

# **redr uk**

## **RedR UK**

**(formerly known as RedR - Engineers for Disaster Relief)**

## **Report & Financial Statements**

### **31 March 2010**

**Company Number: 3929653  
Charity Number: 1079752**

RedR UK

Reference & administrative details

For the year ended 31 March 2010

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Company number 3929653

Charity number 1079752

Registered office 1 Great George Street  
London  
SW1P 3AA

Principal office 250a Kennington Lane  
London  
SE11 5RD

Honorary Officers	Robert Hodgson	Chair
	Katharine Collett	Vice Chair
	PJ Greeves	Treasurer

Principal staff	Martin McCann	Chief Executive Officer
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Bankers National Westminster Bank Plc  
3 London Street  
Basingstoke  
Hampshire  
RG21 7NS

Auditors Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

## RedR UK

### Report of the Trustees

#### For the year ended 31 March 2010

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The board of trustees presents its report and the audited financial statements for the year ended 31 March 2010.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

#### Directors and Members of the Board of Trustees

Members of the board are directors of the charitable company (the company) and its Trustees for the purpose of charity law. Throughout this report they are collectively referred to as the Trustees. The Trustees are responsible as a body for governance, policy making, monitoring of implementation, general conduct, overall performance and for reporting to the membership at general meetings. The Trustees delegate operational management of the organisation to the Chief Executive Officer.

The Trustees who served during the year and up to the date of this report were as follows:

Graham Barker	Appointed 24 March 2010
Katharine Collett	Vice Chair
Tim Foster	
PJ Greeves	Treasurer
Dr Tim Healing	Appointed 24 March 2010
Gino Henry	
Robert Hodgson	Chair
Thomas How	Retired 18 February 2010
John Howard	Retired 3 December 2009
Isobel Hunter	
Paul Jawor	
Jane Moore	
Roland Sewell	
Ian Smout	
Melvin Tebbutt	Retired 3 December 2009

#### Presidents and Honorary Vice-Presidents

The President of RedR UK, an honorary role, is HRH The Princess Royal.

Vice Presidents during 2009-10 were:

John Baxter	appointed 9 December 2009
Peter Campbell	
Dr Barbara Harrell-Bond	
Rt. Hon. The Baroness Chalker of Wallasey	
John McKenzie	
Colonel W M Davidson	
Tony Roche	retired 9 December 2009
Prof. Peter Guthrie	

## RedR UK

### Report of the Trustees

For the year ended 31 March 2010

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### Structure, Governance and Management

#### Governing document

RedR UK is a company limited by guarantee governed by its Memorandum and Articles of Association dated 11 October 2001 (as revised). It is registered as a charity with the Charity Commission. Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2010 was 626 (518 in 2008-9.)

#### Appointment of Trustees

As set out in the Articles of Association trustees are elected by the members. Elected trustees serve for a term of three years, after which time they are eligible for re-election. There are spaces for up to 11 elected trustees, one third of this number being elected each year. The Trustees have the power to co-opt a further four trustees should they wish. All members are invited to nominate trustees for election three months prior to the Annual General Meeting and are provided with ballot papers for the election process once all nominations have been received. The election process is by postal ballot and takes place 28 days before the Annual General Meeting and is concluded seven days before the meeting. The election result is announced at the Annual General Meeting.

#### Trustee induction and training

New trustees take part in an induction process which provides them with a briefing and information on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Governance Manual and Strategic Plan, the committee structure of the board and its decision making processes. In addition new trustees are given the opportunity to meet with staff and other trustees as part of the orientation. Trustees are also provided with regular information and access to training to assist them in fulfilling their responsibilities as trustees.

#### Organisation

The Trustees meet at least quarterly as a full board and also quarterly in committees. There were during this year, three standing committees addressing the following areas: governance, strategy and resources.

RedR UK is part of the RedR International family. RedR International is the umbrella body of the various RedR organisations around the world. The charity has two nominees on the committee of RedR International. The Chair of the Trustees of RedR UK is currently the Chair of the Committee of RedR International.

#### Risk Management

A risk register has been compiled which includes the major risks which are likely to affect the operation of the charity. This is considered at each meeting of the Trustees and any action which may be required is determined.

