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These Financial Report & Accounts should be read alongside the ActionAid International 2013 Board and Annual reports – www.actionaid.org.

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Female garment workers who attend the AA supported Rights Café marching down the street in the area near the Café, holding placards and chanting slogans which call for action and respect of the labour laws.

Credit: Nicola Bailey/ActionAid

Governance, risk management and internal control

Introduction

This report and the attached financial statements bring together the activities and financial position of all of the entities that work under the name ActionAid International. For the period ended 31 December 2013, the narrative reports and financial statements encompass ActionAid International (International Secretariat and country programmes managed by ActionAid International), Affiliate and Associate Members, as described in the Financial and accounting policies on page 9 and 10. The financial report and accounts should be read with and understood in the context of the Annual report setting out ActionAid's objectives, activities and achievements. These were published simultaneously with this report and are available at www.actionaid.org.

Governance

ActionAid International has a two tier governance structure composed of an Assembly and a Board. The Assembly is composed of Affiliate and Associate Members. The International Board is composed of independent Board Members. This structure enables the number of Members to grow while maintaining a relatively small board for effective oversight of management.

The relationship between ActionAid International and its Members is spelt out in the ActionAid International Constitution, Membership regulations and license agreement between ActionAid International and its Members. The Assembly is the overarching governance body of ActionAid International and reserves certain powers and functions to itself including the approval

of the International Strategy, election of ActionAid International Chair and Board Members.

The ActionAid International Assembly (composed of its Members' nominated representatives) meets at least once a year in its Annual General Meeting. ActionAid International Members have the right to vote and propose motions (proposal for decision to the Assembly) on issues within the power of the Assembly.

The ActionAid International Board is responsible for the ongoing governance of the organisation.

The ActionAid International Board meetings are convened at least three times a year. The ActionAid International Board continues to delegate the day-to-day operations to the principal officers who comprise an executive leadership team of full-time senior management. There are provisions in the constitution for the Board Members themselves to elect up to one third of the Board to ensure that it maintains the necessary balance of gender, expertise, regional representation or other diversity.

Board Members hold office for three years and are eligible to serve a maximum of two consecutive terms.

The Board delegates some of its work to Board committees. These are:

- The Finance and Funding Committee. It encourages the highest standards of integrity and financial reporting and oversees the fundraising and financial management of ActionAid International and management processes.
- The Audit and Risk Committee. It oversees the work of internal and external audit and champions the risk

assessment, monitoring and evaluation processes of the Association. The Committee regularly reviews the risk register and the adequacy of risk mitigation plans and provides guidance and direction to management on building a culture of risk management across the federation.

- The Governance and Board Development Committee. It inducts new Board Members, reviews proposals for new members of ActionAid International and reviews ActionAid International's governance standards.
- The Human Resources & Organisational Development Committee. It consisted of conveners of the other three committees and the Board Chair, and during the year reviewed the remuneration and benefit policies applying to international staff and recommendations for the remuneration of the Chief Executive. Its terms of reference and composition are being revised in 2014.

The executive leadership team is led by the Chief Executive and comprises Functional leadership for the Federation and the International Secretariat. During the year, the Chief Executive resigned in August 2013, and an Interim Chief Executive was appointed from within the Secretariat and the recruitment of a new Chief Executive was completed in December 2013 with the appointment of a new CEO effective 1 April, 2014.

Further details of the structure and the powers of the Assembly and Board are set out in the ActionAid International constitution (please refer to our website www.actionaid.org).

In addition, ActionAid International Members are registered locally and have their own governance structure with oversight for their activities at national

Governance, risk management and internal control

level. Organisations that become Members of ActionAid International are required to have constitutions that prescribe governance processes in line with the standards set by ActionAid International. They are also governed by regulations established under the constitution which require compliance with a range of policies and procedures that establish a series of operating standards across ActionAid International. A separate agreement between ActionAid International and ActionAid UK provides for the International Secretariat to manage country programmes that have not yet become locally registered organisations.

Internal Control

The ActionAid International Board, accountable to the ActionAid International Assembly, has overall responsibility for the system of internal control in the International Secretariat and country programmes, and through the internal audit function monitors the control environments of ActionAid International's Members. The system provides reasonable but not absolute assurance that ActionAid International operates efficiently and effectively, safeguards its assets, maintains proper records and complies with relevant laws and regulations. The national boards have the primary function for monitoring matters at national level.

The Members of the ActionAid International Board oversee a comprehensive accountability system. This includes rolling three-year plans, approved annually by Members' boards and on an aggregated basis by the Board Members of ActionAid International. The ActionAid International Board compares actual results with plans and forecasts and non-financial performance

data. Other controls include delegation of authority and segregation of duties. The ActionAid International internal audit function regularly reviews internal controls across ActionAid International and submits reports to the Audit and Risk Committee.

Risk Management

The ActionAid International Board has identified and reviewed the major strategic, business and operational risks which ActionAid International faces and confirms that appropriate systems are in place to manage and mitigate those risks.

This assurance is underpinned by work undertaken by the executive leadership team, country management teams, national boards and the ActionAid International Board in managing risks across the Federation. All members, country programmes and the International Secretariat have risk registers which are regularly reviewed by respective managements & boards.

The ActionAid International Board has accepted responsibility for the preparation of these aggregated non-statutory financial statements for the year ended 31 December 2013 which are intended to give a true and fair view of the state of affairs of ActionAid International at that date and of its surplus for the period then ended. They are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, adjusted to include the creation of a property, plant and equipment replacement reserve, with additional voluntary disclosures appropriate to an INGO.

In preparing these aggregated non-statutory financial

statements, Members of the Board have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether appropriate accounting standards have been followed subject to any material departures being disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis as they believe that ActionAid International will continue to operate for the foreseeable future.

Members of the Board are responsible for keeping adequate accounting records for ActionAid International and for monitoring the standard of record keeping of Members and country programmes, so that they can disclose, with reasonable accuracy the financial position of ActionAid International and to enable them to ensure that the financial statements comply with IFRSs and ActionAid International's accounting policies. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of ActionAid International and to prevent and detect fraud and other irregularities. They are responsible for the maintenance and integrity of the financial and other information included on the organisation's website.

Review of financial performance

Introduction

ActionAid International's total income in 2013 was €225 million. This is a good performance in the context of the slow recovery from the global recessionary environment, and our exposure to European sources of funding. The income increased by 3% compared to prior year. Total expenditure was €213 million a decrease of 7% , which resulted in a surplus of €12million after investment gains.

The overall surplus after transfers and investment gains for the year comprised a surplus of €6.4m relating to restricted funds, and a surplus of €5.9m relating to unrestricted funds. The high restricted surplus is as a result of an increase in voluntary income at the end of the year, for which the programme activities are planned for 2014. The high unrestricted surplus is as a result of transfers of restricted fund balances following the review of historic balances described below.

Currency volatility ebbed in 2013 with the average Euro rate of €1.178/£1 strengthening by 4% over the year. With global economies still fragile, and emerging markets currency volatility, the currency risk remains high. The funding mix is about 50% of income from Euro zone Countries, or countries with currencies influenced by the Euro, 33% of income denominated in Sterling; the balance of the income mainly earned in US and Australian dollars, Indian Rupees and Brazilian Real.

As part of our organizational priorities to reform financial management and control systems and processes (priority 6 in our new strategy "People's Action (2013-2017)"), we continued implementing improvements in planning, reporting and aggregation,

and established a Finance Transformation Project for delivery of this priority, creating a robust platform for continuous improvements, and alignment to strategy going forward. We continue to review the consistency of application of international accounting policies, together with a process of reconciling and validating fund balances on the ledger, with a number of adjustments and transfers between funds, in some cases relating to prior periods, which have been accounted for as part of ActionAid International's results for 2013.

