Christian Aid annual report and accounts 2014/15

Cover: Racky Galo, standing in the water, is a volunteer responsible for making sure his community is prepared for the typhoons and monsoons that can devastate their remote island in the Philippines. He uses emergency flags to sound the alarm, so people have time to leave their homes for safety. Thanks to the support of a Christian Aid partner, everyone in the community knows what to do and where to go when disaster strikes. 'We always follow the evacuation plans,' says Racky. 'Doing this will save lives.' Christian Aid/Ross Hemingway

UK registered charity number 1105851 Company number 5171525
Scotland charity number SC039150
Northern Ireland charity number NIC101631 Company number NI059154
Republic of Ireland charity number 20014162 Company number 426928

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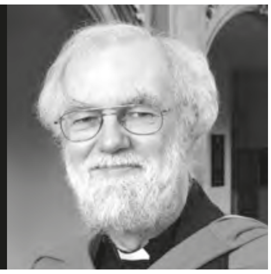
Letter from the Chair



It's been an eventful year in all kinds of ways, with the continuing urgent pressures of disaster in various parts of the world (most recently in Nepal) and the very different pressures of political debate at home, including all the turmoil of a General Election. But I still find much to encourage me.

The response to disaster appeals is still strikingly generous, and I've often found myself saying that the public are a lot less insular and mean-spirited than much of the press assumes them to be. And it is deeply heartening that the commitment of all the major political parties to enshrining in law the benchmark of 0.7% of gross national income for development goals remained unshaken through a slightly bumpy ride in Parliament. The cross-party solidity in the Commons and Lords (where I was privileged to take part in the debate) should give us grounds for confidence; but it also reinforces the need for us all to keep up the sense of urgency on this issue.

We continue to shape our priorities around the themes of tax transparency, climate justice and gender equality, and there has been plenty going on in all these areas. The work on tax and ethics has been well received. It has informed some ongoing discussions in which I've been involved with various parties from the business and accounting worlds, where these questions are steadily gaining traction. We continue to campaign and advocate strongly ahead of the Paris meeting on climate later this year, hugely encouraged by the magnificent encyclical on the subject from Pope Francis and the new policy positions of a number of our sponsoring churches on limiting investment in fossil fuels. Work on gender questions is a constant imperative. Last November we organised a visit of seven senior women leaders in the Church of England to see the challenges faced by women in India and some of our work there; it was a life-changing experience for all involved.

Not the least important element in any such visit, of course, is the sense expressed by some of the Indian women that they had actually been listened to – 'the first time anyone has asked us about our lives', said one. In all we do as Christian Aid, our concern is not simply to persuade people to give; it is to persuade people to receive, to be open to and take seriously the unsettling experience of the poorest.

At the time of writing we are in the process of recruiting some new trustees; we're particularly looking for people who can bring us some fresh perspectives on communication. We know that it is time to develop our digital resources and outreach and take this to a new level of excellence, as more traditional forms of communication become less productive; it is exciting to consider the fresh possibilities that are opening up here.

I'd like to say the warmest thanks to all my fellow trustees, and those who work on our various committees. David Cornick retired from our Nominations and Procedures Committee during the year, having served us wonderfully well in the midst of all his other activities for the churches in England. I want to register how great our debt is to him. He has been replaced by Major Heather Poxon of the Salvation Army, whom we welcome as someone with deep experience in development (especially in the Democratic Republic of Congo and Rwanda, and as UK co-ordinator of the Salvation Army's international development work).

Thanks also, as ever, to the directorate, especially to Loretta, who continues to be a joy to work with, to all our staff, and to all our supporters, the hidden treasure that again and again enables us to do more than we thought we could! A year of pressures, yes – but also a year when we have discovered again how much can be achieved by faith in times of deep challenge.

Dr Rowan Williams
Chair of the Christian Aid Board of Trustees

Letter from our Chief Executive

This has been a highly significant year for everyone in the UK who cares about the world's poorest people: after years of campaigning, legislation ensuring that 0.7% of our gross national income is spent on overseas aid has found its way on to our statute books. I pay tribute to all those, from our Chair to our staff and supporters, who have so persistently encouraged politicians to take this important step.