Last year we wrote that ...'Given its low level of reserves, and the current economic climate, the most serious risks affecting RedR UK at the moment are financial. Systems have been put in place to monitor the situation and plans exist to increase and diversify unrestricted funding.' RedR has had some success in addressing this area over the last year and the reserve funds have been increased but further growth is seen as necessary and the external financial environment has become even more challenging thus this shall remain as a central risk.

#### Objectives and Activities

The object of RedR is the relief of poverty, sickness and suffering in any part of the world. According to RedR's standing rules, the main purpose of the organisation is as follows:

## RedR UK

### Report of the Trustees

#### For the year ended 31 March 2010

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RedR relieves poverty, sickness and suffering by training, providing and supporting competent and committed people to humanitarian programmes, worldwide.

The organisation merged with International Health Exchange (IHE) in July 2003.

The Trustees have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

On 24 September 2009, the Trustees approved a 5 Year Strategic Plan. The agreed strategic priorities this time are to:

- 1 Provide skills, capacities, and knowledge to address humanitarian crises now and in the future.
- 2 Provide skilled individuals to enact those skills, capacities and knowledge.
- 3 Promote a sustainable community of humanitarians.
- 4 Recognise RedR itself as a key enabler of both its mission and these priorities, and therefore we must ensure the proper stewardship of RedR resources.

In line with these priorities RedR UK will aim to

- 1) Increase the number of programmes overseas to both be closer to the actual practising humanitarians and also assist in keeping all RedR UK training relevant and up date.
- 2) Increase the involvement of members in the provision of technical knowledge, the assessment and mentoring of new members and assistance in the development of the humanitarian community.
- 3) Provide an impartial forum for discussion and debate of issues relevant to the humanitarian community.
- 4) Do all the above in a manner that assures the sustainability of these services.

### Achievements and Performance

#### Overall

It has been a year of great tragedy in the larger world as witnessed in the devastating Haitian earthquake. While that has claimed the headlines there has also been real hardship and difficulties in many parts of the world where refugee crises such as in Darfur, Pakistan and the DRC continue and other natural disasters continue to steal and harm lives. These all speak for the continuing need and relevance of the work of RedR UK.

On the positive side, the low mortality rate for the earthquake in Chile shows that disaster preparedness and skilled local response can make a significant difference.

In terms of programmatic achievements it is in the simultaneous opening of the Haiti and Pakistan programmes in early 2010 that demonstrates clearly the global demand for RedR's services providing both skilled individuals and skills training around the world. A doubling of the size of our overseas country programmes has put strains upon the organization but not only have we dealt with these, it is noteworthy that just two years ago we simply could not have even considered undertaking such expansion.

In the last year RedR UK training has taken place in over 20 countries around the world and its members have served in over 50. In every case they are there because there is such a strong humanitarian need.

## **RedR UK**

### **Report of the Trustees**

#### **For the year ended 31 March 2010**

While RedR UK is now in a more stable financial position than a few years ago it can not afford to relax its full vigilance or its efforts to both better serve its mission and to do so in as effective a manner as possible. 2009-10 saw further sacrifices having to be made by staff both in terms of a continued pay freeze and increased workload. Progress has only been possible by the hard work of the staff and guidance from the Trustees but also due to the support both financial and in kind given to RedR UK by its Members, Patrons, Government and the general NGO humanitarian community which RedR UK directly supports. In particular the support of both Patrons and individuals during RedR's Haiti Appeal directly allowed RedR to make a significant contribution there.

#### **Training**

Training has had a successful year both in terms of quantity and in the recognition of quality. In the UK the open programme consisted of 39 events and courses (more than double last year's total). Over 95% of those attending rated the courses good to very good.

The bespoke training operation, based in the UK but delivering courses around the world, travelled to 14 countries during the year. There were 47 events, mainly courses training individuals, but also assessments and curriculum development for specific agencies. Between them the UK Open and Bespoke programmes trained 1,236 individuals. This represents a 30% growth in numbers trained over 2008-09. Part of this work has been the expansion of work with a variety of Clusters including the Shelter, Education, Nutrition, Gender and Protection Clusters.

#### **Overseas Offices Training**

The RedR UK overseas programmes have seen many challenges and in the face of them have continued to make a significant contribution by training front line humanitarians who will directly apply the lessons they have learnt almost immediately. As stated above there has been the significant challenge of the planned opening of the Pakistan programme and the unplanned sudden demand to open a Haiti office in late February.

In Sri Lanka RedR UK gave 65 (last year 48) courses to a total of 1,555 (990 last year) participants.

