

**DEC
ANNUAL
REPORT AND
ACCOUNTS
2010-11**



ACTIONAID
AGE UK
BRITISH RED CROSS
CAFOD
CARE INTERNATIONAL UK
CHRISTIAN AID
CONCERN WORLDWIDE
ISLAMIC RELIEF
MERLIN
OXFAM
SAVE THE CHILDREN
TEARFUND
WORLD VISION

DEC ANNUAL REPORT 2010–11

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Disasters Emergency Committee
Working together

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

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Oxfam

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tearfund

World Vision

WELCOME

Chairman's Statement



DEC Chairman Clive Jones

The 2010 monsoon floods in Pakistan started as a disaster in the mountainous north west of the country before becoming a national catastrophe. The flash flooding in the foothills of the Hindu Kush happened all too suddenly but the progressive inundation of the Indus valley happened over a period of weeks. The spreading floods were aptly described as a slow-motion tsunami. More than 12 million people saw their homes damaged or destroyed.

The concerns some commentators expressed about how issues of security and corruption might affect people's willingness to give proved unfounded. The UK public donated an extraordinary £71m to the Pakistan Floods Appeal. These concerns did however make it more important than ever that the DEC was transparent about how the money was spent. Helping 1.8 million people within six months of the floods starting was a significant achievement in difficult circumstances but we must be open about the challenges we faced. This report, as well as changes incorporated in our new website, will ensure we continue to make this kind of information not just available but increasingly accessible.

With this greater transparency also comes greater accountability. When the DEC decided not to launch an appeal for Japan, it did not simply issue a statement but discussed its position with concerned would-be donors. This conversation happened in public through social media, as well as through the more usual exchange of emails and letters. The decision did not hinge on whether people in Japan needed help – they clearly did. The question was rather who was best placed to efficiently and effectively provide the vast bulk of that assistance. Overwhelmingly, it was the Japanese government that led the response. Most of our member agencies required little additional funding because, with the exception of the Red Cross, they were delivering specialised and small scale responses.

Accountability to donors is hugely important in maintaining trust. Arguably though our accountability to those we are seeking to help is even more important. Listening carefully to people caught up in emergencies allows our member agencies to deliver better aid. It is also essential if those hit by disasters are to maintain their dignity and return to self sufficiency by rebuilding their own lives. Ensuring this second kind of accountability happens is a key part of our monitoring and evaluation processes. Its importance

was also one of the key findings of the Humanitarian Emergency Response Review by Lord Ashdown. The report produced by the review was published by the Department for International Development as the financial year ended.

In Haiti, where the DEC has funded help to 1.8 million people, one of the key recommendations of our independent evaluation was the importance of trying to work with governments wherever possible. In a place like Haiti, the consultants acknowledged this can actually slow down an emergency response and often means having to tackle issues of capacity or corruption. The advantage is that it means our member's efforts are far more likely to have a lasting impact. Our increasing ability to talk directly to donors online means that for those who are interested there is an opportunity to learn about these kinds of challenges and complexities.

I joined the DEC as chair as the 2011–12 financial year began. My career as an ITV executive means however that I am already well aware of the ways in which changes in communications technology are affecting organisations like the DEC and traditional media alike. The speed at which news stories now move is one of the reasons the DEC must respond ever more quickly when disaster strikes. It is only in this way that we will be able to continue to seize the moment when the public are ready to give.

There is much that has impressed me about the work of the DEC and its members and I am grateful to my predecessor, Mike Walsh, for his part in making this so. The UK aid agencies that are our members are world leaders in the work that they do but as Lord Ashdown made clear in his report there are opportunities for them to strengthen that leadership: by continuing to build their partnerships in the countries where they work; by preparing for disasters as well as reacting to them, and by leaving the communities in which we work stronger and better able to cope with future disasters.

Clive Jones
Chairman

PAKISTAN FLOODS APPEAL

“ALL WE COULD DO
WAS RUN...”

— NEWLY-WED BASRAJA TELLS OXFAM IN NORTHERN PAKISTAN

1,985

PEOPLE KILLED

18,000,000

PEOPLE AFFECTED

12,000,000

PEOPLE SAW THEIR HOMES DAMAGED
OR DESTROYED

10,000

SCHOOLS DAMAGED OR DESTROYED

450,000

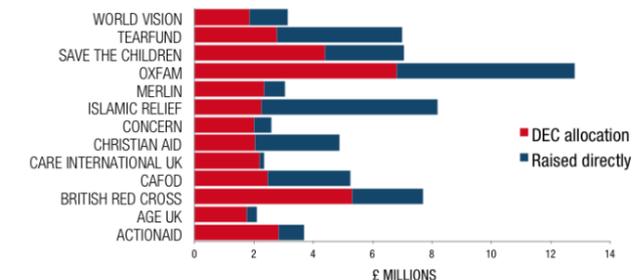
LIVESTOCK LOST

2,200,000

HECTARES OF CROPS DESTROYED

ON 3 AUGUST 2010 THE DEC OPENED
ITS APPEAL RAISING A TOTAL OF

£71 MILLION



Background to the appeal

Pakistan is accustomed to the monsoon but the rains that fell in July and August 2010 exceeded anything in the country's 80 year history. The resulting flooding of the Indus River started in the northern province of Khyber Pakhtunkhwa [KPK] then spread south through Punjab, Balochistan and Sindh. At their height the flood waters covered an area larger than the UK and more than 18 million people were affected.

It was not only homes that were swept away but also hospitals, clinics and schools; around 17m acres of Pakistan's most fertile and productive farmland was submerged; 450,000 livestock and massive amounts of grain were lost. These losses devastated families and their livelihoods as they fled to higher ground with what they could carry.

By early August several DEC member agencies had started to respond in KPK and on 3 August the DEC launched an appeal for funds to support the response. The DEC itself went on to raise £41m, with the member agencies raising a further £30m to bring the total to £71m.

Who is benefitting from the response?

The vast scale of this emergency meant it was impossible to reach all those affected. DEC member agencies initiated their response in KPK, where

many were already working or had partners with which they had worked after the 2005 earthquake. It was later, as the disaster unfolded down the Indus river system, that attention and resources were increasingly directed to those who saw homes and crops swept away in Punjab, Sindh and Balochistan.

People's immediate needs were for food, shelter, replacement of household items, water and sanitation facilities. Medical charities set up mobile clinics to treat water-borne diseases as well as providing support to clinics and hospitals that remained standing.

Within six months £17 million of funds raised directly by the DEC had been spent helping 1.8 million people.

Challenges faced by member agencies

The sheer scale and constantly evolving nature of the floods meant that agencies needed to massively and rapidly increase their capacity, and that of their partners. The extent of the floods stretched not only aid agencies but also OCHA, the coordinating body of the UN, and local government.

DEC agencies generally seek to focus their work on the most vulnerable but in Pakistan almost all families in the disaster zone had lost everything. In some places distributions were made to everyone the programmes could reach but given the vastness of the disaster it was clear that not all needs could be met.



In some areas, charities established local committees to manage pressure from feudal lords who were trying to influence the delivery of aid. Also, ensuring aid reached women was especially hard in areas of the country where women are routinely isolated and marginalised.

Reaching affected populations was also challenging due to damage to roads and security concerns. In some areas the government required international aid workers to be accompanied by guards; in others DEC agencies needed to keep a low profile by not displaying their names and logos on vehicles or premises. This presented knock-on challenges in relation to accountability.

Six months on from the start of the flooding around 80% of people had returned to their home areas. Aid agencies have needed to continually reassess the needs of those affected by the flooding as their circumstances and locations changed.

BEFORE THE FLOODS

125/169

PAKISTAN IS 125 OF 169 COUNTRIES IN
THE HUMAN DEVELOPMENT INDEX

22%

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

23%

OF THE POPULATION
IS UNDERNOURISHED

25th

HIGHEST INFANT MORTALITY
IN THE WORLD

PAKISTAN FLOODS APPEAL

Review activity & lesson learning

Three months after the appeal launched, the DEC commissioned an independent Real-Time Evaluation of member agencies' responses. The consultancy team reached three of the four affected provinces, seeing the work of eleven agencies or their partners. Findings included observations that the early response in KPK was swift but that agencies were slower to mobilise help for those affected further down the Indus, in Punjab and Sindh.