Aid continues to play an essential role, especially in emergencies. Sadly, our humanitarian work has been really tested this year. Syria's brutal civil war entered its fifth year, while Gaza and Iraq were engulfed in fresh eruptions of violence. The skill and courage of our partners meant we were able to get vital supplies to more than 50,000 people fleeing conflict in the Middle East. We also responded to the Ebola crisis in Sierra Leone, bringing food and other essentials to people in quarantine, and educating communities about how the disease spreads and how to contain it. I would like to thank our Sierra Leonean staff for their immense fortitude in the face of this difficult and dangerous work.

In February I visited the Philippines to see our relief effort following the massive typhoon, Haiyan, which struck in November 2013. I could see clearly the value of our humanitarian approach – working with the grain, with local capacity, so that together we can build back, and build better. The evidence of our excellent response – which has benefited more than 100,000 people – was all around: in high-quality transitional housing, in restored livelihoods, in the faces of happy children now back in permanent schools. But there is no room for complacency.

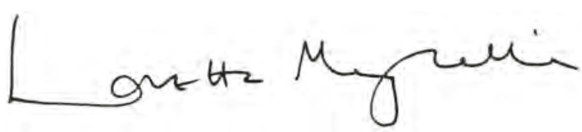
I met one woman who had survived with her four children by swimming along in a huge body of water whipped up by the typhoon until she thought she and they could swim no more. She asked me: 'What are you doing about climate change?' It was a striking reminder of the importance of our work to help communities be better prepared, and of our campaigning to encourage politicians to take the threat of climate change seriously, so that similar events are less likely in the future. In 2014, we renewed our climate change campaign with the launch of One Million Ways – and more than 57,000 actions were taken. We commissioned an impact assessment of our climate change work, which concluded that we played a 'pivotal and very positive role' in strengthening civil society climate advocacy here in the UK and internationally.

We began to implement our new gender strategy – an acknowledgement of the deep injustice that means that women and girls are much more likely than men and boys to live in poverty. Fortified by deep theological reflection about the dignity of every person, we have started to build an international network of faith leaders to speak out on gender justice.

Despite the record-breaking success of the Christmas appeal (which raised £6.6m, including the UK Government's UK Aid Match contribution), the enormous generosity of our supporters, and our continuing track record in securing and successfully completing large-scale government-funded contracts, our income was less than we had planned for, particularly from Christian Aid Week. We are beginning to implement new approaches now, as we learn from the success of our Christmas appeal, and with a focus on better use of digital communications.

2015 offers a once-in-a-generation opportunity to set a course for the kind of lasting change we strive for, with three major UN meetings – in Addis Ababa, New York and Paris. We have been heavily engaging with governments to ensure they promote truly sustainable, properly funded development.

This time next year, I hope to report positively about all these summits. Meanwhile, I want to thank our trustees, sponsoring churches, supporters, partners and staff for their unwavering commitment throughout this past year to a shared vision of a world without poverty.



Loretta Minghella
Chief Executive

Strategic report

Objectives and activities

In 2015, as the Millennium Development Goals reach their deadline, the world can reflect on real progress. Since 1990, thanks to the actions of millions of people around the globe, extreme income poverty has been cut by almost two-thirds, child mortality has fallen by more than half, and more children are attending primary school than ever before.

But these achievements tell only part of the story.

This is the richest generation in history. It is also the most unequal. Today 1% of the world's population own almost half the world's wealth.[1]

This is a striking indication of a growing imbalance of power that keeps more than a billion people trapped in poverty. It is a power imbalance that prevents people having a say in the decisions that affect their lives; denies them a fair share of the world's resources; stops them accessing essential services; deprives them of peace and security.

Partnership for Change – the strategy that has guided our work since 2012 – identifies three fundamental shifts in power that will help bring about an end to poverty:

- Power for people to live with dignity, withstand disasters, seize opportunities and thrive.
- Power for people to get a fair and sustainable share of the world's wealth and resources.
- Power for people to have a say in the decisions that affect their lives, and to play a full part in society and the economy.