In Sudan, mainly in the Dafur region, even in the face of large NGO expulsions RedR UK still provided 95 courses to 1,080 participants.

In Haiti in late February and March, under very trying circumstances, RedR with its partner Bioforce trained 110 Haitians and 16 internationals in such areas as WASH, Fleet management, supply chains and safety.

Training did not commence in Pakistan till after March 31<sup>st</sup>.

In all these countries RedR UK owes a great debt of gratitude to its committed staff who have helped improve the ability of aid workers to help rebuild these communities.

#### **Recruitment**

In the year the Recruitment service placed 12 individuals; nine of these in the last month in response to the emergency in Haiti. This indicates the key role of the Recruitment service is in response to surge events. The costs of the service have been reduced as the staffing of this unit is now covered by the Human Resource Dept.

## **Membership**

## RedR UK

### Report of the Trustees

#### For the year ended 31 March 2010

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The membership department had a number of applications to join the RedR UK register, including a growing interest in applicants from the US. Membership interviews have taken place in Sri Lanka, DRC, Denmark, Switzerland, the US and, of course, in the UK. Over 33 new members joined RedR this year, up from 20 the year before, but short of the target of 50 that we had. The shortfall is not due to applicants but the challenges of getting interview panels and candidates together. The total number of members is 1,649.

We are very grateful to the members who have taken the time to volunteer for the interview panels and the members who are volunteering to do assessments of applicants CVs. We always need more members to volunteer to be on interview panels and would be grateful for any offers of help in this regard.

Work began in the South West of the UK, led by the Chairman of RedR UK Robert Hodgson of programmes in giving younger people an exposure to the issues and skills they may need in humanitarian contexts. This complements the ongoing work of RedR Cambridge in this area, as did the training that occurred in Wales in conjunction with Engineers Without Borders. It is planned that this programme, as part of the future relief workers scheme, will expand in the coming year.

It must be noted that at the end of the year a restructuring programme was underway in Membership. The conclusion which finally came about in FY 2010-11 resulted in the departure of Chantal McIlveen-Wright from RedR UK. Both well beloved and respected by RedR UK members she shall always be remembered for her extraordinary contribution to both the membership function in RedR UK and her deep personal commitment to the members.

Toby Gould, a long term member himself, joined the team transferring from within the organisation. It is hoped that he will build upon her work and add further dimensions in member engagement with RedR.

Finally as the recognition of the extent of the disaster in Haiti became clear UNICEF appointed the RedR UK Technical Support Service as the technical information support provider for all agencies working in Haiti in the area of Water, Sanitation and Hygiene. This work is led by Toby and strongly depends on the contributions of members.

#### Communications

In May 2009 the RedR website was re-launched and now provides greater access to resource materials for aid workers and NGOs as well as simpler access to course information.

We are also proud to report the success of our conference in December held jointly with Kings College Humanitarian Futures Programme. Key speakers were our President, HRH The Princess Royal and Sir John Holmes, UN Emergency Relief Coordinator. The conference was titled "*Hard Realities and Future Necessities: The Role of the Private Sector in Humanitarian Efforts*" examined the corporate-humanitarian record, practice and future possibilities and gave the perspective of local players. It was well attended by NGOs, government agencies and the private sector.

#### Public benefit

Each of these activities contribute towards RedR UK's mission which is to 'relieve suffering caused by disasters by selecting, training and providing competent and committed personnel to humanitarian programmes worldwide.'

RedR UK delivers its Mission through the individual relief workers, and relief agencies, who benefit directly from our training and from our recruitment service. The increased levels of skills derived from our training provide a wider public benefit to our ultimate beneficiaries, who are those affected by disasters and other humanitarian crises, though they will rarely meet the RedR UK organisation directly.

#### Financial Review

## RedR UK

### Report of the Trustees

For the year ended 31 March 2010

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#### Funds

In line with its fundamental principle of independence, to avoid becoming financially dependent on any one source, RedR UK seeks to maintain a variety of funding sources, comprising:

- Voluntary income from individuals, trusts and companies
- Income from charitable activities such as training fees and recruitment fees
- Grants from governments and international institutions

Total income went up during the year from £2.85m to £3.16m. There was an increase in grant funding primarily for two new programmes: Management Training funded by ECHO and a new office in Pakistan funded initially by DFID. Other programmes continued with ongoing support from DFID (Sudan and UK core support), UN (Sudan), the Big Lottery Fund (Sri Lanka) and Cluster partners (various projects).