Income

Our voluntary income is derived mainly from Child Sponsorship and other committed giving fundraising products. The strong performance in 2013 is derived from growth in our new fundraising markets of Brazil, India, Denmark and Netherlands as well as from a strong recovery in Greece, which has offset declines in Ireland, Sweden, UK and Italy.

The total number of supporters making regular donations increased by 2% to 389,400 supporters. There were large increases in supporter numbers in Brazil, India, Denmark, Sweden and France but declines in Australia, Ireland, UK and the USA. Most new supporters were recruited through TV advertising, street and door to door fundraising and online.

The percentage of supporters cancelling their support was low for most countries, but there have been some increases as a result of the economic

situation in Greece and Australia.

Committed Giving income reflects a decline from prior year, with efforts to expand our fundraising activity in emerging and new markets helping to offset the decline in some mature markets. The decline in the UK is attributable to a strengthening € exchange rate and a tough operating environment.

Voluntary income also includes income from trusts, corporate bodies, some individuals and other NGOs. This income has increased by 2% largely due to the increase in funding from corporates, individuals and emergencies; the main emergency responses in 2013 were for Syria and The Phillipines. Our sister organisation in Spain, Ayuda en Acción, generated €5.9m of Child Sponsorship income for ActionAid work which is shown in 'Other donations' in note 1b (along with other funds).

Official income was the same level at €66m as in 2012. The most significant funders were The Government of Denmark €35m, The Government of the UK (DFID) €7m and The European Union €10m. Kenya received €4m of funding in emergency food aid from the UN World Food Programme.

Investment income decreased by 25% as a result of decline in bank interest.

Other income increased by 64% in 2013 and is derived from the trading and activity holidays, profit on disposal of property and realised exchange gains as shown in note 1e.

Review of financial performance

Expenditure

Total Expenditure at €213 million is 7% lower than 2012 partly due to a decline in emergency related activities in Afghanistan, Haiti and Kenya and difficult operating conditions in high security risk countries. Fundraising costs remained steady increasing on an underlying basis by 5%. Programme costs decreasing by 9% and Governance costs decreasing by 20%. As a % of total costs, fundraising costs increased marginally to 21% in 2013 and fundraising costs as a percentage of income remained at 20%, with increasing investments in funding affiliates own activities and in new affiliates to diversify our income sources, offset by currency impacts.

Programme expenditure (before the allocation of support costs) has decreased by 9% due to the decline in emergencies and programme activity in high risk countries. In accordance with our new strategy, we are in the process of establishing baselines and reporting on new strategic objectives which will be reflected in our financial accounts in 2014.

Support costs decreased by 4% due to reductions in scale of some operations as major donor projects and emergencies were phasing out. As a percentage of total costs, support costs remained steady at 18%.

Aggregated statement of financial position

The aggregated balance sheet shows that net assets have increased to €92m in 2013; an increase of €10m mainly reflected in higher year end cash balances. The balance sheet contains €80m of cash and short term bank deposits which is higher than 2012 levels by 9% due to timing differences between receiving income and incurring the expenditure.

Issues of concern

The total recorded losses through fraud in 2013 were €169,092 compared to €50,700 in 2012 and €11,500 in 2011. The increase in 2013 was attributed to one country where major control weaknesses and a difficult operating environment resulted in the potential loss of €130,000. There is an ongoing legal process towards recovery and in all fraud related cases, investigations and remedial actions have been undertaken most of which resulted in dismissals of staff members or termination of partnerships. The Association continues to experience problems with donor funded projects leading to significant repayments to donors following external audits of completed projects. In 2013, expenditure totaling €174,117 was disallowed by donors following audits of projects funded by them. This compares with €170,225 in 2012.

In response to these issues, 2014 will see increased focus and attention on fraud awareness and reporting. Management is also supporting all efforts by the International Partnership Development team and Internal Audit towards reducing the number of disallowances on donor funded projects as well as the amounts involved. These include pre-implementation training of all project stakeholders and early identification of high risk projects for management and board attention.

Outlook for 2014

In 2014, the outlook is more positive than in recent years. There are positive signs on global economic recovery, including a return to growth in Europe, and whilst emerging market growth is slower than experienced in previous years, we see the opportunity to invest in these markets to support diversification of income, reducing reliance on European countries and furthering our internationalisation objectives.

The successes of the investment in existing markets during 2013 are expected to continue through 2014 and beyond. The plan reflects a doubling of investment in countries to develop local fundraising, through both voluntary giving and institutional funding, and includes existing markets (Australia, India, Brazil, Sweden, Netherlands, France, US) as well as new markets (Nigeria, Ghana, Kenya, Thailand, Vietnam and South Africa).

We have developed a new corporate engagement strategy that aims to work with corporates for mutual benefit in achieving our mission. The ambitions of our strategy to grow our institutional income nationally and internationally are underpinned by a robust strategy with plans for investing in systems to support this ambition.

We continue to focus on deepening our programme impact by enhancing our monitoring and evaluation, Value for Money and Accountability to increase our impact.

Review of financial performance

Reserves policy and performance

ActionAid holds reserves to allow our work to continue during periods when income may fluctuate. We do this to show our long term commitment to our beneficiaries.

We divide our funds into:

- Restricted reserves: funds which are earmarked for particular purposes, e.g. an appeal to help victims of disasters, but have not yet been spent
- Unrestricted reserves, being general funds which can be used for any expenditure.

These funds are invested in largely short-term funds, with banks and other institutions with some held in longer term investments. Our policy is to hold three months of reserves based on planned operating expenditure in the following year.

Reserves are defined here as:

- funds from supporters, typically committed givers, excluding property, plant and equipment. Balances which result from grants of partnership income, for example from official donors, are not included within this definition of 'reserves';
- unrestricted funds held by Affiliate and Associate Members and ActionAid International.

During 2013 we reviewed compliance with this policy. In performing this review, each of the country programmes, Affiliate and Associate Member activities were reviewed separately. This is because, in dealing with shortfalls against our policy, the flexibility granted by our donors varies depending on the activity of the various entities.

- We are broadly satisfied that country programme reserves of restricted funds are in line with this policy and, where they are not, plans are in place for them to be brought into line within three years. In coming to this conclusion, we took account of ActionAid International reserves which are sufficient to compensate for individual members' temporary shortfalls compared to the minimum required under the policy.
- We are assured that Affiliate and Associate Members held three months of expenditure, based on their planned activity in the following year
- Furthermore, there is a level of additional reserves required for certain defined risks to ActionAid International's future income and expenditure.

The unrestricted liquid funds and treasury reserves of €28.5 million at the end of 2013 (as shown in note 13) represented a margin of €10 million over the minimum required.

Investment policy and performance

The Board's policy in relation to ActionAid International's long term investments is that they should achieve a higher income than is achieved on ActionAid International's liquid resources while over time benefiting from the capital growth available from equities.

The majority of Investments are held by ActionAid International and in 2013, the total return (income and capital growth) achieved on the portfolio was 13%. This return on investment exceeded internal benchmarks, and overall investment performance reflected the recovery on global markets. All investments were made in line with ActionAid International's ethical investment policy.

Auditor's Report

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

We have audited the aggregated non-statutory financial statements of ActionAid International for the year ended 31 December 2013. ActionAid international comprises the entities listed in the basis of aggregation accounting policy on pages 9 & 10. These aggregated non-statutory financial statements comprise the aggregated statement of comprehensive income, aggregated statement of financial position, aggregated statement of cash flows, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report has been prepared for the Association's Members, as a body, solely in connection with their wish to publish aggregated non-statutory financial statements and in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Members those matters that we are required to state to them in this report, and for no other purpose. We

acknowledge that the Members wish to make this report (with the aggregated non-statutory financial statements to which it relates) available for public inspection, to enable readers to verify that an auditor's report has been commissioned by the Members and issued in connection with the associated aggregated non-statutory financial statements.