Insecurity can seriously affect aid agencies ability to deliver aid. One agency identified that having a dedicated security team in place with clear policies and procedures helped them continue their activities. Travel plans were adapted to allow for delays caused by security concerns. Over the next six months, four DEC charities will conduct independent evaluations of their projects. Summary reports from British Red Cross, CARE International UK, Islamic Relief and World Vision will be available later in 2011. The DEC makes evaluations accessible on its website.

People's most urgent needs were being addressed and communities had been involved in project implementation but more could have been done to include them in decision making. Although complaint mechanisms had been set up, it was noted that more needed to be done to adopt more meaningful feedback mechanisms to enhance accountability.

Agencies noted further learning relating to strategies on shelter. Initially the building of transitional shelters was supported by the Government but this support waned in favour of building more permanent 'core' shelters that could be extended later. This latter approach takes longer, so one agency, with community agreement, continued to provide transitional shelters but in a way which meant they could be strengthened in time to provide a more durable home.

HEADLINE ACHIEVEMENTS

1.8million

PEOPLE REACHED BY DEC FUNDED AID

290,000+

PEOPLE PROVIDED WITH EMERGENCY SHELTER

1million

PEOPLE GIVEN FOOD

510,000+

PEOPLE PROVIDED WITH CLEAN WATER

160,000+

PEOPLE PROVIDED WITH EMERGENCY TOILETS

200,000

PEOPLE GIVEN MOSQUITO NETS TO PREVENT MALARIA

37,000

BLANKETS DISTRIBUTED

17,000

KITCHEN SETS DELIVERED

5,000+

CHILDREN SAW THEIR SCHOOLS REPAIRED OR CLEARED OF SILT

37,000+

MEDICAL CONSULTATIONS

994

BABIES DELIVERED

82,000

OLDER PEOPLE ASSESSED TO SEE IF THEY NEEDED CRUTCHES OR WHEELCHAIRS

10,000

PEOPLE SUPPORTED WITH CASH FOR WORK

4,000+

MALNOURISHED CHILDREN REFERRED TO FEEDING PROGRAMMES

26,000+

PEOPLE BENEFITTING FROM HELP TO RESTART FARMING

USE OF FUNDS BY SECTOR OF ACTIVITY

WHAT DEC MEMBERS ARE DOING IN PAKISTAN

31%
HOUSEHOLD ITEMS

29%
FOOD

16%
LIVELIHOODS

10%
SHELTER

8%
WATER/SANITATION

4%
HEALTH

2%
OTHER

Conclusion

The massive scale of this disaster tested to capacity our member agencies and others involved in the response. DEC funds helped 1.8m people but a significant number of others received little or no assistance. DEC charities' response to the floods will continue until July 2012. Plans are in place for 60% of the remaining funds to be used supporting people to revive their livelihoods and in providing clean water and suitable sanitation. A further 23% will go on shelter and 13% on helping health services get re-established.

In Sindh Province, 92 year old Khanzadi saw her home completely destroyed by the flooding. She is grateful her family all survived and for the food provided by the Pakistan Red Crescent, a partner of the British Red Cross.

HAITI EARTHQUAKE APPEAL

“I TRIED TO CRAWL TO A SAFE PLACE BUT COULDN’T... THEN MY SON FOUND ME AND CARRIED ME...”
— CELINE, 60, TOLD CAFOD IN THE TOWN OF GRESSIER NEAR THE EPICENTRE OF THE QUAKE

© Thomson Reuters / Jorge Silva



7.0
MAGNITUDE QUAKE STRUCK NEAR PORT AU PRINCE

220,000
PEOPLE DIED AND OVER 300,000 WERE INJURED

1,500,000
PEOPLE WERE LIVING IN THE STREETS AFTER THE QUAKE

4,000
SCHOOLS WERE DAMAGED OR DESTROYED

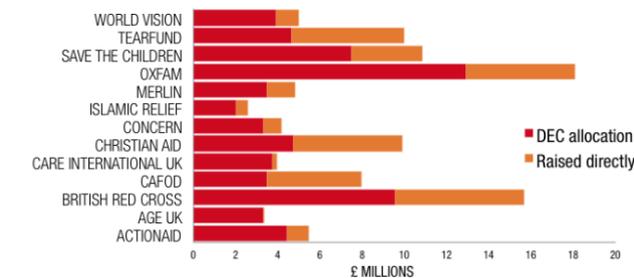
25%
OF CIVIL SERVANTS IN PORT AU PRINCE DIED

4,000+
PEOPLE WERE KILLED BY CHOLERA AND 216,000 WERE INFECTED

3,500,000
PEOPLE WERE AFFECTED BY THE EARTHQUAKE

ON 13 JANUARY 2010 THE DEC OPENED ITS APPEAL RAISING A TOTAL OF

£107 MILLION



Background to the appeal

The earthquake that struck the capital of Haiti, Port au Prince, in January 2010 was a 7.0 on the moment magnitude scale. This was significantly less powerful than the earthquake in Chile later that year and the immense 9.0 earthquake off Japan in March 2011. Nevertheless, the loss of life in Haiti greatly exceeded that of those countries which were far better prepared for such an event. It is estimated that around 220,000 people lost their lives and 300,000 were injured; the largest death toll for any disaster since the 2004 Boxing Day tsunami in Asia.

Haiti is no stranger to disasters such as hurricanes and has long suffered from chronic poverty and weak government. Many DEC member agencies had long established programmes in the country. Government, NGO and UN staff and facilities in Haiti were all badly hit by the quake, affecting their ability to offer support to the worst affected survivors.

On 13 January 2010 the DEC opened its appeal for funds to support the relief and recovery effort. Despite the UK recession a remarkable £107m was raised, £72m by the DEC directly and £35m by member agencies themselves.

Who is benefitting from the response?

The massive destruction of buildings left around 1.5 million people homeless with many livelihoods shattered. Some

families moved temporarily to rural areas. Others used plastic sheeting or tents distributed in the relief effort to set up ad hoc camps or to shelter near their ruined homes in and around Port au Prince.

Our member agencies usually seek to focus their efforts on the most vulnerable disaster survivors but in Haiti over 90% of survivors are poor or very poor. Some agencies elected to support all the residents in a specific area to prevent conflict arising while others have attempted to direct help to particularly vulnerable groups such as children, the elderly, the disabled and female-headed households.

Seven DEC members responded to the cholera outbreak that started in October 2010 and peaked two months later. Most activities have focused on limiting the spread of the disease, by ensuring the supply of clean water and through campaigns to promote hygiene, but some have engaged in providing medical care for cholera.

Challenges faced by member agencies

All humanitarian organisations have faced enormous challenges in meeting the needs of the earthquake survivors. Initially, the number of people and agencies arriving to help challenged the decimated UN coordination mechanisms. DEC agencies supported the co-ordination process where they could, including setting up more localised meetings to minimise overlap and duplication.



Many wealthier Haitians left the country with their families after the quake. These were largely the better educated, leaving a huge deficit of professional local staff.

The cholera outbreak that started in October 2010 killed over 4,000 people and infected over 216,000. The need for swift action to minimise the spread of the disease meant that other planned projects to support longer term recovery had to be put on hold.

Providing people with a decent place to live remains the biggest challenge. Many survivors continue to live in poor conditions in informal camps, although numbers in the camps have more than halved from an initial peak of 1.5 million people.

More than eight million cubic metres of rubble remain; available land for building is extremely limited; land rights remain unclear; building materials are in short supply; and the importation of goods is subject to protracted delays. Nevertheless, many DEC agencies are trying innovative ways to tackle the issue from importation of pre-fabricated homes to helping families move back safely to their old neighbourhoods.

BEFORE THE QUAKE

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

86%
OF PEOPLE IN PORT AU PRINCE LIVED IN SLUMS BEFORE THE QUAKE

80%
UNEMPLOYMENT

<50%
OF PEOPLE HAD ACCESS TO SAFE DRINKING WATER

HAITI EARTHQUAKE APPEAL

Review activity & lesson learning

At least 45 Haiti programme and system evaluations were completed in the first year by various actors. The DEC recognised early on that a real time evaluation of its own was unlikely to add further value, so commissioned instead a desk study of existing work in June 2010. This found that the initial response was rapid and appropriate, and had until that point averted major outbreaks of disease. Difficulties with co-ordinating aid, and barriers to building homes for the poor on rented land, were identified and remain major concerns a year later. The study urged agencies to find imaginative ways of involving more Haitian professional staff, including those who have migrated out of Haiti, and to keep trying to engage with the Haitian government where possible.