It is encouraging to see an increase in voluntary income. There has been an increase in investment in this area in order to give RedR the flexibility to act quickly in times of emergency. This was demonstrated this year with a successful appeal to supporters to provide funds to establish a programme in Haiti.

Of the £2.66m spent during the year, 85% related to the direct charitable activities of 'Providing relief personnel' and 'Improving competence'. Costs of 'Providing relief personnel' are those costs relating to the maintenance of a register of qualified and experienced personnel who are prepared take a placement overseas in the event of a disaster. The costs of 'Improving competence' are the costs of providing training for relief personnel in the UK and overseas and also includes the costs of the on-line Technical Support Service.

#### Reserves policy

The board of trustees review the reserves policy in the light of the changing funding environment the organisation is operating in.

"RedR is committed to the prudent use of funds it receives as soon as it is practicable to achieve its mission. To do this with confidence and financial prudence requires a financial reserve. Using the budget the board will determine on an annual basis the level of unrestricted reserves required to meet the organisation's liabilities and the appropriate level of available funds required to provide its services."

The reserves policy was used to inform an analysis of reserve requirements during the year. This analysis identified a maximum and minimum level to meet organisational liabilities, the maximum being £470,000 and the minimum being £167,000.

During the year, the level of the General funds increased from £100,273 to £272,299 and so are now within the desired range. As part of the budgeting process the Trustees considered a 3 year financial model which indicates that reserves do not again fall below the desired range.

#### Future Plans

In this year RedR UK began implementing its new 5 Year Strategic Plans. The key elements will be:

- 1 Provide skills, capacities, and knowledge to address humanitarian crises now and in the future
- 2 Provide skilled individuals to enact those skills, capacities and knowledge
- 3 Promote a sustainable community of humanitarians
- 4 Recognise RedR itself as a key enabler of both its mission and these priorities, and therefore we must ensure the proper stewardship of RedR resources

As the year 2010-11 progresses Management will report to Trustees in line with these key priorities.

## RedR UK

### Report of the Trustees

#### For the year ended 31 March 2010

It is noteworthy that one target for the five year period of the plan in terms of growth of new offices was met before the financial year ended. This of course will be affected by the planned closure of the Sri Lanka operations in September 2010.

The movement of the Technical Support Services into the Membership Department will attempt to reinforce the need that RedR has for its members to be of assistance to the wider humanitarian community.

RedR will continue to work with the major engineering institutions and firms. It will need to keep a strong relationship with the Royal College of Nurses but also reach out to other health bodies. It will also seek to work even more closely with those organisations which help to bring younger people into the sector such as SKIP (Students for Kids International Project) and Engineers Without Borders.

Consortia, with other NGOs and possibly with the private sector providers of humanitarian services, will increasingly play a significant part in RedR's delivery and RedR will need to make certain it has the skills and abilities such joint work demands. The joint work with Bioforce in the last year in Haiti has been an example of both the challenges and rewards of such joint work.

Finally RedR UK will be one of the benefiting charities of the Lord Mayor of London in 2010-2011. This should serve to introduce RedR to a new community of potential supporters of its work.

#### Acknowledgements

The work of RedR is possible because of the commitment and dedication of its members, to those who went on assignment and to those who prepared themselves and made themselves available but who haven't yet gone. Such readiness is critical to our ability to relieve suffering in disasters. We acknowledge the contribution of their families who have to cope in their absence. We very much appreciate all who volunteered to give their time so generously, assisting at training courses, helping in the office and serving the organisation in numerous other ways. The mobilisation of such commitment requires financial support and we are grateful to our patrons, and our corporate, individual and institutional donors.

