memorandum, is limited to £1 per member of the company.

2. Investment income

	2008	2007
	£'000	£'000
Bank interest received	<u>3,877</u>	<u>8,806</u>

3. Total resources expended

	Member allocations	Other direct costs	Allocated support costs	Total 2008	Total 2007
	£'000	£'000	£'000	£'000	£'000
Fundraising costs	-	742	278	1,020	604
Distribution to Member Agencies	110,511	-	-	110,511	156,304
Lesson learning and evaluation	-	228	-	228	188
Governance	-	-	151	151	118
Total resources expended	<u>110,511</u>	<u>970</u>	<u>429</u>	<u>111,910</u>	<u>157,214</u>

Distribution to Member Agencies is the amount 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.

Notes to the financial statements

for the year ended 31st March 2008

3. Total resources expended (continued)

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. To ensure full cost recovery on projects the charity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

Support costs and basis of allocation:

Nature of cost	Allocation basis	2008 £'000	2007 £'000
Staff	Estimate of where staff spend their time	348	460
Premises and utilities	Floor area	17	16
Other overheads	Actual and estimated usage	64	46
Total support		429	522

The DEC aim to keep cost of generating voluntary income (fund raising costs) below 5% of appeal income (see Figure 10 in the trustees report).

4. Distribution to Member Agencies

	2008 £'000	2007 £'000
DEC Bangladesh Cyclone Appeal	1,566	-
DEC Darfur & Chad Crisis Appeal	5,366	-
DEC Niger Crisis Appeal	1,743	4,651
DEC Asia Quake Appeal	3,854	18,360
DEC Tsunami Earthquake Appeal	97,671	131,193
DEC Sudan Emergency Appeal	311	2,083
DEC Liberia Crisis Appeal	-	17
Total	110,511	156,304

Notes to the financial statements

for the year ended 31st March 2008

4. Distribution to Member Agencies (continued)

Disbursements from appeals payable to the following participating agencies:

	Sudan Emergency Appeal	Tsunami Earthquake Appeal	Niger Crisis Appeal	Asia Quake Appeal	Darfur & Chad Crisis Appeal	Bangladesh Cyclone Appeal	Total 2008	Total 2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ActionAid	-	6,976	359	500	-	-	7,835	11,435
British Red Cross	-	25,718	-	-	1,368	-	27,086	19,918
CAFOD	-	3,380	-	179	322	100	3,981	13,408
CARE Int. UK	-	8,677	355	97	204	-	9,333	16,271
Christian Aid	-	4,552	458	(13)	509	272	5,778	16,223
Concern	-	-	-	-	180	95	275	4,683
Help the Aged	60	3,198	-	183	122	152	3,715	3,468
Islamic Relief	-	1,649	63	669	223	-	2,604	1,280
MERLIN	115	1,957	-	832	149	60	3,113	7,599
OXFAM	-	16,698	150	418	1,301	287	18,854	23,999
Save the Children	-	11,368	233	184	697	352	12,834	21,578
Tearfund	-	6,774	125	-	291	248	7,438	7,009
World Vision UK	136	6,724	-	805	-	-	7,665	9,433
Total	311	97,671	1,743	3,854	5,366	1,566	110,511	156,304

Notes to the financial statements

for the year ended 31st March 2008

5. Particulars of employees

(a) Their total remuneration was:

	2008	2007
	£'000	£'000
Salaries and wages	418	394
National insurance	43	37
Pensions premiums and life assurances	24	21
Total	485	452

(b) The average number of employees during the year was:

	2008	2007
Full time	9	7
Part time	1	2
Total	10	9

(c) Employees whose emoluments, including pension contributions, were equal to or greater than £60,000 per annum.

	2008	2007
£90,001 - £100,000	1	-
£80,001 - £90,000	-	1

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

	2008	2007
Fundraising	6	5
Finance	1	1
Administration	3	3
Total	10	9

Notes to the financial statements

for the year ended 31st March 2008

6. Trustees

Emoluments

None of the Trustees received emoluments in the year (2007: £nil). Amounts reimbursed to one trustee for travel and other expenditure was £218 (2007: £nil).