In December 2010 the DEC commissioned a study to look at what could be learnt from the Haiti response, given predications that the world should expect to see more urban disasters in the future. One of the key recommendations from this concerned how to meet needs for suitable shelter. Somewhat controversially, the report suggests that assisting people to return safely to their neighbourhoods and facilitating the building of long term homes should be prioritised over the construction of temporary shelters. The report also concluded that the use of cash transfers can aid recovery and stimulate markets.

Over the next nine months CAFOD, Age UK, Merlin and Oxfam will undertake and publish independent evaluations of their programmes.

HEADLINE ACHIEVEMENTS

1.8million

PEOPLE REACHED BY DEC FUNDED AID

4,000+

PEOPLE TREATED FOR CHOLERA

210,000+

PEOPLE REACHED BY CHOLERA PREVENTION AND AWARENESS WORK

890,000

PEOPLE GIVEN ACCESS TO SAFE TOILETS

720,000

PEOPLE GIVEN CLEAN WATER

187,000

MEDICAL CONSULTATIONS

392

PEOPLE GIVEN SURGERY FOR QUAKE INJURIES

3,000

OLDER PEOPLE HELPED BY LOCALLY TRAINED CARERS

46,000

PEOPLE HELPED WITH CASH FOR WORK

70,000

PEOPLE HELPED BY CASH GRANTS

1,750

BREEDING HENS TO SUPPORT RURAL HOST COMMUNITIES

350

UNACCOMPANIED CHILDREN HELPED TO FIND FAMILIES

39

SCHOOLS UP AND RUNNING WITHIN SIX MONTHS

100,000+

PEOPLE PROVIDED WITH EMERGENCY SHELTER

236

CONSTRUCTION TEAMS TRAINED

1,800

TEMPORARY SHELTERS BUILT OR IMPROVED

USE OF FUNDS BY SECTOR OF ACTIVITY

30%
WATER / SANITATION

26%
LIVELIHOODS

17%
SHELTER

11%
HOUSEHOLD ITEMS

7%
FOOD

5%
HEALTH

2%
EDUCATION

2%
POLICY, PROTECTION & CAPACITY BUILDING

WHAT DEC MEMBERS ARE DOING IN HAITI

Community organised clear up of a flood prone area of a Port au Prince neighbourhood, funded by ActionAid

Conclusion

After 12 months more than £33m of the £71m raised directly by the DEC has been spent and 1.8 million people helped. In the recovery phase of the response, funds are increasingly being used to help people create or rebuild livelihoods but aid money is still also paying for clean water, sanitation and shelter.

The DEC trustees agreed for agencies to plan their programmes over a three year period rather than the customary two because of the scale of the challenges but it is possible that funds will have been exhausted before this time and well before all needs have been met.

DISASTERS APPEAL INDONESIA PHILIPPINES & VIETNAM

“BEFORE THE LIVELIHOOD SUPPORT WE ONLY ATE ONE MEAL A DAY, NOW WE CAN HAVE THREE MEALS A DAY.”

– farmer Rosemarie, 56, from the Philippines told Help Age International, a partner of Age UK



INDONESIA

7.6
MAGNITUDE EARTHQUAKE ON 30 SEPTEMBER 2009 WAS FOLLOWED BY A 6.6 AFTERSHOCK THE NEXT DAY

1,100+
PEOPLE DIED IN THE EARTHQUAKES

PHILIPPINES

2.5 MILLION
AFFECTED BY TWO TYPHOONS AND THE FLOODING THEY CAUSED

20,000+
WERE INJURED

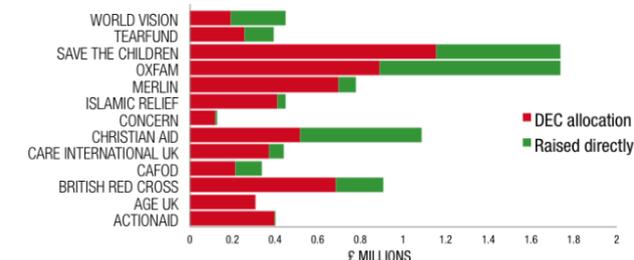
250,000+
HOMES DAMAGED OR DESTROYED

460
PEOPLE DIED

13.5
INCHES OF RAIN FELL IN MANILA IN SIX HOURS — THE EQUIVALENT OF A FULL MONTH OF NORMAL RAINFALL

ON 4 OCTOBER 2009 THE DEC OPENED ITS APPEAL RAISING A TOTAL OF

£9.3 MILLION



Background to the appeal

In just five days in 2009 between Typhoon Ketsana making landfall in the Philippines on 26 September and the first of two major earthquakes that struck the Indonesian island of Sumatra, the Asia-Pacific region abundantly lived up to its reputation as one of the world's most testing crucibles of natural disaster.

As Ketsana, moving west, hit Vietnam, another undersea quake off the Samoan Islands triggered a tsunami that caused loss of life and damage there and in Tonga. Then, on Sunday 4 October, shortly before the Disasters Emergency Committee (DEC) appeal for Indonesia, the Philippines and Vietnam was launched, Typhoon Parma left a trail of destruction across the northern Philippines. More than 1,100 people died in the Indonesian quake while Typhoon Ketsana left more than 460 dead in the Philippines alone.

The DEC appeal went on to raise £9.3m – with £6.3m raised by the DEC itself and £3m through member agencies.

Who is benefitting from the response?

In one year DEC funds helped our member charities reach over 650,000 people – the most vulnerable of those affected by these disasters. Those most severely affected in the Philippines were the poorest and lived in low lying areas in the capital Manila. Initially they crowded

into schools and municipal buildings but were soon moved on, so the focus was on supporting them to rebuild their homes in safer locations.

Poor farmers and fishing communities were the worst hit by the typhoon in Vietnam along with people from ethnic minorities living in mountainous regions, where flash flooding wiped out villages along river banks. After the early relief phase much of the work has been directed at helping restore livelihoods by providing seeds and fertilizer. Projects have also been designed to help communities to be better prepared for the frequent disasters that the country experiences.

In Indonesia the focus has been largely on helping those whose homes and livelihoods were destroyed in the earthquake.

Challenges faced by member agencies

Environmental factors gave rise to the greatest challenges agencies faced in the Philippines and Vietnam, where they had to mount relief operations against a backdrop of continuing bad weather, inaccessibility, electricity shortages and damaged infrastructure.

In both the Philippines and Indonesia, agencies' shelter programmes faced challenges with respect to the willingness of people to relocate to safer areas if this compromised their ability to make a living. As beneficiaries were members of poor urban communities their pre-existing levels of poverty meant that they were



less able to recover without external assistance.

In addition, the Philippines elections held in May 2010 posed a challenge to cash-based projects, such as 'cash for work' or livelihoods grants, with agencies needing to put in extra measures to counter the risk of political interference.

In Vietnam translators were needed to communicate with ethnic minority people in mountainous areas who do not speak Vietnamese and who were also difficult to reach in the early stages of the disaster as roads and bridges has been washed away.

“I WAS SITTING OUTSIDE THE HOUSE RELAXING WHEN EVERYTHING STARTED TO SHAKE. MY HEAD WAS ACHING AND I FELT SICK TOO. I GRABBED MY THREE-YEAR OLD SON AND WE ALL RAN FROM THE HOUSE AS FAST AS WE COULD.”

SUHERMAN TOLD THE RED CROSS RED CRESCENT IN INDONESIA

VIETNAM

1 MILLION+
PEOPLE WERE AFFECTED BY THE TYPHOON AND THE FLOODING IT CAUSED

90 mph+
WINDS WERE RECORDED WHEN TYPHOON KETSANA MADE LANDFALL

55,000+
PEOPLE FORCED TO EVACUATE THEIR HOMES

DISASTERS APPEAL INDONESIA, PHILIPPINES & VIETNAM

Review activity & Lesson learning

The DEC reported on the findings of its monitoring mission in the last annual report. Since then, five member charities have undertaken their own independent evaluations; Concern Worldwide and Tearfund in Indonesia, Christian Aid and Save the Children in the Philippines, and ActionAid and Save the Children in Vietnam. These evaluations found that DEC agencies did achieve their stated objectives; that the programmes were appropriate to the identified needs and international standards were generally well observed. They did also find however that in some cases aid was more likely to reach large groups of survivors than those in remote or cut-off areas.