This report was designed to meet the agreed requirements of the Association's Members, as a body, determined by the needs of the Association at the time. This report should not therefore be regarded as suitable to be used or relied upon by any party wishing to acquire rights against us other than the Association's Members, as a body, or the Association, for any purpose or in any context. Any party, other than the Association's Members, as a body, or the Association, who obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's Members, as a body, for our work, for this report or for the opinions we have formed.

Respective responsibilities of Board Members and auditors

As described on page 3, the Members of the Board of ActionAid International have accepted responsibility for the preparation of these aggregated non-statutory 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 aggregated non-statutory financial statements in accordance with the terms of our engagement letter dated 25 January 2010.

Auditor's Report

Scope of the audit of the aggregated non- statutory financial statements

An audit involves obtaining evidence about the amounts and disclosures in the aggregated non-statutory financial statements sufficient to give reasonable assurance that the aggregated non-statutory 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 Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Association's Members; and the overall presentation of the aggregated non- statutory financial statements. In addition, we read the other information accompanying the aggregated non- statutory financial statements to identify material inconsistencies with them. As highlighted on page 1, the financial report and financial statements are intended to be read with and understood in the context of the Board and Annual report 2013 published on the ActionAid International website on 30 June 2014, which we have also read. If we become aware of any apparent material inconsistencies we consider the implications for our report. Our audit report refers to the aggregated financial statements dated 27 June 2014 and accompanying information as described above. ActionAid International is responsible for the maintenance of the information on its website and for ensuring it remains unaltered after publication.

Opinion on aggregated non- statutory financial statements

In our opinion the aggregated non-statutory financial statements:

- give a true and fair view, of the state of ActionAid International's affairs as at 31 December 2013 and of its result for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and

In our opinion the information given is consistent with the aggregated non-statutory financial statements.



Buzzacott LLP

Chartered Accountants

June 2014

Accounting policies

Basis of preparation

The financial statements have been prepared following International Financial Reporting Standards as adopted by the European Union (Adopted IFRS) as the Board Members have decided that these standards are the most appropriate to ActionAid International's stakeholders. The financial statements have been prepared voluntarily, under the historical cost accounting rules modified for the revaluation of investments, to give a better picture of the international association. Certain additional disclosures, including the analysis of income, expenditure and closing reserves by fund category, and the separation of liquid reserves and funds invested in property, plant and equipment, have been made in line with internationally accepted accounting practices for not-for-profit organisations. The accounting policies adopted are consistent with those of the previous financial year.

At the date of issue of these financial statements the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective. All companies are given time to implement new IFRS and we are currently taking all necessary steps to implement the following standards in good time. The Board Members anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of ActionAid International.

Endorsed

- Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets.
- Amendments to IAS 39 : Novation of Derivatives and Continuation of Hedge Accounting
- Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities.
- Amendments to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities - Transition Guidance.
- Annual Improvements to IFRSs 2009-2011 Cycle (issued by the IASB in May 2012)
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Government Loans.

Yet to be endorsed

- IFRS 9 Financial Instruments (issued 12 November 2009) and subsequent amendments (amendments to IFRS 9 and IFRS 7: Mandatory Effective Date and Transition Disclosures issued on 16 December 2011; Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 issued on 19 November 2013)
- IFRS 14 Regulatory Deferral Accounts (issued on 30 January 2014)
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (issued on 12 May 2014)

Yet to be endorsed continued

- Amendments to IFRS 11: Accounting for Acquisitions of interests in Joint Operations (issued on 6 May 2014)
- Amendments to IFRS 11: Accounting for acquisitions of Interests in Joint Operations (issued on 6 May 2014)
- Defined Benefit Plans : Employee Contributions (Amendments to IAS 19) (Issued on 21 November 2013)
- Annual Improvements to IFRSs 2010-2012 Cycle (Issued on 12 December 2013)
- Annual Improvements to IFRSs 2011-2013 Cycle (Issued on 12 December 2013)
- IFRIC Interpretation 21 Levies (Issued on 20 May 2013)

Basis of aggregation

For the purposes of these aggregated financial statements "ActionAid International" comprises ActionAid International (International Secretariat and country programmes managed by ActionAid International), Affiliate and Associate Members, as established under the legal structure pertaining in 2013. All parts of ActionAid share a common strategy and are committed to aiding every member attain full Affiliate status where this is practical in the medium term. Currently Associates and country programmes, moving along this path to full Affiliate status, are all at different stages of development. They contribute to all activities as far as their capacities allow. For this reason, management believe it is appropriate to include

Accounting policies

all entities in this aggregation and no longer to make the distinction, which is becoming increasingly difficult, between Affiliate and Associate Members.

As the changes in relationship have been gradual, establishing a specific date on which to apply the new treatment is subjective. For this reason, the Board has elected to use the most readily understandable method. The assets and liabilities of new Members have been incorporated in to these financial statements as at 1 January 2009 and their income and expenditures from that date onwards. No new external entities were affiliated during 2013.

The financial statements have been prepared from financial information supplied to ActionAid International by each constituent entity in a common agreed format. Balances due at the year end date and transactions arising during the year between the constituent entities are eliminated as part of the aggregation process.

The Affiliate and Associate Members of ActionAid included in these financial statements are the ActionAid entities in the following Countries: Australia, Bangladesh, Brazil, Denmark, France, Ghana, Greece, Guatemala, India, Ireland, Italy, Kenya, Malawi, Mozambique, Nepal, The Netherlands, Nigeria, Sierra Leone, Sweden, Tanzania, Thailand, The Gambia, Uganda, UK, USA, Zambia.

Fund accounting

All funds raised by ActionAid International are used in the furtherance of its objects, including the net profits from trading activities.

Restricted funds are a significant proportion of the funds and are raised on the basis of an agreement or understanding with the donors that their use will be restricted to certain specified projects, activities or areas of operation. These restricted funds are accounted for separately.

The remainder of the funds raised, including any element of a restricted donation agreed by the donor to be available for use on administrative or other matters, is unrestricted and may be used for any of ActionAid International's general purposes.

Designated funds comprise unrestricted funds that have been set aside by the Board Members for specific future periods. ActionAid International also identifies separately those funds invested in property, plant and equipment, representing the book value of the property, plant and equipment that have been purchased for use by ActionAid International out of restricted and unrestricted funds. Presentation of these funds separately enables ActionAid International to better assess the liquid resources available to support future expenditure.

Committed giving

ActionAid International's income consists principally of donations from supporters of a fixed amount usually paid monthly. The majority of supporters are linked directly to a particular country programme, or specifically to a child in that country. Supporters receive periodic communication detailing how their donations have been used in accordance with their wishes. Affiliate and Associate Members of ActionAid International aim to make their income more flexible by encouraging supporters to transfer from child sponsorship to less restricted forms of giving over time.

The accounting for child sponsorship and other committed giving income is in each case in accordance with the information provided to supporters. The majority of the income is allocated according to the primary focus or purpose of the donation. A percentage, usually 20%, is treated as unrestricted funds, as is tax recovered from local revenue authorities. There are also arrangements for a small proportion of these donations to be used for broader charitable work and to support the generation of income within the country programmes.

Accounting policies

Accounting for income

Income is shown gross, before any deduction of associated costs.

Income is accounted for when receivable. It is deemed to be receivable either when actually received, when there is a contract for its receipt and the relevant entity considers that any outstanding conditions under the contract have been met, or when the entity has become entitled to a future payment and its amount can be ascertained with reasonable certainty. Funds received in one accounting period that are specifically restricted to work to be carried out in subsequent accounting periods are not accounted for as income but are carried forward in payables.

Donations in kind are credited to income at an estimate of the gross value of the gift, which will usually be a market price valuation.

Interest earned from the temporary investment of funds restricted to emergency work is credited to emergency funds. Interest and investment income earned on committed giving monies held in reserve are credited to unrestricted funds in accordance with the information provided to supporters. Interest earned on other restricted fund balances is also credited to unrestricted funds to recognise the fact that in many cases the costs of a project are incurred before the relevant restricted income is received.