To bring about these shifts in power, Partnership for Change identifies five broad **strategic change objectives** for our work:

1. Power to change institutions. We support poor communities around the world as they strive to influence decision makers at local, national and international level. In the UK and globally, we campaign for change on critical issues such as tax dodging and climate change.

2. The right to essential services. We enable people to access services crucial for their health and wellbeing. We urge governments to make sure essential services and medicines are accessible, appropriate and affordable. Through our partners, we show the standard of service delivery that is possible – services that governments can then adopt, adapt or scale up.

3. Fair shares in a constrained world. We work with people to ensure that they get a fair and sustainable share of the world's resources. We strive to make markets work for poor communities, and we promote fair and green alternatives to our usual patterns of consumption. We make sure poor communities are better able to withstand disasters and other shocks.

4. Equality for all. We strive for a more inclusive world where identity – gender, ethnicity, caste, religion, class, sexual orientation – is no longer a barrier to equal treatment. We press governments and global institutions to implement policies and laws that combat inequality and discrimination. We work through churches and interfaith networks to challenge intolerance and promote inclusion.

5. Tackling violence, building peace. We ensure that vulnerable people are protected from violence and can live in peace. We're part of social movements that challenge attitudes and behaviours that perpetuate violence. We push for those responsible for violence to be held to account, and for governments to prioritise peaceful alternatives to conflict.

Power of partnership

We know we can't achieve these shifts in power on our own. That is why all of our work is based on trusting and effective relationships.

We work with churches and faith groups, including our 41 sponsoring churches, interfaith networks, and the ACT Alliance. We depend on individuals in Britain and Ireland, and around the world, for their commitment and generosity. We work through local partner organisations across 39 countries, who understand the communities in which they work and are best placed to support them. We engage closely with government and the private sector.

It is by growing and deepening these partnerships that we have the best chance of achieving our ultimate goal: an end to poverty.

[1] *Wealth: Having it all and wanting more*, Oxfam briefing paper, January 2015.

Achievements and performance

In 2014/15 we reached millions of people, working tirelessly to help them improve their lives and livelihoods, influence governments and international institutions, gain access to essential services, cope with climate change, and be free of violence and discrimination.

Here's a snapshot of how, working through our partners across the world, we performed against each of our strategic change objectives in 2014/15.

Strategic change objective: Power to change institutions

We are building a movement of people working in solidarity to demand that governments and other institutions share power with those they serve, in ways that are just, accountable and inclusive.

2015 could be a tipping point for people and the planet. As world leaders prepared to set new targets for development and the environment at key meetings – in Addis Ababa, New York and Paris – we stepped up our campaign on climate change and the fight against poverty.

Climate change
In 2014, as our contribution to the Climate Coalition's 'For The Love Of…' campaign, we launched One Million Ways, inspiring more than 57,000 actions on climate change.

In September, on the eve of a UN climate summit, 40,000 people – including many Christian Aid supporters – took to streets of central London to call on world leaders to protect our environment. Christian Aid's Senior Climate Change Advisor was one of fewer than 100 civil society representatives to be invited to the summit, demonstrating that we're a key part of the global climate justice movement.

An external evaluation of our work, which praised our efforts to strengthen civil society advocacy on climate across the world, also emphasised this pivotal role.

We'll continue to fight for the ambitious and legally binding deal the world so urgently needs at December's key talks in Paris, and for all countries to contribute to creating a global clean-energy revolution.

Sustainable Development Goals
In September 2015, world leaders meeting in New York will agree a new set of targets to end poverty and protect the planet. Christian Aid is at the forefront of the conversation about how these Sustainable Development Goals – which replace the Millennium Development Goals – should look. We have urged world leaders to ensure that they go beyond the MDGs, and address the root causes of poverty and inequality, with a strong focus on climate change and gender justice.

Christian Aid has played a leading role in the UK, co-chairing the Beyond 2015 UK coalition. And we have worked globally, with partners and colleagues from the ACT Alliance, to ensure the voices of poor communities are heard.

Tax
In December 2014, the UK Government pledged to create the world's first publicly accessible register requiring all companies to declare which individuals actually own them. In March 2015, it announced further measures targeting those who persistently use tax avoidance schemes. The register and these new measures will make it far harder for big corporations to avoid paying the tax they owe and minimise opportunities for corruption – increasing revenues that could be used to tackle poverty.