#### Statement of responsibilities of the Board of Trustees

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including the net income or expenditure, for the period. In preparing those financial statements the directors are required to:

- § Select suitable accounting policies and then apply them consistently.
- § Make judgements and estimates that are reasonable and prudent.
- § Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

The Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RedR UK

**Report of the Trustees**

**For the year ended 31 March 2010**

**Disclosure of information to auditors**

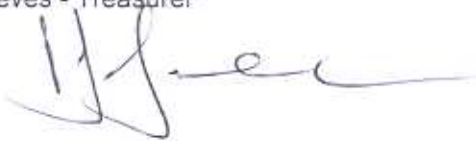
So far as the Trustees are aware, there is no relevant audit information of which the auditors are unaware. The Trustees have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

**Auditors**

Kingston Smith LLP were auditors during the year

*Sept 29, 2010*

Approved by the board of trustees on ~~xxxxxxx~~ and signed on its behalf by  
PJ Greeves - Treasurer



Robert Hodgson – Chair of the Board of Trustees



## **Independent auditors' report**

### **To the members of**

#### **RedR UK**

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We have audited the financial statements of RedR UK for the year ended 31 March 2010 which comprise the statement of financial activities, balance sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the trustees and auditors**

The trustees' (who are also directors of RedR UK for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustee's Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

#### **Basis of opinion**

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

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

## Independent auditors' report

To the members of

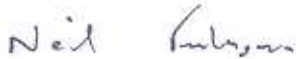
RedR UK

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### Opinion

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 2010 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the trustees' report is consistent with the financial statements.



**Neil Finlayson, Senior Statutory Auditor**  
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London EC1M 7AD  
Date: 15/10/2010

## RedR UK

## Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2010

	Note	Restricted £	Unrestricted £	2010 Total £	2009 Total £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	167,414	529,022	696,436	508,324
Activities for generating funds					
Sales income		4,513	17,277	21,790	2,836
Investment income		3,888	4,808	8,696	9,573
<i>Incoming resources from charitable activities</i>					
Providing relief personnel	3	-	17,381	17,381	28,299
Improving competence		1,500,098	912,636	2,412,734	2,301,060
<b>Total incoming resources</b>		<u>1,675,913</u>	<u>1,481,124</u>	<u>3,157,037</u>	<u>2,850,092</u>
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
Fundraising		-	238,041	238,041	202,689
Publicity		-	172,913	172,913	147,232
Institutional donor fundraising		-	-	-	26,224
<b>Total costs of generating funds</b>		-	410,954	410,954	376,145
<i>Charitable activities</i>					
Providing relief personnel		10,028	137,639	147,667	171,974
Improving competence		1,333,360	725,924	2,059,284	2,397,689
<i>Governance costs</i>		-	46,831	46,831	37,636
<b>Total charitable expenditure</b>		<u>1,343,388</u>	<u>910,394</u>	<u>2,253,782</u>	<u>2,607,299</u>
<b>Total resources expended</b>	4	<u>1,343,388</u>	<u>1,321,348</u>	<u>2,664,736</u>	<u>2,983,444</u>
<b>Net incoming/(outgoing) resources before transfers</b>	5	332,525	159,776	492,301	(133,352)
Transfers between funds		-	-	-	-
<b>Net incoming/(outgoing) resources</b>		332,525	159,776	492,301	(133,352)
<b>Reconciliation of funds</b>					
Funds at the start of the year		135,286	375,877	511,163	644,515
<b>Funds at the end of the year</b>	12	<u>467,811</u>	<u>535,653</u>	<u>1,003,464</u>	<u>511,163</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 12 to the financial statements.


RedR UK

Balance sheet

As at 31 March 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible fixed assets	8	114,244	126,494
<b>Current assets</b>			
Debtors	9	597,509	361,293
Cash at bank and in hand		<u>501,172</u>	<u>212,513</u>
		1,098,681	573,806
<b>Creditors: amounts falling due within one year</b>	10	<u>(209,461)</u>	<u>(189,137)</u>
<b>Net current assets</b>		<u>889,220</u>	<u>384,669</u>
<b>Net assets</b>	11	<u>1,003,464</u>	<u>511,163</u>
<b>Funds</b>			
Restricted funds		467,811	135,286
Unrestricted funds			
Designated funds		263,355	275,604
General funds		<u>272,298</u>	<u>100,273</u>
<b>Total funds</b>	12	<u>1,003,464</u>	<u>511,163</u>

Approved by the Board of Trustees and authorised for issue on and signed on its behalf by

 29/9/10.

PJ Greeves - Treasurer

 29/9/10.