Expenditure

Expenditure is accounted for on an accruals basis and all costs include irrecoverable taxes.

Fundraising: The costs of generating funds represent expenditure incurred on raising funds from committed giving supporters, other members of the public, companies, trusts, official bodies and other donors. They include the costs of maintaining child sponsorship and other supporter links and of reporting to supporters and other donors on the projects to which they contribute. They also include investment management costs.

Programme activities: The long-term development and emergency relief and rehabilitation work in country programmes, and the policy influencing and campaigning work carried out there and internationally are managed either by ActionAid International staff in the country concerned or in collaboration with independent organisations, usually locally registered, which are partly or wholly funded by ActionAid International. Grants made to such other organisations are separately identified in the notes.

Governance: The costs included in this category include the costs of board meetings and other governance

processes for each entity, and the costs of legal, internal and external audit.

Fundraising, programme and governance costs are shown in the statement of comprehensive income inclusive of their share of support costs. Support costs represent expenditure incurred on management and the provision of the facilities and services that enable the fundraising and programme activities and governance processes to be carried out efficiently and effectively.

The allocation method of support cost to fundraising, programme and governance is stated in Note 5.

Accounting policies

Property, plant and equipment and depreciation

Property, plant and equipment costing more than the equivalent of £5,000, are capitalised at cost. Depreciation is calculated on a straight line basis and taken to the statement of comprehensive income over the life of the asset. Depreciation is calculated for the following categories of property, plant and equipment as follows:

	In Europe/ US	Outside Europe/US
Freehold buildings	25 years	10 years
Office equipment - computers	3 years	3 years
Office equipment - other	5 years	3 years

Depreciation on motor vehicles held in Europe is calculated at 25% on the reducing balance method. Depreciation on motor vehicles held elsewhere is calculated at 33.3% on the straight line method. No depreciation is charged on freehold land.

Within ActionAid International's restricted and unrestricted funds, separate reserves are identified which represent the net book value of its property, plant and equipment. This enables ActionAid International to better assess the liquid resources available to support future expenditure.

Investments

Investments are classified according to the purpose for which they were acquired. ActionAid International designated its investments as "fair value through profit and loss" on IFRS adoption and will continue to do so. Under this method of accounting, investments are recorded at fair value in the statement of financial position and all changes in value are recognised in the statement of comprehensive income. This designation has been made in accordance with paragraph 9 (b) (ii) of IAS 39 on the basis that the investments are held with a view to generating a total return over an extended period and that management measures this total return based upon total changes in fair value, in line with ActionAid International's established investment policies. As proceeds from disposals are generally reinvested, the distinction between changes in value crystallised by sale and those arising through adjustment to fair value is not considered meaningful. As all equities and bonds are main index stocks and traded on active, regulated exchanges, fair values are determined directly by reference to published current bid prices.

Cash and cash equivalents

Cash and cash equivalents as stated in the statement of cash flows include ActionAid International's cash balances and short term deposits. Short term bank deposits are funds not instantly accessible at the balance sheet date, where the deposits mature within three months of the balance sheet date.

Pensions

ActionAid International operates a variety of pension and other post employment benefits, and other post employment benefit schemes, the costs of which are charged in the statement of comprehensive income as they accrue. None of these schemes is a defined benefit scheme.

Accounting policies

Foreign currencies

Items included in the accounting records of the entities comprising ActionAid International are measured using 'the functional currency', which is the currency of the primary economic environment in which each aggregated entity operates. The aggregated financial statements of ActionAid International are presented in Euros. This is 'the presentational currency' as it benefits the majority of stakeholders. Foreign currency transactions are translated into the functional currency using the rate of exchange ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

On aggregation, income and expenditure denominated in currencies other than Euros are translated into Euros at an average rate for the year; assets and liabilities are translated using the rate of exchange ruling at the balance sheet date. Gains and losses on translation from functional to presentational currency are not recognised in arriving at the surplus or deficit for the year; instead they are taken directly to reserves and tracked as a separate component within other comprehensive income.

Critical accounting estimates and judgements

Preparation of financial statements inherently involves a degree of estimation and the exercise of judgement. Estimates and judgements made are based upon past experience, expectations of future events and are believed reasonable under the circumstances. The nature of ActionAid International's activities is such that there are no significant matters of estimation or judgement which are thought likely to give rise to actual results materially different from those included in the financial statements. The following accounting treatment is subject to a significant degree of judgement:

Introduction of new Members into the aggregated financial statements

As described in the basis of aggregation, because of the specific nature of the relationship between Members, the Board Members have adopted this policy that best reflects the substance of the evolution of ActionAid International.

Contingent liabilities

ActionAid International receives funding from Members for various activities which are subject to donor audits. Although such audits may result in disallowance of certain expenditures, which would be absorbed by ActionAid International, in management's opinion, the ultimate outcome of such audits would not have a significant effect on the financial position, changes in net assets, or cash flows of ActionAid International.

Completeness of submissions from Members into the aggregated financial statements

As described in the basis of aggregation, the financial statements have been prepared from financial information supplied to ActionAid International by each member in a common agreed format. Given the nature of some of the countries in which ActionAid International operates, final audited financial information may not be available in time for the aggregation timetable, in which case the latest best available information is included.

Aggregated statement of comprehensive income for the year ended 31 December 2013

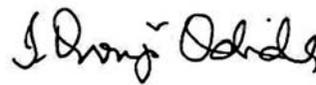
	Note	Restricted €'000	Unrestricted €'000	2013 Total €'000	2012 Total €'000
INCOME					
Voluntary income					
Committed giving	1	59 575	43 341	102 916	108 173
Other donations	1	33 503	11 060	44 563	35 766
		<u>93 078</u>	<u>54 401</u>	147 479	143 939
Official income	1	54 066	11 604	65 670	65 988
		<u>147 144</u>	<u>66 005</u>	213 149	209 927
Investment income	1	195	570	765	1 024
		<u>147 339</u>	<u>66 575</u>	213 914	210 951
Other income	1	581	10 684	11 265	6 851
Total income		<u>147 920</u>	<u>77 259</u>	225 179	217 802
EXPENDITURE					
Fundraising costs	2	(6 323)	(39 224)	(45 547)	(45 418)
Programme expenditure	3	(128 543)	(36 619)	(165 162)	(181 102)
Governance costs	4	(1 452)	(1 273)	(2 725)	(3 385)
Total expenditure		<u>(136 318)</u>	<u>(77 116)</u>	(213 434)	(229 905)
Net surplus/(deficit) before transfers and investment gains		11 602	143	11 745	(12 103)
Gross transfers between funds	13	(5 245)	5 245	-	-
Gain on investments	10	-	522	522	614
Net surplus/(deficit)		<u>6 357</u>	<u>5 910</u>	12 267	(11 489)
STATEMENT OF MOVEMENT IN FUNDS					
Net surplus/(deficit)		6 357	5 910	12 267	(11 489)
Unrealised foreign exchange gains/(losses) on translation		(1 559)	(988)	(2 547)	1 733
Net movement in funds		<u>4 798</u>	<u>4 922</u>	9 720	(9 756)
Total funds brought forward at 1 January 2013	13/14	58 528	23 540	82 068	91 824
Total funds carried forward at 31 December 2013		<u>63 326</u>	<u>28 462</u>	91 788	82 068

Notes 1 to 16 form part of these accounts. There are no recognised gains and losses other than those shown above.
All incoming resources and resources expended derive from continuing activities.