Our petition, signed by more than 20,000 of our supporters, helped persuade MPs to pass the ground-breaking legislation to create the register, which will come into force in 2016. We worked with MPs and Lords to make sure it will be as effective as possible.

International successes
Across the world, we empower poor and marginalised communities to influence the decisions that affect their lives:

Nigeria: Our Voice to the People programme supported nearly 40,000 people as they called for better services from the government: more school teachers and health workers; better roads, drainage and water systems; more fertilisers and seeds. The programme has helped foster a new relationship between local communities and the authorities; policy makers are finally listening to the voices of their citizens, including them in planning and decision making, and providing them with better services as a result. The UK Government's Department for International Development confirmed what participants had been saying about the programme by giving it an A++ rating in its recent evaluation.

Ghana: We helped mobilise more than 3,000 community members in 68 districts to improve community participation and influence in local government processes. This has led to the construction of sanitation facilities, reforms of educational practices at local government level, tax negotiations, and improved provision of maternal health services – changes which have benefited tens of thousands of people.

Brazil: In a huge victory that will benefit around nearly 1.2 million people across the country, we worked with our partner CPI and a local law office to make sure indigenous *quilombola* communities in the Amazon rainforest are no longer liable for the Rural Land Tax. This reduces the need for the *quilombola* to cut down the forest to pay those taxes.

Way forward and challenges
Challenging imbalances of power can be far from straightforward or even safe. For example, last year powerful elites in Colombia responded to our work by trying to discredit our partners and by making threats. In many places the space for civil society to hold governments to account has shrunk dramatically over the last year. We are working hard to find new and creative ways to respond.

Strategic change objective: The right to essential services

In 2014 we significantly stepped up our work to enable people to get access to essential services, such as healthcare.

We pressed governments to increase their spending on health and improve the care they provide.

In some areas of our work – notably HIV – we moved away from supporting service delivery to press for stronger national health systems, and for changes to institutions and social attitudes that hinder access to healthcare for HIV-positive people.

We responded to the Ebola crisis. We helped poor communities protect themselves against malaria. And we ensured women and marginalised communities could access services from which they're often excluded.

Here are some of the highlights of our work in 2014:

Ebola
In 2014, Ebola coursed through **Sierra Leone**, **Liberia** and **Guinea**, killing more than 11,000 people and pushing health services to breaking point. People were quarantined in their homes without enough food to survive.

When Ebola hit, we already had partners on the ground in Sierra Leone, with deeply rooted relationships in their local communities. They risked their lives to prevent the spread of the virus and tackle its wider consequences.

We reached 2.5 million people with life-saving information on how to avoid contracting Ebola. We got food and other essentials to thousands of people, many of whom were in quarantine, so they could stay confined, helping to slow the spread of the virus. And we worked with survivors to help them deal with the trauma and hardship they face.

HIV
Discrimination means that people living with HIV/AIDS in **Nigeria** are often prevented from accessing the vital healthcare they need. The intense lobbying by one of our partners helped make sure the Anti-Discrimination Bill was finally passed into Nigerian law in December 2014. It will mean that employers and health workers cannot discriminate against people with HIV or only provide them with jobs or access to services if they've taken an HIV test.

In **Myanmar**, Positive Living Centres developed by our partner gave people living with HIV training in leadership and counselling. They became role models for their peers, educating and inspiring them to live healthier lives. The project also tackles stigma and discrimination, changing social attitudes towards people with HIV.

Malaria
Malaria remains one of the biggest killers in Africa, even though a simple insecticide-treated net can protect people from it.

We're providing people in **Nigeria** with vital information about malaria: how it spreads, how to prevent it and where to get treatment. A recent independent assessment revealed that 99% of pregnant women covered by our work there are receiving preventative treatment, compared to just 43% three years ago. There has also been an increase in the number of women using bed nets during pregnancy, from 15% to 94%.

Our anti-malaria work in **Kenya** means that 90% of households covered by our programme are now using nets, up from 57% when the project began, while the proportion of children under five sleeping under nets increased from 13.3% to 100%.