INDONESIA: There is a strong culture of community volunteering (Gotong Royong) that the charities needed to be careful not to undermine with cash-for-work programmes. Working closely with communities and integrating cash distributions into other programmes ensured rehabilitation work could be completed and cash injected into the economy. In construction it was again recognised that any building needed to be earthquake resistant in this seismically active area.

PHILIPPINES: Agencies with existing development partners found some challenges in gearing up to respond to this emergency. A key lesson was the need to ensure that training on rapid response is given to such partners in countries prone to disaster. One agency saw the need for a clear briefing on the basic principles of relief distributions such as transparency, accountability and beneficiary participation.

VIETNAM: One charity found that the strength and speed of their response was largely attributable to their existing partnerships and good relationships with the local authorities. The need to strengthen disaster preparedness in vulnerable areas has been clearly identified.

HEADLINE ACHIEVEMENTS — OVER 650,000 PEOPLE REACHED BY DEC FUNDED AID

INDONESIA
50,000+
PEOPLE PROVIDED WITH TEMPORARY SHELTER

2,700+
HEALTH CONSULTATIONS INCLUDING ASSESSMENTS FOR ELDERLY AND DISABLED

32,000+
PEOPLE PROVIDED WITH FOOD

50,000
PEOPLE PROVIDED WITH HOUSEHOLD ITEMS

82
IRRIGATION CHANNELS UNBLOCKED

PHILIPPINES
82,000+
PEOPLE GIVEN CLEAN DRINKING WATER

50,000
PEOPLE GIVEN HOUSEHOLD ITEMS

25
SCHOOLS REHABILITATED OR CLEARED OF SILT

VIETNAM
75,000+
PEOPLE HELPED BY PROVIDING SEEDS AND FERTILISER

8
CLASSROOMS IN TWO SCHOOLS REPAIRED

10,000+
PEOPLE HELPED WITH DISASTER PREPAREDNESS TRAINING

1,000+
OLDER PEOPLE HELPED WITH THE REPLACEMENT OF HOUSEHOLD ITEMS

35,000
PEOPLE BENEFITING FROM CASH PAYMENTS TO MEET IMMEDIATE NEEDS AND REPLACE LOSSES

28
HEALTH CLINICS REHABILITATED OR CLEARED OF SILT

35,000
PEOPLE BENEFITING FROM CASH PAYMENTS



USE OF FUNDS BY SECTOR OF ACTIVITY

WHAT DEC MEMBERS ARE DOING IN INDONESIA, PHILIPPINES & VIETNAM

34%
SHELTER

21%
LIVELIHOODS

12%
WATER / SANITATION

9%
EDUCATION & TRAINING

8%
HOUSEHOLD ITEMS

7%
HEALTH

4%
FOOD

1%
CAPACITY BUILDING, PSYCHOSOCIAL SUPPORT

4%
OTHER

FUNDS SPENT BY COUNTRY

55%
INDONESIA

28%
PHILIPPINES

17%
VIETNAM

Conclusion

One year into a two year programme over 64% of available funds had been spent, the majority in Indonesia which has benefited from 55% of the funds spent so far. The Philippines has received 28% and Vietnam 17% with just three DEC members continuing to work in the latter country. Independent evaluations by the DEC and its members show that the immediate response was swift in all three countries with over 650,000 people receiving help. The modest level of funds remaining are likely to mean that further recovery work to help communities prepare for future disasters will be limited.

Guiding a rescue boat (bought with support from Oxfam) through the floods, Hai Lang district, Quang Tri province, central Vietnam.

HOW WE ENSURE QUALITY

The members of the DEC are the UK's leading humanitarian agencies, with over 650 years of experience between them. They work across the globe helping some of the world's most vulnerable people. To do this effectively they must be agile: building on their past experience but also adapting in response to the circumstances and challenges of each emergency. The DEC Accountability Framework (DECAF) is our way of helping them ensure quality and drive improvement in response to major emergencies in poorer countries.

During 2010-11, we have been revisiting the accountability priorities and ways of working which we aspire to. These are the touchstones of quality disaster responses to which our member agencies have collectively agreed. This process has seen members renew their commitment to some existing priorities – such as being accountable to disaster affected populations – but has also brought out some new areas which they have identified as deserving of greater attention in the coming years. These include contributing to disaster risk reduction, strengthening partners and demonstrating value for money.

DEC ACCOUNTABILITY PRIORITIES

WE USE FUNDS AS STATED

WE ACHIEVE INTENDED PROGRAMME OBJECTIVES

WE ARE COMMITTED TO AGREED HUMANITARIAN PRINCIPLES

WE ARE ACCOUNTABLE TO BENEFICIARIES

STANDARDS AND BEHAVIOURS

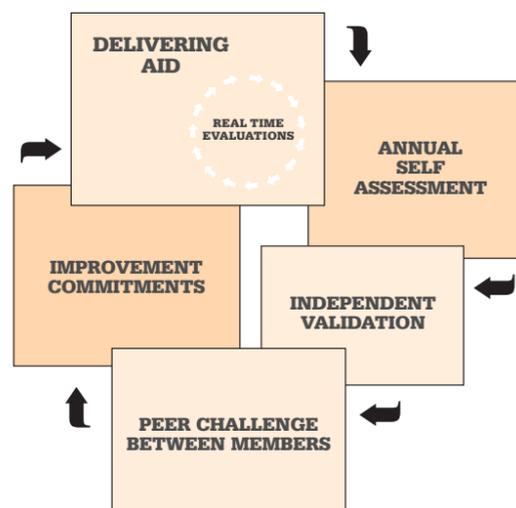
WE LEARN FROM OUR EXPERIENCE

This year has not only been one for reflection however, the DEC Accountability Framework has been in full force. Members have been reporting regularly against ongoing disaster responses (see pages 2-13 for appeal summaries); collectively we have commissioned a Real Time Evaluation in Pakistan and a study focusing on Haiti as an urban disaster; and the annual assessments against our current accountability priorities have been completed.

The annual assessment process examines agency performance against our accountability priorities. The 2010-11 assessments were validated by the One World Trust, with – for the first time – additional peer validation which saw agencies challenge each other on the

robustness of their systems. After careful review of member self-assessments, and scrutiny of evidence supporting a sample of ways of working, One World concluded that in spite of the challenges faced in both Haiti and Pakistan, DEC member agencies continued to improve their accountability efforts in 2010/11. In the majority of cases, members' self-assessments accurately reflect their organisational practices, as supported by evidence from Haiti and Pakistan. This year's process demonstrated that the DEC Accountability Framework is both a credible assessment method, and an effective driver of change within the member agencies. Further details of the assessment content and process can be found on our website.

DRIVING CONTINUOUS IMPROVEMENT



WE ARE ACCOUNTABLE TO BENEFICIARIES

Being accountable to beneficiaries means respecting the autonomy of the people affected by disasters: ensuring that communities themselves – rather than any external agencies – can maintain control over what happens to them during relief operations. This principle is central to the DEC Accountability Framework: our members must demonstrate that they share information with communities and actively seek and respond to feedback on their programmes.

Member agencies employ a variety of methods to share information. They liaise with community leaders in order to use existing communication channels but often also use information boards in the local language or open meetings to talk directly to people and answer questions. A survey by World Vision found that beneficiaries prefer to find out information by speaking personally with staff. In Haiti, Save the Children used song and dance, accompanied by musical bands to communicate key messages.

Beneficiary feedback is often gathered informally, through staff members or community meetings, although members also use more formal methods, such as feedback boxes, and complaint hotlines where appropriate. Complaints must be dealt with seriously and our members have changed suppliers and disciplined staff in response to these. More general feedback is also important. For example, in response to requests from the community for more youth-targeted projects, Islamic Relief organised sports activities in Haiti camps, to help address the trauma and frustration felt by many of the young people. Listening helped ActionAid address low attendance at their support spaces for women in Pakistan.

The women wanted to come but explained that they had other pressures on their time – introducing small embroidery projects encouraged women to attend because they could generate a small income while benefiting from the opportunity to come together in a positive, safe environment.