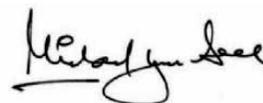
Aggregated statement of financial position as at 31 December 2013

	Note	2013 €'000	2012 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	3 079	3 630
Investments	10	13 197	11 692
		16 276	15 322
Current assets			
Receivables	11	20 267	19 248
<i>Cash and cash equivalents</i>			
Short term bank deposits		7 004	7 530
Cash at bank		72 582	65 620
Total Current Assets		99 853	92 398
Current liabilities			
Payables	12	(22 263)	(25 652)
Net current assets		77 590	66 746
Non-current liabilities			
Loan payable		(2 078)	-
Total net assets		91 788	82 068
FUNDS			
Restricted funds			
Liquid funds and treasury reserves	13	61 584	56 817
Property, plant and equipment reserve		1 742	1 711
		63 326	58 528
Unrestricted funds			
Liquid funds and treasury reserves		27 125	21 621
Property, plant and equipment reserve		1 337	1 919
		28 462	23 540
Total funds		91 788	82 068

Approved by the Assembly of ActionAid International
on 27 June 2014 and signed on its behalf by:



Irene Ovonji-Odida
Chair of the Board of ActionAid International



Michael Lynch-Bell
Treasurer of the Board of ActionAid International

Aggregated statement of cash flows for the year ended 31 December 2013

	2013 €'000	2012 €'000
Cash flow from operating activities		
Net surplus/(deficit) before transfers and investment gains	11 745	(12 104)
Investment income net of investment fees	(765)	(962)
Profit on disposal of property, plant and equipment	(2 199)	(97)
Depreciation	1 344	1 240
Increase in receivables	(1 019)	(193)
Decrease in payables	(1 311)	(3 862)
Net cash inflow/(outflow) from operating activities	7 795	(15 978)
Cash from investing activities		
Investment income	764	962
Purchase of property, plant and equipment	(1 334)	(1 640)
Purchase of investments	(3 992)	(5 978)
Proceeds from the sale of property, plant and equipment	2 623	105
Proceeds from the sale of investments	2 838	5 095
	899	(1 456)
Impact of exchange rates on cash and cash equivalents	(2 379)	2 292
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6 315	(15 142)

	Cash €'000	Short-term bank deposits €'000	Cash held by investment managers €'000	Total €'000
Cash and cash equivalents at 1 January 2013	65 620	7 530	956	74 106
Net increase/(decrease) in cash and cash equivalents	6 962	(526)	(121)	6 315
Cash and cash equivalents at 31 December 2013	72 582	7 004	835	80 421

Notes to the financial statements 31 December 2013

1. Income

1a. Committed giving

	Restricted €'000	Unrestricted €'000	2013 Total €'000	2012 Total €'000
Australia	210	981	1 191	1 460
Brazil	2 393	-	2 393	1 875
Denmark	-	910	910	749
France	66	360	426	309
Greece	5 588	2 429	8 017	8 061
India	465	-	465	390
Ireland	1 326	402	1 728	2 070
Italy	24 747	18 276	43 023	43 921
Netherlands	-	466	466	400
Sweden	2 280	1 254	3 534	4 050
UK	22 431	18 072	40 503	44 050
USA	69	191	260	838
	59 575	43 341	102 916	108 173

1b. Other donations

	Restricted €'000	Unrestricted €'000	2013 Total €'000	2012 Total €'000
Individual donations	6 081	7 284	13 365	12 804
UK Disasters Emergency Committee	3 497	70	3 567	3 570
Donations from companies, trusts and NGOs	17 982	3 706	21 688	12 758
Contribution from Ayuda en Acción	5 943	-	5 943	6 634
	33 503	11 060	44 563	35 766

Notes to the financial statements 31 December 2013

1c. Official income

	Restricted €'000	Unrestricted €'000	2013 Total €'000	2012 Total €'000
Government of Denmark	30 379	5 022	35 401	25 924
Government of United Kingdom	1 860	4 838	6 698	8 365
European Union	10 250	-	10 250	7 740
United Nations - World Food programme	3 872	-	3 872	11 039
Government of The Netherlands	2 239	-	2 239	2 091
Government of Australia	864	-	864	1 030
Government of Ireland	824	53	877	855
All other governments	857	-	857	3 868
All other United Nations agencies	1 046	-	1 046	1 375
Other contributions from official bodies	1 875	1 691	3 566	3 701
	54 066	11 604	65 670	65 988

1d. Investment income

	Restricted €'000	Unrestricted €'000	2013 Total €'000	2012 Total €'000
Investment income	-	311	311	384
Bank interest	195	259	454	640
	195	570	765	1 024

1e. Other income

	Restricted €'000	Unrestricted €'000	2013 Total €'000	2012 Total €'000
Realised foreign exchange gains/(losses)	205	548	753	(1 053)
Profit on sale of fixed assets	78	2 194	2 272	97
Sale of educational materials	-	651	651	39
Fundraising trading and sale of vacation and work/study visits	22	5 014	5 036	3 215
Other	276	2 277	2 553	4 553
	581	10 684	11 265	6 851

Notes to the financial statements 31 December 2013

2. Fundraising costs

	Restricted	Unrestricted	2013 Total	Fundraising cost ratio	2012 Total	Fundraising cost ratio
	€'000	€'000	€'000	%	€'000	%
Committed giving costs	4 455	15 383	19 838	19%	23 871	22%
Cost of other donations	965	13 822	14 787	33%	11 781	33%
Cost of raising contributions from official bodies	903	1 572	2 475	4%	793	1%
Cost of raising voluntary and official income	6 323	30 777	37 100	17%	36 445	17%
Costs of fundraising trading	-	118	118		188	
Investment management costs	-	72	72		62	
	6 323	30 967	37 290		36 695	
Support costs allocated to fundraising (note 5)	-	8 257	8 257		8 723	
Total fundraising costs	6 323	39 224	45 547		45 418	

Notes to the financial statements 31 December 2013

3. Programme expenditure by country

	Grants €'000	Direct programme €'000	2013 Total €'000	2012 Total €'000
Affiliates & Associates				
Australia *	-	2 152	2 152	4 896
Bangladesh	1 602	1 917	3 519	6 145
Brazil	2 689	820	3 509	3 868
Denmark *	2 442	20 707	23 149	15 988
France	51	339	390	473
Ghana	893	1 866	2 759	2 928
Greece	-	526	526	459
Guatemala	238	1 634	1 872	2 028
India	6 746	4 044	10 790	10 414
Ireland	-	77	77	126
Italy	-	5 063	5 063	2 660
Kenya	701	10 524	11 225	17 846
Malawi	1 174	2 129	3 303	3 726
Mozambique	965	1 363	2 328	2 906
Nepal	1 677	1 659	3 336	3 255
Netherlands	230	479	709	851
Nigeria	1 693	1 833	3 526	6 203
Sierra Leone	475	1 761	2 236	2 507
Sweden	738	38	776	1 109
Tanzania	488	1 313	1 801	2 877
Thailand	169	148	317	435
The Gambia	1 212	878	2 090	2 011
Uganda	1 319	4 585	5 904	6 012
UK	1 251	4 083	5 334	6 435
USA	-	870	870	555
Zambia	-	1 996	1 996	2 537
	26 753	72 804	99 557	109 250

* The Expenditure reported in Denmark includes costs incurred in Denmark and in countries directly managed by Denmark such as Nicaragua and the Arab Regional Initiative, Similarly, the Expenditure reported in Australia includes costs incurred in Australia, Indonesia and Palestine.