Robert Hodgson – Chair of the Board of Trustees

Company Registration number: 3929653

Notes to the financial statements

For the year ended 31 March 2010

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1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice (SORP 2005), Accounting and Reporting by Charities.
- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. Legacies are also included when receivable. Donated services and facilities are recognised as an incoming resource where the provider of the service has incurred a financial cost. Volunteer time is not included in the financial statements.
- c) Grants are recognised in full in the statement of financial activities in the year in which they are receivable.
- d) When donors specify that donations and grants given to the charity must be used in future accounting periods the income is deferred until those periods. When donors impose conditions that have to be fulfilled before the charity becomes entitled to use them the income is deferred and not included in incoming resources until these conditions have been met.
- e) Income generated from the supply of goods or services is included in the statement of financial activities in the period in which the supply is made, net of VAT where applicable.
- f) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- g) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.
- h) Designated funds are unrestricted funds set aside by the board of trustees for specific future purposes or projects.
- i) The charity participates in a New Generation Stakeholder Pension Plan (a defined contribution scheme). Employees set their own contribution level while the charity contributes up to 5% of earnings to the plan. The charity also contributes to a number of freestanding schemes on employees' behalf. Pension costs are charged to the Statement of Financial Activities in the period to which they relate.
- j) Individual assets costing £1,000 or more are capitalised at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its estimated useful life. The useful lives in use are as follows:

Office equipment	5 years
Computer equipment	3 years
Database development	5 years
Office refurbishment	5 years (period of the lease)

Tangible fixed assets purchased from restricted funds for a particular project are charged to that project and are not capitalised.

## Notes to the financial statements

For the year ended 31 March 2010

## 1. Accounting policies (continued)

k) Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the date of the transaction. Any gains or losses arising due to fluctuations in exchange rates are charged to the statement of financial activities.

l) Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of staff time attributable to each activity.

Resources expended include attributable VAT which cannot be recovered.

m) Charitable costs relate to providing relief personnel through our recruitment service and improving competence through training in the UK and overseas and our technical support service.

n) Governance costs include the management of the charitable company's assets, organisational management and compliance with constitutional and statutory requirements.

o) The costs of generating funds relate to the costs incurred by the charitable company in raising funds for the charitable work and raising the profile of our work through our corporate communications.

p) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the minimum lease term.

## 2. Voluntary income

	Restricted £	Unrestricted £	2010 Total £	2009 Total £
Trusts	3,000	18,465	21,465	28,175
Individual giving	57,197	140,849	198,046	95,453
Patrons and major donors	101,076	254,261	355,337	281,359
Legacies	-	12,620	12,620	2,060
Events	5,743	66,227	71,970	46,291
Donated services and facilities	398	36,600	36,998	54,986
<b>Total</b>	<b>167,414</b>	<b>529,022</b>	<b>696,436</b>	<b>508,324</b>

Donated services and facilities represent the valuation placed by the board of trustees on the free software donated by Salesforce and equipment donated by DFID in Haiti.

## Notes to the financial statements

For the year ended 31 March 2010

## 3. Incoming resources from charitable activities

	Restricted £	Unrestricted £	2010 Total £	2009 Total £
<i>Providing relief personnel</i>				
Recruitment fees	-	17,381	17,381	28,299
	-	17,381	17,381	28,299
<i>Improving competence</i>				
Grants				
DFID - core support	-	500,000	500,000	500,000
DFID - safety training, Sudan	659,012	-	659,012	726,402
ECHO - safety training, Sudan	-	(4,940)	(4,940)	68,904
UN - safety training, Sudan	20,803	-	20,803	43,444
DFID - Pakistan	150,223	-	150,223	-
BIG - Sri Lanka	222,413	-	222,413	278,419
Other partners - Sri Lanka	-	-	-	27,736
Cluster	226,916	-	226,916	228,982
ELHRA	20,610	-	20,610	-
ECHO - management training	87,337	-	87,337	-
Training fees	112,784	417,576	530,360	427,173
	<u>1,500,098</u>	<u>912,636</u>	<u>2,412,734</u>	<u>2,301,060</u>

## 4. Analysis of total resources expended

	Fundraising £	Publicity £	Providing relief personnel £	Improving Competence £	Governance costs £	Support costs £	2010 Total £	2009 Total £
Staff costs (note 6)	110,904	76,313	79,666	917,986	17,131	337,886	1,539,886	1,600,055
Office administration	961	330	265	299,153	466	200,417	501,592	522,039
Training	39	-	771	441,003	-	14	441,827	571,280
Fundraising/PR	39,328	20	-	-	-	55	39,403	38,894
Organisation administration	90	107	10,028	11,725	15,000	57,442	94,392	213,628
Communication	6,058	41,578	-	-	-	-	47,636	37,548
<b>Total resources expended</b>	<b>157,380</b>	<b>118,348</b>	<b>90,730</b>	<b>1,669,867</b>	<b>32,597</b>	<b>595,814</b>	<b>2,664,736</b>	<b>2,983,444</b>
Support costs	80,661	54,565	56,937	389,417	14,234	(595,814)	-	-
<b>Total resources expended</b>	<b>238,041</b>	<b>172,913</b>	<b>147,667</b>	<b>2,059,284</b>	<b>46,831</b>	<b>-</b>	<b>2,664,736</b>	<b>2,983,444</b>