Despite the commitment of members to beneficiary accountability, they recognise that it remains a challenging area. In the initial stages of an emergency response, a shortage of resources and trained staff can mean that beneficiary accountability is not always a priority. In both Haiti and Pakistan, members also found that security concerns sometimes limited how much information they could share about themselves. One of the major challenges is ensuring that feedback comes from women – who may not have access to places where feedback boxes are positioned or community meetings are held – and also from people who are illiterate. However members are finding ways of addressing these problems and striving to achieve a greater degree of accountability to disaster affected communities.



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HOW WE SPENT YOUR MONEY

THE FIRST SIX MONTHS IN PAKISTAN DEC SPEND: £17,245,000

75% | AID GOODS
£12,911,000

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

9% | STAFF
£1,500,000

Emergency responses generally need small numbers of international experts who might be disaster managers, logisticians, doctors or water engineers. They also need local staff or partners including both experts and front line workers.

6% | MANAGEMENT SUPPORT
£1,087,000

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

7% | LOGISTICS
£1,221,000

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

2% | STAFF SUPPORT
£354,000

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

1% | CAPITAL EXPENDITURE
£172,000

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

STRATEGIC OBJECTIVE 1: MAXIMISING INCOME

FUNDRAISING

DEC fundraising for the two appeals launched in 2010 provided the largest appeal response with the exception of the tsunami in 2004/5. The situations in both Haiti and Pakistan needed a huge humanitarian effort and the contribution from UK donors was extraordinary at a difficult economic time. The number of fundraisers who have run events for both appeals has shown that people enjoy using their talents to encourage others to give and we want to make more of this during future appeals. Our thanks go to John McCarthy and Art Malik for presenting the Pakistan appeal broadcasts.

The Pakistan appeal was supported by the major broadcasters: BBC; ITN; ITV; Sky; Channel 4; Five; and Al Jazeera. We actively promoted the appeal on Twitter and Facebook, and have continued to engage followers with updates on how the money is being used and other questions. In the course of the year people who 'liked' the DEC facebook page and their friends had between them 3.7m opportunities to see updates from us in their news feeds. There were more than 8,000 items of feedback in the form either of 'likes' of our posts or comments. On Twitter the DEC has a very similar Klout score – a measure of influence, not just followers – to Save the Children UK and Oxfam GB.



Pakistan appeal raised **£71 MILLION**

58%
was given to DEC

42%
directly to Members

THANKQ

Our new ThankQ fundraising database is now in place and we are embarking on a process to check how donors wish to be communicated with.

The fundraising committee was established this year with delegated authority from the board. The committee is chaired by a new Independent Trustee Judy Beard who has excellent fundraising credentials; she was given a Lifetime Contribution Award at the Institute of Fundraising National Awards in 2009. The committee's remit is to consider strategies for maximising DEC appeals

income; develop a fundraising plan and budget for different sorts of appeal; and hold a review of fundraising after each appeal. Much work has been done during the year to consider the fundraising strategy and to make more use of our member agency's fundraising experience.

DEC received a generous legacy donation towards its work and the trustees have agreed to set up an expendable endowment for 10 years to contribute to achieving DEC objectives.

“Thank you for your response. I have printed out the relevant forms and will get on the case. May I take this opportunity to say what a fantastic job your organization does and thank you for all the time and effort it must take to coordinate these things.”

– Wendy B, fundraiser

PLANS FOR THE FUTURE

The fundraising committee will consider how the secretariat and member fundraisers work together to deliver the fundraising strategy. There is a challenge to ensure that our brand clearly incorporates and promotes the trusted charities that make up the DEC and when members fundraise for an appeal that we can be clear how donations would be dealt with.

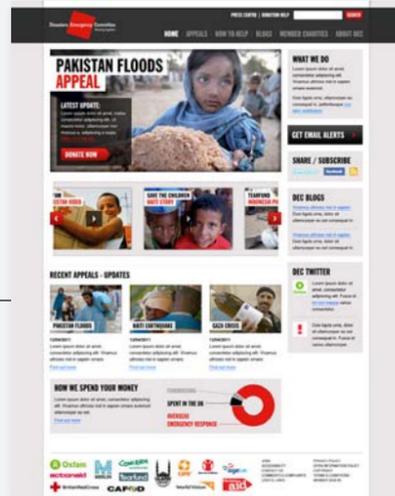
STRATEGIC OBJECTIVE 2: BUILDING TRUST

ONLINE COMMUNICATION

The board agreed the communications strategy which highlighted that, in order to build trust, the DEC needs to communicate with the public during the whole two year life of the programmes funded and to be clear about the humanitarian challenges faced by members in delivering aid. The strategy also endorsed increased online activity by the DEC through social media and a redeveloped website. DEC agreed and implemented an approach for Scotland and Wales media work during appeals led by staff in country in support of the secretariat.

We have written the specification for a new website. The new website will have more accessible information about how we are using appeal donations and it will make it easier for visitors to link with other digital communities such as facebook and Twitter.

Internally, the site will allow more efficient behind the scenes activity to update website content. The new site will be live in the summer of 2011.



“I complement DEC and its member agencies for their work and this reflective study. We at the Asia task force would like to engage further with you to explore areas of mutual learning. Some of these lessons can be brought into the disaster management practice in asia directly, and can also be taken up for policy level engagement through platforms such as the UN International Strategy for Disaster Reduction. The issue of urban risk reduction is also going to be a major concern at the upcoming global platform.”

– Rajib Shaw, Associate Professor and Chair,
UN Asia regional task force for urban risk reduction

RAPID RESPONSE

We continue to have close working relationships with members of the Rapid Response Network to review how we work together for appeals and this year gave more time to clarifying processes with our broadcaster partners.

ACCOUNTABILITY

Our accountability framework continued to provide assurance over the good use of DEC funds, see page 14–15. The annual assessment process culminated in a programme of peer challenge sessions for our member agency trustees. These meetings, each hosted by an independent trustee, offered a forum for our agency chief executives to discuss the key issues affecting their organisations.

INDEPENDENT REPORT



As part of our ongoing learning programme we commissioned and published the independent report 'Urban Disasters – lessons from Haiti'. This included a warning that the world should expect three to five big urban disasters in the next 10 years. It said that the 950 million people now living in urban slums would be particularly vulnerable during any disaster. Three of the potential urban disasters which aid workers fear most are earthquakes affecting Tehran, Istanbul or Kathmandu.

The report highlighted 10 practical lessons that should guide future urban disaster responses. It has been shared with organisations outside as well as within the DEC, it is featured on the DEC website and on the ALNAP website.

Urban disasters – lessons from Haiti

Study of member agencies' responses to the earthquake in Port au Prince, Haiti, January 2010



Report for the Disasters Emergency Committee (DEC)

Disasters Emergency Committee

Carrie Clement, David Sanderson, Anshu Sharma and Helen Spruce
March 2011

PLANS FOR THE FUTURE

Our plans for 2011/12 will centre on effective implementation of the new website and engaging with our donors to understand how to provide them with information about how we use money raised.

STRATEGIC OBJECTIVE 3: WORKING TOGETHER EFFECTIVELY

CHANGES AT THE DEC

We said farewell to our chairman **Mike Walsh** in March 2011 and appointed a new chairman **Clive Jones CBE**. The board sub committee structure was reviewed and changed during the year and the work of the risk and remuneration committees has been shared between the audit committee and the board.

The DEC has improved a number of systems including the database and finance systems and now has a hosted 'cloud' server which allows us more flexible working. Implementing the new systems has involved several training sessions and our user guides are helping with new user induction.

The secretariat has held learning review sessions after each of the appeals to ensure that we incorporate improvements from each appeal. We have increased the number of member inductions, to ensure that any new staff can find out about the processes they will use when they run a DEC programme, and now run these on a quarterly basis.

Our database has enabled us to be more efficient in claiming Gift Aid from HMRC to allow us look back at donations over a 4 year period not just for one appeal. To deal with this the wording on promotional materials has changed during the year to allow some flexibility on how the money is used. The board has agreed to ring fence gift aid for appeals funding only so it will not be used to fund DEC overheads.



Thank you Mike

Outgoing Chairman Mike Walsh has successfully led the DEC board of trustees through some of its most challenging moments, including the effective disbursement of the Tsunami appeal funds, the sensitivities of Gaza, and finally two of our biggest appeals for the earthquake in Haiti and the floods of Pakistan (where he is pictured helping with an Islamic Relief project). Mike's calm good humour and inclusive style has enabled him to build a stronger DEC, with a better resourced secretariat and a demonstrable commitment to excellence and public accountability. He will be greatly missed.