Maternal health
The low standing of women and a lack of engagement from men was having devastating consequences for maternal health in the Maasai community of **Kenya's**

Narok County. In 2008/09 only around 10% of mothers accessed antenatal care – with many delivering at home – and the maternal mortality rate was more than double that of the rest of the country.

We created over 30 forums for around 1,500 men, where they received training on reproductive health and learned about the kind of care women need during pregnancy. We encouraged traditional birth attendants to accompany expectant mothers to health facilities so they could give birth with the help of a professional health worker.

As a result, the number of women in the community accessing antenatal care by 2015 had shot up to nearly 50%, and 38% were delivering in health facilities.

In **Malawi**, we're using mobile phones to provide pregnant women with vital health information – increasing the uptake of antenatal care and the use of skilled birth attendants. We have also trained close to 100 traditional birth attendants in a new role where they refer pregnant women to health facilities rather than conduct deliveries at home.

Way forward and challenges
In making people's right to healthcare a reality, our programmes are grappling with numerous complex factors: the ability and willingness of governments to provide a good service; the discrimination and stigma that stop people accessing services; and the technical challenges of delivering high-quality, integrated responses to interlinked health issues.

Our work has taken a big step forward this year: we've made sure many more local communities know what services they're entitled to, what has been budgeted for and what is actually being delivered. For example, the use of community scorecards in Malawi enabled communities to monitor and complain about conditions within their local healthcare system. This has led to an increase in community voice and accountability of duty bearers to their citizens. In one example, community level lobbying resulted in an additional nurse being posted to a centre, and toilets being built. Similar approaches elsewhere have also seen concrete changes like facilities built, renovations made,and medicine getting to where its needed.

But the truth is, for many countries, the resources to adequately fund their health services aren't there. Apart from aid, these countries desperately need higher tax revenues – a connection we've started to make in our tax justice campaign.

Strategic change objective: Fair shares in a constrained world

We work for a world where poor people are able to keep more of the wealth they generate, and can better protect themselves when disaster strikes or times are tough.

Inclusive markets
Our efforts to make markets work for, rather than against, poor people gained momentum in 2014/15.

We're now moving beyond improving market access for individual businesses to facilitating systemic market change. This is a participatory approach that involves analysing the existing market context, identifying challenges and opportunities, and planning interventions based on this analysis. We develop platforms that improve the links across the market system, creating win-win relationships between producers, processors and buyers.

In 2014/15 this new approach paid dividends for poor communities across the world:

Zimbabwe: Funding from DFID's Programme Partnership Arrangement (PPA) helped 500 small farmers – most of whom are women – gain organic and Fairtrade certification for their high-value hibiscus crop, enabling them to get much better market access. The project has also linked the farmers with a social enterprise called Organic Africa, which has opened up lucrative new export markets for them.

Malawi: We have given more than 60,000 rice and pigeon pea farmers the opportunity to improve their links with traders, processors, service providers and fellow farmers, helping them boost their access to markets. We've also developed a national rice platform – now called the Rice Development Trust. It brings together smallholder rice farmers, government agencies and the business community to promote national policies that benefit small farmers.

Bangladesh: Our Rural Sales and Service Centres are community-owned and managed enterprises that link smallholder farmers with private companies and big buyers to help them get better services and higher prices for their goods. Producers are linking up with Milk Vita (the biggest cooperative of milk producers in Bangladesh), traders and suppliers of agricultural inputs such as fertilisers. More than 4,000 smallholder farmers, 60% of whom are women, have benefited as a result.

Way forward and challenges
We need to better measure the wide range of benefits of making markets work for poor communities: from increases in profits to improvements in the position of women. We need to do even more to level the playing field for women, who too often remain on the margins. And we are learning how best to realise the potential of more complex financial arrangements, including a combination of loans, grants and business support.

Prepared for the worst
Last year we stepped up our support for communities striving to be better prepared for crises or disasters.

Through our DFID PPA programmes – now in their fourth year – we reached more than 1.2 million people across 19 countries in 2014/15, taking the total we've reached through resilient livelihoods projects since 2011 to more than 7.5 million.