Note 1: Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. Similarly, costs will be incurred in supporting income generation activities such as fundraising, and in supporting the governance of the charity. Support costs include the central or regional office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources, and financing.

Under SORP 2005, support costs are allocated on the basis of head count.

RedR UK

Notes to the financial statements

For the year ended 31 March 2010

5. Net incoming/(outgoing) resources for the year

This is stated after charging:

	2010	2009
	£	£
Depreciation	31,718	21,841
Trustees' remuneration	-	-
Trustees' reimbursed expenses	2,818	3,492
Operating lease charges: UK property rent	50,000	50,000
Auditors' remuneration: Current year statutory audit	<u>13,000</u>	<u>13,000</u>

Trustees' reimbursed expenses are reimbursed travel and subsistence costs of attendance at board meetings and monitoring RedR's activities. Five trustees made claims during the year (2009:one).

6. Staff costs and numbers

Staff costs were as follows:

	2010	2009
	£	£
Salaries and wages	1,250,754	1,353,907
Social security costs	107,744	84,185
Pension costs	22,808	9,241
Recruitment costs	1,690	12,133
Staff development costs	7,114	19,924
Travel, subsistence and other staff costs	<u>149,776</u>	<u>120,665</u>
	<u>1,539,886</u>	<u>1,600,055</u>

Employees earning more than £60,000 during the year:

	2010	2009
	No.	No.
£60,001 - £70,000	1	1

Employer's pension contributions in respect of this employee were £3,162 (2009: £3,162).

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2010	2009
	No.	No.
Providing relief personnel	2.4	3.0
Improving competence	10.7	19.1
Institutional donor funding	-	0.4
Fundraising & publicity	5.7	4.8
Administration	8.1	7.3
Governance	0.6	-
Local staff employed on overseas programmes:		
Sudan	42.0	35.0
Sri Lanka	<u>11.0</u>	<u>15.0</u>
	<u>80.5</u>	<u>84.5</u>

## 7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

## 8. Tangible fixed assets

	Office Refurbish £	Database development £	Computer equipment £	Office equipment £	Total £
<b>COST</b>					
At the start of the year	112,354	26,820	43,100	19,823	202,097
Additions in year	13,877	-	2,530	3,061	19,468
<b>At the end of the year</b>	<b>126,231</b>	<b>26,820</b>	<b>45,630</b>	<b>22,884</b>	<b>221,565</b>
<b>DEPRECIATION</b>					
At the start of the year	14,980	5,364	41,671	13,588	75,603
Charge for the year	23,985	5,364	1,122	1,247	31,718
<b>At the end of the year</b>	<b>38,965</b>	<b>10,728</b>	<b>42,793</b>	<b>14,835</b>	<b>107,321</b>
<b>NET BOOK VALUE</b>					
At the end of the year	<b>87,266</b>	<b>16,092</b>	<b>2,837</b>	<b>8,049</b>	<b>114,244</b>
At the start of the year	97,374	21,456	1,429	6,235	126,494

## 9. Debtors

	2010 £	2009 £
Grants receivable	253,172	197,158
Advances	10,234	4,151
Other debtors	183,885	109,412
Prepayments	150,218	50,572
	<b>597,509</b>	<b>361,293</b>

## 10. Creditors : Amounts falling due within one year

	2010 £	2009 £
Taxation & social security	27,009	25,070
Other creditors	109,466	79,159
Accruals	40,633	77,348
Deferred income	32,353	7,560
	<b>209,461</b>	<b>189,137</b>

Included in other creditors are outstanding pension contributions amounting to £116 (2009: £1,880).