Notes to the financial statements 31 December 2013

3. Programme expenditure by country (continued)

	Grants €'000	Direct programme €'000	2013 Total €'000	2012 Total €'000
Country Programmes				
Afghanistan	144	1 803	1 947	3 292
Burundi	82	615	697	887
Cambodia	1 132	497	1 629	2 366
China	439	498	937	1 070
DRC	115	895	1 010	699
Ethiopia	540	3 604	4 144	5 162
Haiti & DR	755	304	1 059	3 833
Lesotho	168	526	694	551
Liberia	166	780	946	906
Myanmar	2 680	1 442	4 122	2 595
Pakistan	1 682	984	2 666	4 546
Rwanda	556	1 005	1 561	1 131
Senegal	509	430	939	1 070
Somaliland	86	993	1 079	816
South Africa	303	651	954	869
Vietnam	977	655	1 632	1 697
Zimbabwe	1 374	659	2 033	2 566
	11 708	16 341	28 049	34 056
AAI Secretariat	1 408	5 465	6 872	6 278
Regional Initiatives	-	666	666	745
All countries	39 869	95 275	135 144	150 329
Support costs allocated to programme (note 5)			30 018	30 773
			165 162	181 102

Notes to the financial statements 31 December 2013

4. Governance costs

	Restricted €'000	Unrestricted €'000	2013 Total €'000	2012 Total €'000
Internal audit	461	137	597	820
External audit	483	326	810	856
Legal	68	200	268	135
Costs of governing bodies	441	272	713	954
	1 452	935	2 387	2 765
Support costs allocated to governance (note 5)	-	338	338	620
Total governance costs	1 452	1 273	2 725	3 385

External auditors' remuneration included in governance costs was:

	2013 Total €'000	2012 Total €'000
Audit of aggregated financial statements - Buzzacott LLP	117	145
Audit of financial statements of ActionAid hubs (2013 Buzzacott LLP, 2012 other auditors)	24	35
Audit of aggregated financial statements - Buzzacott LLP- relating to prior year	-	14
Other audit work - Other auditors	669	662
	810	856

5. Support costs

Support costs represent expenditure incurred on management and the provision of the facilities and services that enable the fundraising, programme and governance activities to be carried out efficiently. The costs of that work are apportioned to those three expenditure headings on the basis of headcount.

	Restricted €'000	Unrestricted €'000	2013 Total €'000	2012 Total €'000
Local management	2 000	2 131	4 131	4 332
Communications	386	835	1 221	1 875
Finance	3 857	4 720	8 577	8 908
Human resources	1 441	2 442	3 883	4 050
Impact assessment support	350	375	725	742
Information technology	933	3 831	4 764	4 429
Office administration	5 032	4 225	9 257	8 415
Organisational development	272	2 865	3 137	3 229
Property	1 347	1 571	2 918	4 136
	15 618	22 995	38 613	40 116
Allocated to Fundraising	-	8 257	8 257	8 723
Allocated to Programme	15 618	14 400	30 018	30 773
Allocated to Governance	-	338	338	620
	15 618	22 995	38 613	40 116

Notes to the financial statements 31 December 2013

6. Employees

The average number of employees throughout the year was:

	2013 Total Number	2012 Total Number
Programme	1 395	1 394
Support	1 016	1 054
Fundraising	445	417
Governance	39	37
	2 895	2 902

Total remuneration of employees was:

	2013 Total €'000	2012 Total €'000
Gross salaries, wages and other benefits	57 065	60 601
Payroll taxes	4 977	4 787
Pension contributions	2 707	3 181
	64 749	68 569

The emoluments of the International Directors, the senior executive management team, comprise the following:

	2013 Total €'000	2012 Total €'000
Salaries	605	700
Pension contributions	60	74
Other benefits (housing, school fees, relocation payments)	62	81
Tax paid on behalf of employees	13	38
	740	893

During the year the CEO resigned in August 2013 and the Acting CEO was appointed in the same month. The Chief Executive of the ActionAid International Secretariat received the following remuneration to August 2013: salary €95,511 (2012: €154,939), pension contributions €9,511 (2012: €15,494) and housing and other allowances €12,603 (2012: €23,413). The Acting Chief Executive was also paid a total of €61,184 as salary, €6,119 as pension contributions and €6,325 as housing and other allowances in his Acting capacity from August to December 2013.

In the course of normal employment arrangements, payments of expenses are made on behalf of Directors which are then reimbursable. At 31 December 2013, amounts were outstanding from 3 International Directors (2012:6) which amounted to €6,173 (2012: € 28,894).

7. Board and Committee Members' expenses

No remuneration or other payments have been made to the Board or Committee Members of ActionAid International for their services as Board or Committee members or for other services provided to the organisation in 2013 (2012: € nil).

Directly incurred expenses are reimbursed, if claimed, and in 2013, this amounted to € 54,765 for travel and accommodation relating to Board and Committee meetings (2012: €77,448).

8. Property, plant and equipment

	Freehold property €'000	Office equipment €'000	Motor vehicles €'000	2013 Total €'000	2012 Total €'000
Cost					
At 1 January 2013	1 859	6 884	9 592	18 335	17 020
Foreign exchange differences	(84)	(176)	(104)	(364)	(62)
Additions	249	724	361	1 334	1 640
Disposals	(438)	(455)	(156)	(1 049)	(263)
At 31 December 2013	1 586	6 977	9 693	18 256	18 335
Depreciation					
At 1 January 2013	673	5 142	8 890	14 705	13 268
Foreign exchange differences	(36)	(84)	(54)	(174)	452
Charge for year	55	859	430	1 344	1 240
Disposals	(253)	(295)	(150)	(698)	(255)
At 31 December 2013	439	5 622	9 116	15 177	14 705
Net book value					
At 31 December 2013	1 147	1 355	577	3 079	
At 31 December 2012	1 186	1 742	702	3 630	

9. Financial assets and liabilities

ActionAid International's main financial instruments comprise investments, cash at bank and short term receivables and payables. ActionAid International does not engage in speculative arrangements or trade in financial instruments. The Board of ActionAid International has a duty to maximise the benefit to poor people delivered through the resources it raises and to manage any risks to these resources that may arise from movements in market prices for financial instruments, changes in currency or interest rates. Funds are raised from individual supporters and other donors in a variety of currencies, principally Euros, British Pounds and US and Australian Dollars, and ultimately expended in those currencies and in the currencies in use in the countries in which ActionAid International operates.

Capital Management

Actionaid International has €93m of liquid funds and €13m has been invested on a long term basis. Investments in equities and bonds are all in mainstream products on active, regulated exchanges. The portfolio is valued at the year end using market prices. The remaining cash is held on deposit with mainstream banks or in short-term financial instruments to be available within periods of between one day and three months.

Management of financial risk

ActionAid International is exposed to risks, both through the assets chosen for investment and through operations in various countries with different currencies. These risks, and the methods of managing them, are described below:

Investment risk

The investment objectives of the long term investments set out above are contained in ActionAid International's investment policy. The objective is to achieve a higher rate of income (in the form of distributions and interest) than achieved on liquid assets whilst benefiting from capital growth. Risks arising from individual stock selection are managed through holding a portfolio of equities. The return on bonds is fixed in cash terms for the period that the bonds are held, but the fair value varies with changes in prevailing interest rates as well as market preferences between asset classes. The risks to bonds and equities are managed through the employment of professional fund managers mandated to manage the portfolio on an active basis. Short term bank deposits are at prevailing rates of interest and have maturities of less than three months. The exposure to interest rate risks from these deposits is not considered material.

Exchange rate risk

The majority of ActionAid International's reserves are held as cash or short term deposits, as set out in the statement of financial position. Cash balances are held in a number of currencies, predominantly British Pounds, Euros, US and Australian Dollars. Exposure to exchange rate risk is managed through the reserves policy, not through the use of hedging instruments. Currencies are held broadly in proportion to the currencies of ActionAid International's income. Exposure to the impact of exchange rate movements in the local currencies of the developing countries where we work is reduced by retaining balances in relatively stable currencies until

needed for expenditure in country. Receivables and payables set out in notes 11 and 12 are denominated in a number of currencies. Exchange risk relating to these balances is managed in the manner described above in relation to cash and deposits.

Liquidity and credit risk

Some of the funds received from donors are subject to both liquidity and credit risk. ActionAid International manages these risks on an individual contract basis, using prudent income recognition and in advance funding where possible to mitigate the exposure to such risks.

The carrying value of all cash and cash equivalent balances, receivables and payables are the same as their book value.