We've worked with communities to reduce their vulnerability to the threat of climate change, introducing them to new technologies, encouraging them to diversify their crops or livestock, and use mobile phones or rain gauges to access scientific weather forecasts and predict droughts or floods.

In India, this kind of risk-management work has both reduced costs and increased yields for farmers in the state of Uttar Pradesh. In Nicaragua, farmers are using rain gauges and ecological farming methods to boost their resilience to drought and increase their yields. And, in Malawi, our £10m Enhancing Climate Resilience Programme (ECRP) has reached 389,000 people over the past four years, making them better prepared for the potentially devastating effects of climate change.

Massive flooding in southern Malawi in early 2015 affected six out of seven of ECRP's target districts, but many positive stories have emerged of how the programme has helped communities prepare for and recover from the disaster.

Way forward and challenges
We have learned that extra steps need to be taken to involve women in decision making. We're also looking at ways to improve how we help communities become more resilient in areas where there is ongoing conflict. An exciting new area is the DFID-funded BRACED programme, led by Christian Aid in Ethiopia and Burkina Faso. These two £11.8m programmes will work alongside pastoral communities to ensure they are better prepared to adapt to the effects of climate change. This is large-scale work in very challenging environments, and involves new types of partners such as King's College London, BBC Media Action and the Met Office.

Strategic change objective: Equality for all

Inequality corrodes societies, fuels violence and keeps people trapped in poverty. In 2014/15 Christian Aid worked for a more inclusive and more equal world.

We launched our gender strategy and began building a movement of faith leaders to push for gender justice.

We increased our understanding of the ways in which gender, race, ethnicity, class, ability, sexual orientation, religion and caste all intersect and interact to deepen injustice and inequality. This deep understanding has meant that we are now taking a holistic approach to inequality – in how we analyse and respond to it in any given community.

Here are some highlights of our work:

Gender justice
We launched our gender strategy in May 2014, as we continued our push to put gender equality at the heart of everything we do. As part of our strategy, we hosted a global workshop of faith leaders and faith-based organisations to discuss building a global movement for gender justice. As a result, the 14 participating organisations made a commitment to establish a more coordinated coalition for change.

We kept up the pressure on world leaders to put gender and equality at the heart of the post-2015 Sustainable Development Goals, supporting a range of partners, to influence the negotiations at a national and international level. For example, in June 2014, our Brazilian partner Koinonia delivered a statement on equality to the UN, on behalf of the ACT Alliance.

Raised voices
Across the world we fought discrimination against people from of a range of excluded groups – women, street children, migrants, minorities – through changes to law, policy and practice. We created space for dialogue and discussion so their voices could be heard.

Angola: We've enabled marginalised groups to have their say, even in the face of rising repression. In Lobito, our partner Omunga is helping leaders of former street children – who face extreme discrimination – lobby local officials. They demanded their rights to identity documentation, social protection and access to services such as education, health, water and sanitation.

El Salvador and Guatemala: In Central America, discrimination against women and 'femicide' (the intentional killing of women) is rife. Young people are stigmatised – often wrongly perceived as being members of violent gangs – denying them their right to education and employment. With our partners' support, local communities successfully demanded the inclusion of youth and women's initiatives – on youth cultural engagement, gender-based violence, the participation of women in budget allocation and a social audit on violence against young people – in the investment plans and policies of 11 municipalities of El Salvador and Guatemala. In Guatemala, our partner's advocacy work helped convince the government to increase its budget by nearly 18% for developing programmes for women.

Colombia: With Christian Aid's support, poor communities successfully lobbied the Supreme Court to uphold the right of indigenous communities to land claimed by multinational companies. The legal precedent has been set and will influence future rulings. Communities now have real hope they can actually win cases against big companies.

Intersecting inequalities

The people most likely to be left out or left behind by development are those groups who face several types of discrimination on the grounds of their identity and where they live. These are what we call 'intersecting inequalities'.