## RedR UK

## Notes to the financial statements

For the year ended 31 March 2010

## 11. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	114,245	-	114,245
Net current assets	467,811	149,110	272,298	889,219
<b>Net assets at 31 March 2010</b>	<b>467,811</b>	<b>263,355</b>	<b>272,298</b>	<b>1,003,464</b>

## 12. Movements in funds

	At 1 April 2009 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2010 £
<b>Red R Restricted funds:</b>					
Sudan	-	711,598	(711,598)	-	-
Sri Lanka	6,789	277,448	(221,613)	-	62,624
Pakistan	-	150,223	(14,596)	-	135,627
Haiti	-	4,911	(45,737)	40,826	-
Emergency Fund	-	166,516	-	(40,826)	125,690
Cluster projects	76,100	226,916	(196,297)	-	106,719
Management Training for NGOs	-	117,191	(117,191)	-	-
Professionalisation study	-	20,610	(20,610)	-	-
Training and Security	5,718	-	(5,718)	-	-
Dulverton Trust	14,559	-	(10,028)	-	4,531
Health	4,891	-	-	-	4,891
Handbook	4,729	-	-	-	4,729
Volunteer engineers	2,500	-	-	-	2,500
Beacon Fund	20,000	-	-	-	20,000
Other	-	500	-	-	500
<b>Total Restricted Funds</b>	<b>135,286</b>	<b>1,675,913</b>	<b>(1,343,388)</b>	<b>-</b>	<b>467,811</b>
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Fixed Asset Funds	126,494	-	-	(12,249)	114,245
Bursary Fund	149,110	-	-	-	149,110
<b>Total Designated Funds</b>	<b>275,604</b>	<b>-</b>	<b>-</b>	<b>(12,249)</b>	<b>263,355</b>
<b>General funds</b>	<b>100,273</b>	<b>1,481,124</b>	<b>(1,321,348)</b>	<b>12,249</b>	<b>272,298</b>
<b>Total unrestricted funds</b>	<b>375,877</b>	<b>1,481,124</b>	<b>(1,321,348)</b>	<b>-</b>	<b>535,653</b>
<b>Total Funds</b>	<b>511,163</b>	<b>3,157,037</b>	<b>(2,664,736)</b>	<b>-</b>	<b>1,003,464</b>

**Purposes of restricted funds**

The Sudan fund was used in support of staff welfare and safety learning programmes in Sudan. Funding has been received from DFID and the UN in support of this project (see Note 3)

The Sri Lanka fund was used for learning support and capacity building programmes in Sri Lanka. Funding for this project has been received from Big Lottery Fund (see note 3) and NGOs who commissioned bespoke training.

The Pakistan fund is being used to establish a training centre in Islamabad. Funds have been received from DFID.

The Haiti fund was established to conduct a needs assessment and then establish a training centre with our French partners, Bioforce. Although some funding has been received in country most activities have been funded from an Emergency Fund arising from an emergency appeal.

The Cluster project is a UN led initiative. Funds were used to identify, train and assess WASH Cluster co-ordinators.

The Management Training for NGOs project was funded by ECHO (see Note 3).

The study into the professionalisation of the humanitarian community was funded by a grant from ELRHA administered by Save the Children.

The Training & Security fund represents income from security course to be used for similar work in the future.

The Dulverton Trust has provided funds in support of our work with 'Engineers without Borders' who support young engineers who wish to work in the humanitarian sector.

The Health fund represents donations received to further our work with health professionals.

The Handbook fund resources are being applied towards the finalisation and publication, via the website, of a handbook for aid workers and recruitment officers and for preliminary work towards the production of a magazine for healthcare professionals.

The Volunteer Engineers fund is a patron donation received to sponsor young engineers to gain overseas experience.

The Beacon fund is a grant received in support of a research project.

**Purposes of designated funds**

The Fixed Asset Fund has been set up to assist in identifying funds that are not free funds and represents the net book value of tangible fixed assets.

The Bursary Funds are training fee income in the DEC funded Sri Lanka programme. These fees will be used to continue future support to training in Sri Lanka at the end of the DEC funded programme.

**13. Related parties**

RedR International is the umbrella body of the various RedR organisations around the world. The charity has two nominees on the committee of RedR International.

RedR UK

Notes to the financial statements

For the year ended 31 March 2010

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14. Operating lease commitments

At 31 March 2010, the charity had annual commitments under operating leases expiring as follows:

	Land and buildings	
	2010	2009
	£	£
between two and five years	<u>50,000</u>	<u>50,000</u>