Notes to the financial statements 31 December 2013

10a. Investments

	2013 Total €'000	2012 Total €'000
Market value at 1 January 2013	10 736	9 283
Foreign exchange differences	(50)	219
Additions	3 992	5 806
Disposals	(2 838)	(5 186)
Net investment gain/(loss)	522	614
Market value at 31 December 2013	12 362	10 736
Cash held for investment	835	956
Market value at 31 December 2013	13 197	11 692
Historic Cost as at 31 December 2013	10 318	9 954

10b. The market value is represented by

	2013 Total €'000	2012 Total €'000
Equities	9 537	7 244
Bonds	2 825	3 492
	12 362	10 736
Cash held for investment	835	956
	13 197	11 692

Notes to the financial statements 31 December 2013

11. Receivables

	Restricted €'000	Unrestricted €'000	2013 Total €'000	2012 Total €'000
Amounts due from official bodies	4 208	188	4 396	5 146
Other receivables and prepayments	6 024	7 733	13 757	11 820
Tax recoverable	-	1 446	1 446	1 657
Amounts due from employees	605	63	668	625
	10 837	9 430	20 267	19 248

Amounts due from employees represents floats, allowances and loans to employees. The availability of such facilities forms part of the normal terms and conditions of employment of staff.

12. Payables

	Restricted €'000	Unrestricted €'000	2013 Total €'000	2012 Total €'000
Amounts falling due within one year:				
Loan payable **	-	148	148	-
Trade payables and accruals	7 026	8 782	15 808	17 417
Amounts due to employees *	2 750	1 684	4 434	5 430
Taxation and social security	800	1 004	1 804	1 599
Deferred income	49	20	69	1 206
	10 625	11 638	22 263	25 652
Amounts falling due more than one year:				
Loan payable **	-	2 078	2 078	-

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

** Loan payable represents a loan that was acquired during the year for purchase of property, the loan is repayable over five years with interest of 4.25% per annum. The property was acquired during the first quarter of 2014.

13. Analysis of fund balances

	Restricted		Unrestricted		2013 Total €'000	2012 Total €'000
	Liquid funds and treasury reserves €'000	Property, plant and equipment reserve €'000	Liquid funds and treasury reserves €'000	Property, plant and equipment reserve €'000		
At 1 January 2013	56 817	1 711	21 621	1 919	82 068	90 959
Net movement in funds	4 767	31	5 504	(582)	9 720	865
At 31 December 2013	61 584	1 742	27 125	1 337	91 788	91 824
Represented by:						
Property, plant and equipment	-	1 742	-	1 337	3 079	3 630
Investments	-	-	13 197	-	13 197	11 692
Current assets	72 209	-	27 644	-	99 853	92 398
Total liabilities	(10 625)	-	(13 716)	-	(24 341)	(25 652)
	61 584	1 742	27 125	1 337	91 788	82 068
Accumulated exchange differences taken directly to funds and included above as at 1 January.					(4 613)	(6 346)
Net exchange difference arising during the period and taken to reserves.					(2 547)	1 733
Accumulated exchange differences taken directly to funds and included above as at 31 December.					(7 160)	(4 613)

During the year, ActionAid has completed a review of restricted funds and as a result of this process released €5,245,000 relating to funds where all donor obligations had been fulfilled.

14. Movement in funds

	At 1 January 2013	Income	Project cost	Support cost	Governance costs	Fundraising costs	Internal Income/ expenditures	Transfers	Exchange movement	At 31 December 2013
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Affiliates & Associates										
Australia	3 616	8 079	(2 152)	(602)	(29)	(936)	(1 584)	-	(930)	5 462
Bangladesh	990	5 157	(3 519)	(542)	(93)	(357)	-	(289)	(4)	1 343
Brazil	(421)	5 845	(3 509)	(690)	(80)	(1 395)	641	(496)	14	(91)
Denmark	4 835	36 381	(23 149)	(2 909)	(183)	(1 082)	(9 843)	-	51	4 101
France	80	757	(390)	(253)	(62)	(339)	301	-	48	142
Ghana	1 850	3 353	(2 759)	(610)	(118)	(210)	-	80	(16)	1 570
Greece	621	8 717	(526)	(862)	(49)	(1 079)	(5 762)	(296)	(25)	739
Guatemala	1 263	2 213	(1 872)	(272)	(26)	(145)	-	(126)	(20)	1 015
India	5 954	14 434	(10 790)	(1 779)	(106)	(815)	-	(767)	(69)	6 062
Ireland	288	2 907	(77)	(322)	(23)	(360)	(2 132)	(44)	2	239
Italy	5 700	48 836	(5 063)	(2 756)	(147)	(10 091)	(25 545)	(4 987)	-	5 947
Kenya	3 972	12 290	(11 225)	(680)	(100)	(478)	-	(297)	(58)	3 424
Malawi	2 681	5 057	(3 303)	(396)	(100)	(212)	-	(112)	(4)	3 611
Mozambique	1 070	3 357	(2 328)	(577)	(64)	(379)	-	71	(7)	1 143
Nepal	2 006	4 158	(3 336)	(219)	(34)	(204)	-	(153)	(75)	2 143
Netherlands	583	2 100	(709)	(527)	(18)	(444)	(505)	-	(238)	242
Nigeria	1 357	4 654	(3 526)	(753)	(97)	(218)	-	344	(5)	1 756
Sierra Leone	1 683	3 027	(2 236)	(430)	(55)	(258)	-	(105)	(18)	1 608
Sweden	(126)	4 296	(776)	(159)	(11)	(1 267)	(2 322)	-	29	(336)
Tanzania	185	2 899	(1 801)	(740)	(40)	(160)	-	2	-	345
Thailand	702	234	(317)	(166)	(16)	(2)	-	271	(7)	699
The Gambia	911	3 263	(2 090)	(456)	(62)	(188)	-	(164)	(3)	1 211
Uganda	4 294	7 309	(5 904)	(429)	(112)	(205)	-	(221)	(39)	4 693
UK	9 241	74 773	(5 334)	(4 931)	(146)	(12 444)	(37 287)	(8 866)	225	15 211
USA	1 314	3 349	(870)	(202)	356	(322)	(2 286)	-	(127)	1 212
Zambia	844	2 412	(1 996)	(210)	(15)	(73)	-	(72)	(7)	883
	55 493	269 857	(99 557)	(22 472)	(1 430)	(33 663)	(86 324)	(16 227)	(1 283)	64 394

14. Movement in funds

	At 1 January 2013	Income	Project cost	Support cost	Governance costs	Fundraising costs	Internal Income/ expenditures	Transfers	Exchange movement	At 31 December 2013
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Country Programmes										
Afghanistan	27	2 952	(1 947)	(391)	(16)	(121)	-	(153)	9	360
Burundi	39	1 426	(697)	(214)	(11)	(159)	-	54	16	454
Cambodia	1 712	1 930	(1 629)	(223)	(11)	(163)	-	(177)	(29)	1 410
China	1 093	769	(937)	(241)	(6)	(118)	-	316	(19)	857
DRC	269	840	(1 010)	(285)	(11)	(123)	-	847	2	529
Ethiopia	2 836	4 810	(4 144)	(362)	(25)	(150)	-	(385)	(38)	2 542
Haiti & DR	10	1 579	(1 059)	(436)	(7)	(157)	-	170	(1)	99
Lesotho	538	1 154	(694)	(185)	(2)	(101)	-	(28)	(2)	680
Liberia	394	853	(946)	(386)	-	(84)	-	360	(9)	182
Myanmar	1 800	4 428	(4 122)	(664)	(1)	(92)	-	541	38	1 928
Pakistan	1 178	3 802	(2 666)	(331)	(31)	(154)	-	(297)	(5)	1 496
Rwanda	723	1 731	(1 561)	(249)	(17)	(155)	-	132	(11)	593
Senegal	301	1 731	(939)	(402)	(8)	(141)	-	(170)	(2)	370
Somaliland	742	1 090	(1 079)	(271)	-	(68)	-	366	(8)	772
South Africa	192	1 132	(954)	(236)	(11)	(120)	-	430	5	438
Vietnam	1 504	2 744	(1 632)	(282)	(18)	(253)	-	(245)	(12)	1 806
Zimbabwe	553	2 962	(2 033)	(463)	(68)	(165)	-	(137)	-	649
	13 911	35 933	(28 049)	(5 621)	(243)	(2 324)	-	1 624	(65)	15 168
AAI Secretariat	12 664	10 016	(6 872)	(10 520)	(715)	(1 303)	(1 248)	10 668	(466)	12 224
Aggregation adjustment	-	(90 105)	(666)	-	-	-	87 572	3 933	(733)	-
	12 664	(80 089)	(7 538)	(10 520)	(715)	(1 303)	86 324	14 601	(1199)	12 224
Sub-Total	82 068	225 701	(135 144)	(38 613)	(2 387)	(37 290)	(0)	(0)	(2 547)	91 788
Allocation of support costs	-	-	(30 018)	38 613	(338)	(8 257)	-	-	-	-
	82 068	225 701	(165 162)	-	(2 725)	(45 547)	(0)	(0)	(2 547)	91 788