For example, in Brazil, the *quilombola* community are descendants of slaves, and are generally rural, poor and black. The fact that black people are likely to earn less than white people in Brazil[2] is exacerbated among the *quilombola* because of their ancestry, their lack of access to land and discrimination based on their ethnicity. They experience exclusion, poverty and, at times, criminalisation. To challenge the status quo, our partner the Pro-Indigenous Commission (CPI) is helping these communities in the Amazon to secure their land rights. With land and the chance to make a living, the *quilombola* are better able to challenge the other forms of discrimination they face.

[2] *The Real Brazil: the inequality behind the statistics,* Christian Aid, 2012, christianaid.org.uk/images/real-brazil-full-report.pdf

Way forward and challenges

We've had to take a hard look at all our work – from promoting inclusive markets to responding to humanitarian disasters – to ask whether it is really getting to the heart of tackling the exclusion of women and girls. Where we need to make changes, we are putting in place concrete plans to do this. We also need to recognise that, in some contexts, faith communities can perpetuate gender discrimination rather than work towards ending it. Our ongoing discussions with faith leaders will factor in these challenges.

While we recognise the key role that gender plays in poverty, we cannot ignore other ways in which people are excluded. Discrimination on the basis of age, disability, sexual orientation and ethnicity can overlap with gender to 'lock in' poverty. We need to keep developing the way we address this interplay.

Strategic change objective: Tackling violence, building peace

Building peace is not simply a matter of ending physical violence. It is a complex, holistic and continuous process involving a whole range of solutions, from bringing divided communities together in dialogue, to dealing with the gender dynamics that lead to violence against women, to helping people hold their governments to account.

In 2014/15, we reached hundreds of thousands of people caught up in conflict and worked to build more peaceful societies. Some examples of our work include:

Israel and the occupied Palestinian territory

We worked to help lay foundations for peace in Israel and the occupied Palestinian territory.

A lack of understanding about the daily realities experienced by Palestinians can be one of the main stumbling blocks to peace. Our partner Zochrot, an Israeli organisation, challenges Israeli public opinion and brings together Palestinians and Israelis to discuss issues such as how the return of refugees can be dealt with. During 2014, more than 22,000 Jewish Israelis engaged face to face with the problems confronting Palestinian refugees, while 150,000 got involved through mobile phone apps, exhibitions, a website and a visitors' centre.

Ultimately, though, displacement and violence will continue without a long-term, just and peaceful solution that guarantees a viable future for both Palestinians and Israelis.

Angola

Few countries demonstrate the gap between rich and poor more starkly than Angola. The wealth created by its natural resources benefits just a small minority of its people.

We believe that working towards more just power relations at all levels of society will create the building blocks for sustainable peace and development.

With little opportunity for public debate in Angola, we promote 'civic spaces' – a variety of physical and virtual places, including social and alternative media, radio discussions and citizen journalism. People can come together in these spaces to exchange views, challenge cultural and social norms, and make the state more accountable.

Zimbabwe

In 2014, our partner Zimbabwe Peace Project (ZPP) launched a pilot project to support children who have either witnessed politically motivated violence against family members or who were victims themselves. This is vital work in a country with few services to help children recover.

The pilot was held with a child from each of Zimbabwe's 10 provinces and run in partnership with a counselling team. At the same time, ZPP developed an advocacy campaign to highlight the plight of children who have seen or been subjected to violence.

Way forward and challenges

It is important to be aware of civil society's limitations when it comes to tackling violence and building peace. The kind of political transformation needed in most violent contexts is beyond our capacity, and well-intended interventions can actually exacerbate conflict and reinforce the status quo, making it important for us to seek alliances.

We need to constantly assess how we work with affected communities: making sure that we genuinely represent the views of poor and marginalised people, and victims of violence. Our approach of working through partners who understand their local communities gives us the best chance of doing so.

At the same time, ensuring the safety of our staff and partners in highly insecure environments is a major challenge, particularly in countries where civil society is increasingly repressed.

Our humanitarian work

Our humanitarian work contributes to several of our strategic change objectives. Last year we responded to almost every major humanitarian disaster in the world, the conflict in Gaza, the Ebola epidemic in Sierra Leone, the refugee crisis in the Middle East and the ongoing rebuilding effort in the Philippines in the wake of Typhoon Haiyan.

In all we delivered 49 emergency responses in 21 countries, reaching an estimated 1.77 million people affected by disasters.