BOARD OF TRUSTEES

Clive Jones CBE
Chairman DEC (appointed 24th March 2011)
Membership and Nominations

Mike Walsh
Chairman DEC (resigned 23rd March 2011)
Membership and Nominations

Tom Wright CBE
Chief Executive Age UK
Fundraising

Richard Miller
Director ActionAid UK
Audit

Sir Nicholas Young
Chief Executive British Red Cross
Audit, Membership & Nominations

Chris Bain
Director CAFOD
Accountability

Geoffrey Dennis
Chief Executive Care International UK
Risk

Loretta Minghella
Director Christian Aid
(appointed 6th April 2010)
Accountability

Rose Caldwell
Executive Director Concern Worldwide UK
Risk

Saleh Saeed
Chief Executive Islamic Relief
Accountability

Carolyn Miller
Chief Executive Merlin
Risk, Membership & Nominations, Fundraising

Barbara Stocking
Chief Executive Oxfam GB

Justin Forsyth
Chief Executive Save the Children
(appointed 1st September 2010)

Matthew Frost
Chief Executive Tearfund
Accountability

Justin Byworth
Chief Executive World Vision UK
Membership & Nominations

Dr Sheila Adam
Independent Trustee
Medical practitioner and director within
NHS and Department of Health
Chair Accountability, Membership & Nominations

Ann Grant
Independent Trustee
Vice Chairman Standard Chartered
Capital Markets Ltd.
Accountability, Membership & Nominations

Victoria Hardman
Independent Trustee
Vice Chairman
Audit, Chair Membership & Nominations

Adrian Martin FCA
Honorary Treasurer
Non Executive Director of
Morgan Sindall plc, Safestore Holdings plc, M&C
Saatchi plc and RSM Tenon Group PLC.
Former Chief Executive of Reynolds Porter
Chamberlain LLP and former Managing Partner
of BDO LLP
Chair Audit, Remuneration, Chair Risk,
Membership & Nominations

John Willis
Independent Trustee
Chief Executive, Mentorn Media
Accountability, Membership & Nominations, Fundraising

Judy Beard
Co-opted Independent Trustee
Chair Fundraising (appointed 15th December 2010)

SECRETARIAT EMPLOYEES



Brendan Gormley
Chief Executive

Kathryn Hindley
Deputy Chief Executive

Erynn Linabury
Donations and Database Officer

Shankar Vipulanandarajah
Fundraising Manager (to 31/12/10)

Timothy Aseervatham
Finance Manager

Annie Devonport
Humanitarian Programmes Advisor

Cait Turvey Roe
Accountability & Audit Manager

Brendan Paddy
Communications Manager

Lydia Roshanzamir
Office Administrator

Saunvedan Aparati
Web Editor (to 17/09/10)

PLANS FOR THE FUTURE

With the recruitment of a new chairman we will ensure that there is an appropriate period of induction and familiarisation with the sector as a whole.

There will be changes to secretariat and member activity arising from the fundraising strategy changes. The brand adjustments are likely to mean closer ties between member and DEC brands and require discussions with all members. We will continue to facilitate DEC learning and improvement and thus help to ensure that donations are spent on high quality aid work.

STRATEGIC OBJECTIVE 3: WORKING TOGETHER EFFECTIVELY OUR PEOPLE & PARTNERS

TRUSTEES RESPONSIBILITIES

The DEC board of trustees is accountable for the actions of the DEC. The board determines the policies that govern the way that the organisation functions. It is responsible for determining whether or not a particular emergency fulfils the appeal criteria. The DEC allocates money raised by an appeal on the basis of a formula intended to reflect the capacity of each member agency.

Through its sub committees the board monitors how allocated funds are spent and ensures member agencies plan their programmes in accordance with the parameters of the appeal. The effectiveness of the use of allocated funds is the responsibility of each member agency. The board of trustees' decisions are made on the basis of a vote. Each member trustee and independent trustee and the honorary treasurer has an equal voting right, an abstention in an appeal decision making situation is counted as a vote against an appeal. In the case of a split vote, the casting vote is made by the DEC chairman.

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

Trustees are nominated, elected and replaced as follows:

- The chief executive officer of each member agency is an 'ex officio' member of the DEC board.
- The chairman and independent trustee posts are advertised and the independent trustees nominate a suitable candidate to the member trustees for approval. The candidate nominated cannot be a member trustee.
- The chair and independent trustees hold office for a term of three years 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.
- Trustee induction – Upon joining the DEC board, new trustees are given an intensive induction explaining their roles and responsibilities, they are briefed on the history of the DEC and are provided with an information pack.

Roles of the Board Sub Committees

Audit Committee

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

Membership and Nominations Committee

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

Accountability Committee

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

Fundraising Committee

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

MAJOR SUPPORTERS 2010/11

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

TV broadcasters:

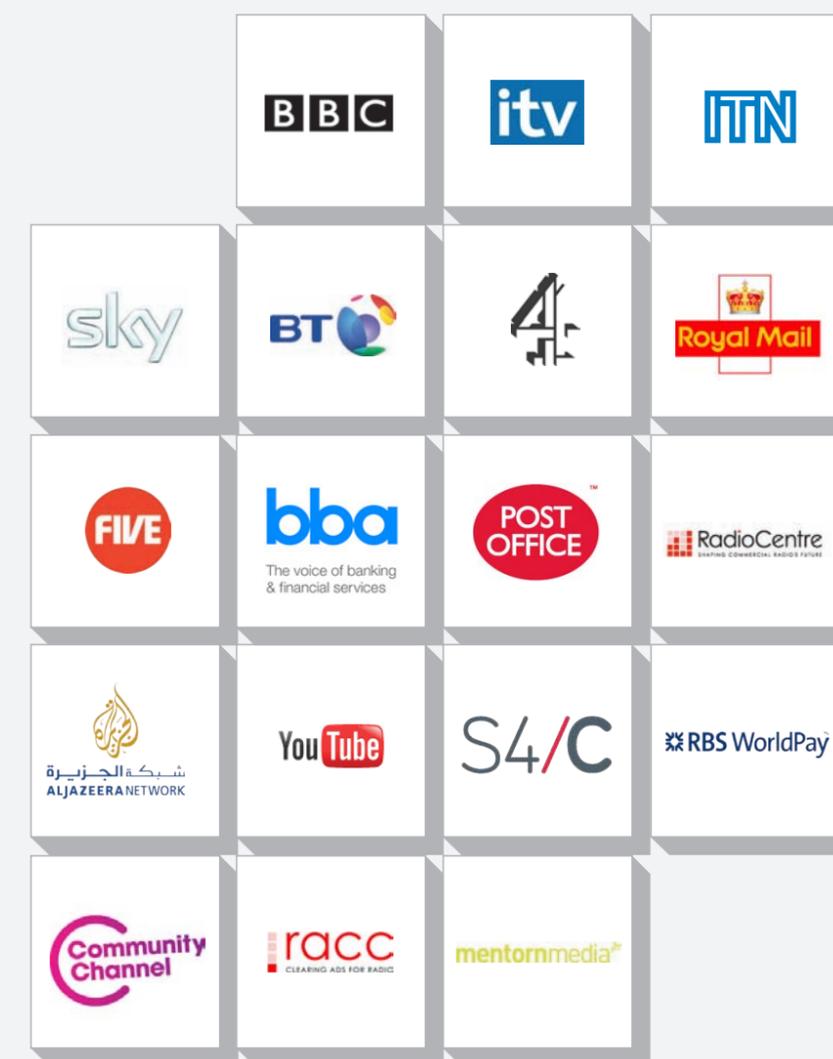
BBC, BSkyB, Channel 4, Channel 5, ITN, ITV Networks, Al Jazeera, S4C, Community Channel, Mentorn Media.

Radio Broadcasters

BBC Radio, Radiocentre and Commercial Radio stations, Radio Advertising Clearance Centre.