Country programme funds represent funds raised for or allocated to individual Country Programmes and/or projects within those countries. Transfers represent allocations to or from Country Programmes of funds where restrictions allow trustee discretion to their allocation and also funds raised by one part of ActionAid International for activity in another part. The gains on investment and foreign exchange include net unrealised foreign gains and losses which occur when our reserves are translated into Euros.

15. International Secretariat Costs

The following table reflects the costs of the International Secretariat reflecting Programme, Support, Governance and Fundraising that are included in the Aggregated results.

	Restricted	Unrestricted	2013 Total	2012 Total
	€'000	€'000	€'000	€'000
Programme	2 616	4 256	6 872	6 278
Support	(204)	10 724	10 520	9 871
Governance	39	676	715	671
Fundraising	-	1 303	1 303	1 811
	2 451	16 959	19 410	18 631

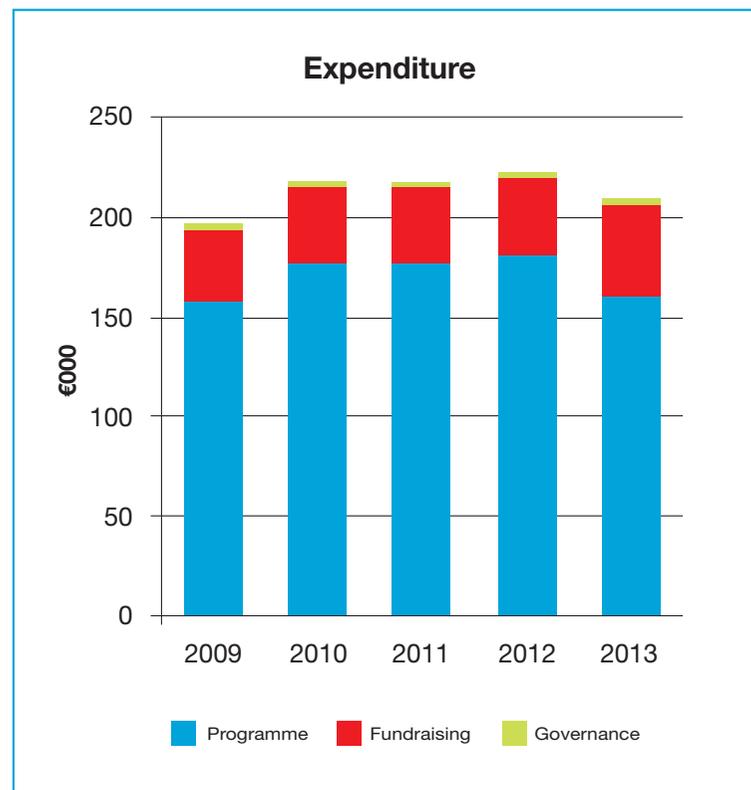
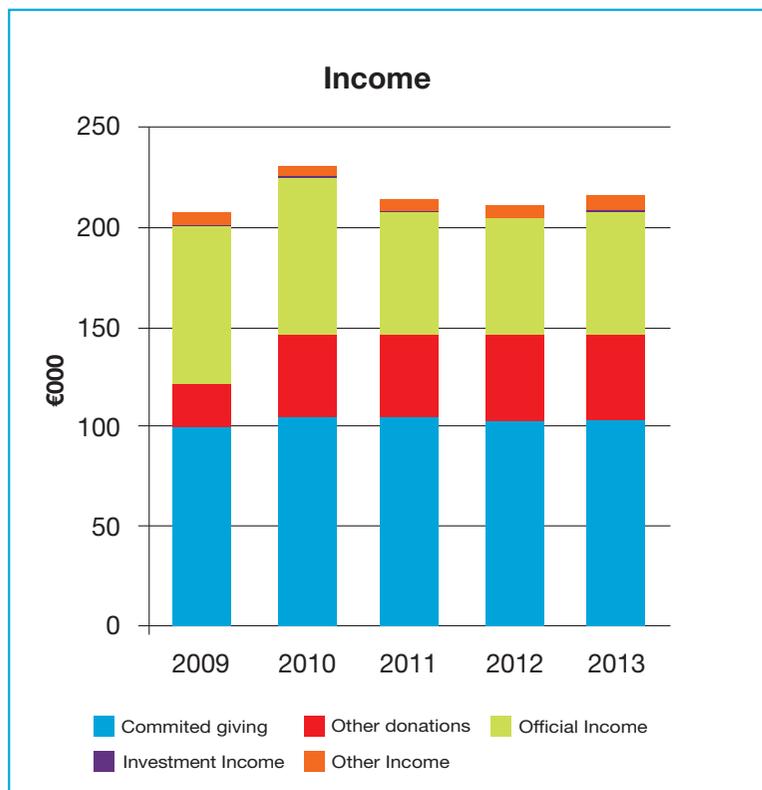
The key roles of the International Secretariat, as per AAI constitution include, among others:

- Managing the development and implementation of and compliance with the Federation’s mission, strategies and policies
- Providing support to Members and Country Programs for strengthening core capacity
- Managing international or multi country programs;
- Managing international advocacy, research, policy development, public education and campaigning;
- Managing the finances of the Association under responsibility of the Treasurer
- Ensuring accountability, learning, planning, performance and impact monitoring, review and assessment systems are established and operate in line with mission, values, and strategy
- Providing support to the International Board and Assembly

16. Related party transactions

The Board Members are not aware of any related party transactions which require disclosure under IAS 24 other than disclosures related to transactions with Board and Committee Members and senior management, which are set out in notes 6 and 7 to the financial statements.

Five Year History



ActionAid International: Members of the Board, Affiliates and Associates

Members of the Board

Irene Ovonji-Odida (Chair), Uganda
Poguri Chennaiah, India
Nyaradzayi Gumbonzvanda, Zimbabwe (retired 28 June 2013)
Alexandra Mitsotaki, Greece
Matteo Passini, Italy (retired 28 June 2013)
Kibuga Kinyua Kariithi, Kenya
Michael Lynch-Bell (Treasurer), United Kingdom
Trine Pertou-Mach, Denmark
Chiara Somajni, Italy
Roberto Kishinami, Brazil
Vijay Shunglu, India
Janet Sallah-Njie, The Gambia (appointed 28 June 2013)
Andrew Purkis, United Kingdom (appointed 28 June 2013)

Affiliates

Australia
Brazil
Denmark
Ghana
Greece
Guatemala
India
Ireland
Italy
Kenya
Malawi
Nigeria
Sierra Leone
Sweden
The Gambia (associate June 2013)
The Netherlands
Uganda
UK
USA

Associates

Bangladesh
France
Mozambique (June 2013)
Nepal
Tanzania
Thailand
Zambia

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ActionAid International is incorporated in The Hague, The Netherlands.
Registration number: 27264198

ActionAid International is incorporated in South Africa under section 21A of
the Companies Act 1973. Registration number: 2004/007117/10