7. Net movement in funds is stated after charging:

	2008	2007
	£'000	£'000
Auditors' remuneration - Audit fee	22	19
Operating lease payments – premises	40	34
Depreciation charge	9	5

8. Tangible fixed assets

	Furniture & Fittings	Office Equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2007	33	11	44
Additions	41	-	41
At 31st March 2008	74	11	85
Depreciation			
At 1 April 2007	24	11	35
Charge for Year	15	-	15
At 31st March 2008	39	11	50
Net Book Value			
At 31st March 2008	35	-	35
At 31st March 2007	9	-	9

Notes to the financial statements

for the year ended 31st March 2008

9. Debtors

	2008	2007
	£'000	£'000
Prepayments and accrued income	764	545

In the year to 31 March 2008 prepayments and accrued income included £537,000 for Gift Aid received for the latest appeal for the Bangladesh Cyclone.

10. Cash and short term deposits

	2008	2007
	£'000	£'000
Cash and interest bearing current accounts	9,621	3,207
Deposit accounts	18,174	112,899
Total	27,795	116,106

11. Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Trade creditors	152	79
Taxation and social security costs	13	21
Accruals	1,481	738
Total	1,646	838

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:

	2008	2007
	£'000	£'000
Within one year - Premises	-	17
Within one year - Other	-	9
2 – 5 years - Other	20	-
over 5 years - Premises	51	-

Notes to the financial statements

for the ended 31st March 2008

13. Statement of funds

	Balance 1 April 2007	Income	Distributed to members	Resources expended	Inter-Appeal Transfers	Balance 31 March 2008
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted income funds	493	680	-	(628)		545
General Reserve						
Restricted Funds						
DEC Sudan Emergency Appeal	468	157	(311)	(2)	(312)	-
DEC Tsunami Earthquake Appeal	108,937	7,415	(97,671)	(309)	-	18,372
DEC Niger Crisis Appeal	1,788	522	(1,743)	(22)	-	545
DEC Asia Quake Appeal	3,949	639	(3,854)	(10)	-	724
DEC Darfur & Chad Crisis Appeal	187	7,394	(5,366)	(281)	312	2,246
DEC Bangladesh Cyclone Appeal	-	6,053	(1,566)	(147)	-	4,340
Income received for Next Appeal	-	176	-	-	-	176
Total Restricted Funds	115,329	22,356	(110,511)	(771)	-	26,403
Total funds	115,822	23,036	(110,511)	(1,399)	-	26,948

Notes:

DEC Sudan Emergency Appeal: In the year, further amounts were made available to members for expenditure in Sudan & Chad from additional gift aid receipts. The balance has been transferred to the same appeal (Darfur and Chad Crisis), which was relaunched in May 2007.

DEC Tsunami Earthquake Appeal: As reported in previous year, the expenditure period for this appeal which was initially for a three year period but in view of the current political unrest and difficult access to Tsunami affected areas in parts of Sri Lanka, the trustees have agreed for part of the expenditure to be extended into 2008. The remainder of the funds representing approximately 5% of the total income is expected to be disbursed in the financial year to 31st March 2009.

DEC Niger Crisis Appeal and DEC Asia Quake Appeal: During the year, these appeals received additional income from Gift Aid receipts which have been allocated to Member Agencies. The balance represents outstanding allocations, investment income and voluntary income received during the year.

DEC Darfur & Chad Appeal & DEC Bangladesh Cyclone Appeal: The two appeals launched in May 2007 and November 2007 respectively will continue to disburse funds in the year to 31st March 2009.

After the balance sheet date, the DEC has launched an appeal for the Myanmar (Burma) Cyclone and the balance in the next appeal account of £176k will be transferred to the new appeal.

14. Related party transactions

The charity trustees disclosed on page 1 include executives of all Member Agencies. The material transactions are disclosed in note 4. The agencies also made donations of £529k (2007: £441k) in the year to the charity.

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 section 505 of Income and Corporations Taxes Act 1988 or section 256 Taxation of Chargeable Gains Act 1992. No tax charge has arisen in the year.

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