Donations, logistics and processing

British Bankers' Association, BT, Royal Mail, RBS Worldpay, Post Office Ltd, Allied Irish Bank (GB), Bank of Ireland, Barclays Bank, Clydesdale Bank, Yorkshire Bank, Co-operative Bank, Coutts & Co, First Trust Bank, HSBC Bank, Lloyds Banking Group, Northern Bank, The Royal Bank of Scotland Group, Santander, Ulster Bank



PROFESSIONAL ADVISORS

Bankers

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

Solicitors

Bates, Wells & Braithwaite London LLP
2-6 Cannon Street
London EC4M 6YH

Solicitors

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

Auditors

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Volunteers

The Secretariat has benefited from the services of volunteers throughout the year. We are grateful to Dawn Webster, Pamela Chowdhury, Mahvish Inayat, Owen Kennedy, Katie Carleton and Susan Mohammad for their time and enthusiasm.

Registered Office

1st Floor
43 Chalton Street
London NW1 1DU

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

FINANCE

Trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees who are also the directors to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's

transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for reviewing the major risks which the DEC is exposed to and ensuring that systems and procedures are established to manage these. The DEC has a robust risk management process which draws on risk reporting by member agencies and the secretariat to the risk management committee and the Board. Risks around Secretariat staff turnover and the DEC's ability to keep up with the fast changing world of new media were amongst those identified and managed during the year.

Financial review

The total income including gift aid and interest receivable for the year amounted to £49.51m (2010 - £73.69m). The DEC launched an appeal for the Pakistan floods which raised £40.7m including gift aid and additional income in the year of £6.5m was received for the Haiti Earthquake Appeal launched in the previous year. Distribution of appeal funds to member agencies amounted to £57.0m (2010 - £23.7m) for their relief expenditure on the current appeals and appeals launched in previous years. The remaining funds for the appeals for Myanmar, Congo and Gaza were disbursed to member agencies in May 2011.

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

Year	2006/07	2007/08	2008/09	2009/10	2010/11	Total
Total incoming resources	19,797	23,036	25,830	73,687	49,511	191,961
Cost of generating funds	604	1,020	1,174	1,343	1,712	5,854
Cost of generating funds (%)	3.05	4.43	4.55	1.82	3.46	3.05

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

Year	2006/07	2007/08	2008/09	2009/10	2010/11	Total
Resources expended on charitable activities	156,492	110,739	37,782	23,874	57,126	386,013
Total resources expended	157,214	111,910	39,224	25,452	59,077	392,870
Resources expended on charitable activities (%)	99.54	98.95	96.32	93.80	96.71	98.26

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% (See Table 2). During these five years the DEC has distributed £386m of donated funds to its member agencies for their relief work in the areas hit by disasters.

Cumulative fundraising costs, as a percentage of cumulative voluntary income over the past five years is 3.05% (See Table 1). The DEC has raised in excess of £190m over the last five years of which £5.9m was spent on fundraising.

The DEC is fortunate to benefit from the support of national broadcasters and a number of other companies (see page 25) which together enable us to keep our fundraising costs low.

Volunteers

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

Investment policy and performance

Under the memorandum and articles of association, the charity has the power to make investments. However, the charity needs to be in a position to enable member agencies to react very quickly to emergencies and therefore has a policy of keeping funds in short-term deposits (i.e. fixed term or call deposits with top security rating and fixed interest or with a fixed relationship to base rate) which can be accessed readily. The base rate during the year remained at 0.5% but the average yields from short term deposits were in the region of 0.70% to 0.75%. The performance is well in excess of bench mark per the investment policy. DEC has been investing in 'AAA' rated liquidity funds in order to minimise risks associated with large scale investment and banks with UK government backing and with its own bankers, the Co-operative Bank. At the balance sheet date funds totalling £42.8m were on short term fixed deposits and £4.7m in interest bearing current accounts. The trustees will be reviewing the investment policy during the financial year 2011/12.

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 trustees concluded that there should be a steady release of funds from the reserves to the operational costs in order to bring the current level of reserves equivalent to 6 months of the secretariats costs to approximately 3 months costs. This was made possible by the charity benefiting from an expendable endowment to the value of £1.7m during the year which will be used over 10 years to support the activities of the DEC.

As stated in previous year's report, the secretariat utilised part of the reserves on further development of the donor database and commenced improvement of its website as part of the communication strategy. At the year end the general reserves amounted to approximately 7 months of secretariat's costs. As at 31st March 2011, the unrestricted general reserves were £551,000, designated for Pakistan Appeal £4,019,000 and expendable endowment £1,710,000 (£618,000, nil, nil)

Public Benefit Reporting

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

- people in poorer countries in urgent need of emergency relief regardless of race, creed or nationality through the funding provided to 13 of the UK's leading humanitarian agencies (the public benefit is described in the three appeal summaries for the Pakistan, Haiti, and Indonesia, Philippines and Vietnam appeals).
- the promotion of the efficiency and effectiveness of life saving assistance and the alleviation of poverty.

Auditors

Crowe Clark Whitehill LLP has expressed its willingness to continue as auditor for the next financial year.

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 S.418 of the Companies Act 2006.

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



Clive Jones
Chairman

22nd June 2011

1st Floor
43 Chalton Street
London NW1 1DU



Adrian Martin
Honorary Treasurer

FINANCE

Independent Auditor's Report to the Members of Disasters Emergency Committee

We have audited the financial statements of Disasters Emergency Committee for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 15.

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 auditor's 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

We read all the information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

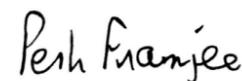
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Pesh Framjee
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

24 June 2011

Statement of Financial Activities for the year ended 31st March 2011

(incorporating the income and expenditure account)

	Notes	Unrestricted funds	Endowment funds	Restricted income funds	Total 2011	Total 2010
		£'000	£'000	£'000	£'000	£'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Appeal income		4,019		42,811	46,830	72,971
Donations from Member Agencies		540		-	540	540
Other voluntary income		25	1,710	-	1,735	74
		4,584	1,710	42,811	49,105	73,585
Investment income	2	5	-	401	406	102
Total incoming resources		4,589	1,710	43,212	49,511	73,687
Cost of generating funds						
Costs of generating voluntary income						
	3	412	-	1,300	1,712	1,343
Charitable activities						
Distribution to Member Agencies	4	-	-	57,012	57,012	23,684
Lesson learning and evaluation	3	-	-	114	114	190
		-	-	57,126	57,126	23,874
Governance costs	3	225	-	7	232	235
Total resources expended		637	-	58,433	59,070	25,452
Net (expenditure)/income for the year		3,952	1,710	(15,221)	(9,559)	48,235
Total funds at 1 April	13	618	-	61,171	61,789	13,554
Total funds at 31 March	13	4,570	1,710	45,950	52,230	61,789

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

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

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Balance Sheet as at 31st March 2011

	Notes	2011 £'000	2011 £'000	2010 £'000	2010 £'000
Fixed Assets					
Tangible assets					
	8		<u>164</u>		<u>124</u>
Current Assets					
Debtors	9		<u>11,498</u>		<u>7,728</u>
Cash and short term deposits	10		<u>47,493</u>		<u>55,568</u>
			<u>58,991</u>		<u>63,296</u>
Creditors: amounts falling due within one year	11		<u>(6,925)</u>		<u>(1,631)</u>
Net current assets			<u>52,066</u>		<u>61,665</u>
Total assets less current liabilities			<u>52,230</u>		<u>61,789</u>
Net assets			<u>52,230</u>		<u>61,789</u>
Funds					
Unrestricted funds					
General reserves	13	551		618	
Designated for Pakistan Floods Appeal	13	<u>4,019</u>		<u>-</u>	
			<u>4,570</u>		<u>618</u>
Expendable endowment	13		<u>1,710</u>		<u>-</u>
Restricted income funds	13		<u>45,950</u>		<u>61,171</u>
Total Funds			<u>52,230</u>		<u>61,789</u>

The financial statements on pages 29 to 37 were approved by the board on 22 June 2011 and signed on their behalf by:



Clive Jones
Chairman



Adrian Martin
Honorary Treasurer

Cash Flow Statement for the year ended 31st March 2011

	2011 £'000	2010 £'000	
Reconciliation of net outgoing resources to net cash outflow from operating activities			
Net incoming/(outgoing) resources	<u>(9,559)</u>	<u>48,235</u>	
Depreciation charge	<u>50</u>	<u>37</u>	
(Increase) in debtors	<u>(3,770)</u>	<u>(6,126)</u>	
Increase in creditors	<u>5,294</u>	<u>748</u>	
Interest receivable	<u>(406)</u>	<u>(102)</u>	
Net cash inflow/(outflow) from operating activities	<u>(8,391)</u>	<u>42,792</u>	
Returns on investments and servicing of finance			
Interest receivable	<u>406</u>	<u>102</u>	
Capital expenditure			
Payments to acquire tangible fixed assets	<u>(90)</u>	<u>(136)</u>	
Cash inflow/(outflow) before management of liquid resources	<u>(8,075)</u>	<u>42,758</u>	
Management of liquid resources			
(Increase)/decrease in investments held on short term deposits	<u>(3,922)</u>	<u>(34,417)</u>	
Increase/(decrease) in cash	<u>(11,997)</u>	<u>8,341</u>	
Analysis of changes in net cash balance			
	31st March 2010	Cash flow 2010	31st March 2011
Cash at bank and in hand	<u>16,645</u>	<u>(11,997)</u>	<u>4,648</u>
Short term deposits	<u>38,923</u>	<u>3,922</u>	<u>42,845</u>
Cash and short term deposits	<u>55,568</u>	<u>(8,075)</u>	<u>47,493</u>

FINANCE

Notes to the financial statements for the year ended 31st March 2011

1. Accounting policies

(a) Basis of accounting

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

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

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

(c) Resources expended

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

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

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

Support costs which include costs 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

Unrestricted funds comprise:

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

Expendable endowment relates to funds held on trust to be retained for the benefit of the Charity as a capital fund. It is distinguishable from unrestricted funds in that there is no requirement to spend the funds until the Charity trustees decide to.

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

(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
Database & Finance Software:	20% straight line method
Web development:	33% straight line method

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

(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 23. 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

	2011	2010
	£'000	£'000
Bank interest received	406	102

3. Total resources expended

	Member allocations	Other direct costs	Allocated support costs	Total 2011	Total 2010
	£'000	£'000	£'000	£'000	£'000
Cost of generating voluntary income	-	1,425	287	1,712	1,343
Distribution to member agencies	57,012	-	-	57,012	23,684
Lesson learning and evaluation	-	114	-	114	190
Governance	-	7	225	232	235
Total resources expended	57,012	1,546	512	59,070	25,452

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

Allocated support costs: 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	2011 £'000	2010 £'000
Staff	Estimate of where staff spend their time	358	355
Premises and utilities and other overheads	Actual and estimated usage	154	104
Total support		512	459

The DEC aims to keep the cost of generating voluntary income (fund raising costs) below 5% of appeal income (See Table 1).

FINANCE

Notes to the financial statements for the year ended 31st March 2011

4. Distribution to member agencies

Disbursements from appeals payable to the following participating member agencies:

	DRC	GCA	IPV	HEA	PFA	Total 2011	Total 2010
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ActionAid UK	6	131	85	2,825	879	3,926	1,355
Age UK		-	110	1,726	916	2,752	1,446
British Red Cross	-	-	342	3,257	4,038	7,637	3,832
CAFOD	-	86	106	2,614	1,107	3,913	550
CARE Int. UK	-	-	90	1,714	1,596	3,400	2,340
Christian Aid Concern Worldwide UK	-	-	138	1,940	1,307	3,385	2,037
	73	-	-	983	750	1,806	1,824
Islamic Relief	-	-	134	1,394	982	2,510	1,044
Merlin	-	176	493	1,629	1,223	3,521	655
Oxfam	41	184	-	9,844	3,952	14,021	3,633
Save the Children	164	-	332	1,653	2,409	4,558	2,437
Tearfund	-	-	98	1,377	660	2,135	1,142
World Vision UK	-	68	78	1,938	1,364	3,448	1,389
Total	284	645	2,006	32,894	21,183	57,012	23,684

DRC: Congo (DR) Crisis Appeal

GCA: Gaza Crisis Appeal

IPV: Indonesia, Philippines, Vietnam Appeal

HEA: Haiti Earthquake Appeal

PFA: Pakistan Floods Appeal

5. Particulars of employees

(a) Their total remuneration was:

	2011 £'000	2010 £'000
Salaries and wages	429	439
National insurance	50	47
Pensions premiums and life assurances	53	35
Total	532	521

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

	2011	2010
Full time	9	9
Part time	1	1
Total	10	10

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

	2011	2010 restated
£100,001 - £110,000	1	1
£60,001 - £70,000	1	1

During the year, the employer's pension contributions to the above employees amounted to £23,632 (2010: £11,549).

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

	2011	2010
Fundraising	6	6
Finance	1	1
Administration	3	3
Total	10	10

6. Trustees

Emoluments

None of the trustees received emoluments in the year (2010: nil). Amounts reimbursed to two Trustees for travel and other expenditure was £1,635 (2010: £2,482).

7. Net movement in funds is stated after charging:

	2011 £'000	2010 £'000
Auditors' remuneration – statutory audit fee	24	26
Operating lease payments – premises	52	51
Depreciation charge	50	37

8. Tangible fixed assets

	IT Software & Web development	Furniture & Fittings	Office Equipment	Total
Cost	£'000	£'000	£'000	£'000
At 1 st April 2010	136	48	5	189
Additions	86	4	-	90
Disposals	-	-	(5)	(5)
At 31st March 2011	222	52	0	274
Depreciation				
At 1 April 2010	27	33	5	65
Charge for Year	40	10	-	50
Disposals	-	-	(5)	(5)
At 31st March 2011	67	43	-	110
Net Book Value At 31st March 2011	155	9	0	164
At 31 st March 2010	109	15	0	124

FINANCE

9. Debtors

	2011 £'000	2010 £'000
Prepayments and accrued income	11,498	7,728

Prepayments and accrued income include gift aid tax recoveries for:

Pakistan Floods Appeal: £4m based on claim to be made to HMRC after the year end.

Haiti Appeal: £6.53m claim made to HMRC after the year end.

10. Cash and short term deposits

	2011 £'000	2010 £'000
Cash and interest bearing current accounts	4,648	16,645
Deposit accounts	42,845	38,923
Total	47,493	55,568

The balances in cash and short term deposits include balance of £26m for the Haiti Appeal launched in January 2010 which equates to around 35% of the appeal funds. This remainder will be fully disbursed in the second half of the programme cycle of 3 years; £16m of the above total represents funds for the Pakistan appeal launched in August 2010.

11. Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	66	292
Taxation and social security costs	14	16
Sundry creditors and Accruals	6,845	1,323
Total	6,925	1,631

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:

	2011 £'000	2010 £'000
Less than one year - other	-	10
Two to five years - other	21	-
Two to five years - premises	53	52

13. Statement of funds

	Balance 1 April 2010 £'000	Income £'000	Distributed to members £'000	Resources expended £'000	Balance 31 March 2011 £'000
Unrestricted funds					
General reserve	618	570	-	637	551
Designated for the Pakistan Floods Appeal	-	4,019	-	-	4,019
Total unrestricted funds	618	4,589	-	637	4,570
Expendable endowment	-	1,710	-	-	1,710
Restricted Income Funds					
DEC Bangladesh Cyclone Appeal	12	-	-	12	-
DEC Myanmar Cyclone Appeal	244	-	-	16	228
DEC Congo (DR) Crisis Appeal	396	-	284	2	110
DEC Gaza Crisis Appeal	725	-	645	3	77
DEC IPV Appeal	3,111	32	2,006	10	1,127
DEC Haiti Earthquake Appeal	56,662	6,454	32,894	428	29,794
DEC Pakistan Floods Appeal	21	36,652	21,183	944	14,546
Next Appeal	-	74	-	6	68
Total restricted income funds	61,171	43,212	57,012	1,421	45,950
Total funds	61,789	49,511	57,012	2,058	52,230

14. Related party transactions

The charity trustees disclosed on page 23 include executives of all member agencies. The material transactions are disclosed in note 4. The member agencies also made donations of £540k (2010: £540k) 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 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.

Notes:

Designated funds

Gift aid tax recoverable on donations to the Pakistan appeal although unrestricted was committed to the relief work in Pakistan.

Expendable endowment

DEC benefited from a legacy of £1.7m during the year which established an expendable endowment by a trustee declaration of trust to be spent over 10 years.

Restricted income funds

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

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

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

The appeal for the Haiti Earthquake launched in January 2010 raised £65.9m in the previous financial year and a further amount of £6.5m was received during the reporting year. The amount for disbursements to member agencies for this appeal reflects amounts requested and paid up to the year end date.

For the Pakistan Floods Appeal, as of the reporting date, £21.2m had been remitted to the member agencies for their disaster response.

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