Here are some of the main examples of our humanitarian work in 2014/15:

The Middle East

Syria's brutal civil war entered its fifth year, with the number of people forced to flee the country reaching a staggering 4 million, and a further 7.5 million displaced inside Syria. The so-called Islamic State armed group drove millions more from their homes in Iraq as it seized control of vast swathes of territory. And violence between Hamas and Israel culminated in a third Israeli offensive of Gaza in less than seven years, killing more than 2,000 people.

Our partners have been responding to the needs of displaced Iraqis and Syrian refugees – providing food, hygiene kits and psychological support to more than 50,000 people in the past year.

While in Gaza we helped deliver emergency medical care, rebuild essential infrastructure and provide 20,000 people with access to clean water. Through our partner CFTA, we also helped traumatised children begin to come to terms with their horrific experiences.

Philippines typhoon

Typhoon Haiyan, thought to be the strongest storm in recorded history, devastated large parts of the Philippines in November 2013. More than 6,200 people died and around 4 million people were forced to flee their homes – many lost everything.

In the immediate aftermath, our partners in the Philippines reached more than 180,000 people in some of the worst-affected and most isolated areas, delivering vital supplies including food, water, sleeping mats, blankets and shelter kits.

One year on and our partners are still on the ground, tackling the long-term aftermath of the disaster. We've provided essentials like fishing boats, nets, seeds, tools and cash grants to over 100,000 people to help rebuild lives and livelihoods.

We will continue to work with communities to help them prepare for any future disasters, reducing the risk of such widespread devastation in the future.

Way forward and challenges
External evaluations have reinforced our belief that our humanitarian work has been timely and effective; and that we mobilised local partners and coordinated national responses well. But we are determined to continue learning and improving.

One of the most exciting developments during the year was the piloting of digital data gathering – collecting survey responses about the effectiveness of our programmes in Sierra Leone directly onto smartphones. We are now looking at how to further develop this work.

In all of our humanitarian projects over the past year, there is evidence of the preferential targeting of women, but there is not enough evidence to suggest it has been transformative. So we are now aiming to ensure that a formal gender and power analysis is undertaken within a short period of a response (ideally no more than eight weeks) and that project activities are reviewed and adapted accordingly.

We want to explore further how resilience-building can strengthen humanitarian operations and bridge the gap between short-term humanitarian response and long-term development.

Partnership has always been the cornerstone of our approach and comes with many benefits: most notably local knowledge and the speed at which we're able to respond to disasters. But there are also challenges – not every local partner has responded to an emergency in the past or has the organisational or technical capacity to do so. The pressures they face can be daunting, with rapid surges being difficult to manage. We're now considering how to work with them to develop better plans for a response and reduce the pressures they face.

Plans for the future

In any given year, what we focus on within our five strategic change objectives may shift depending on the opportunities or challenges that arise.

Here are our critical priorities for 2015/16:

Climate change
Three crucial UN summits in 2015 offer a unique opportunity to shape the future of our world. In September, world leaders convene in New York to agree a set of Sustainable Development Goals (SDGs) to end global poverty. A few months later in December, at the 21st Conference of Parties on Climate Change (COP 21) in Paris, world leaders meet to set new targets to protect the environment and its inhabitants. The Financing for Development (FfD) conference in Addis Ababa that comes ahead of these in July is critical to ensure that SDGs can be properly resourced, and that COP 21 actions can be mainstreamed.

The decisions made at these summits will determine the fate of the next generation and many more to come. So it's vital that these plans are as ambitious as we know they can be.

Christian Aid is seeking to influence all three summits. We want to see climate change fully integrated into the SDG framework – sustainable development must be low-carbon and climate resilient. We'll bring the voices of partners to the table to ensure that people in poverty get the best deal possible. And we're working with businesses and churches to encourage them to press for sustainable policies as well as implementing such changes themselves. We also want strong outcomes from FfD so that taxes, foreign investment, aid and other financial flows are aligned with sustainability and the rights of people living in poverty.

We also plan to scale up our programme work on renewables, and strive to put our own house in order with new initiatives to reduce our carbon footprint.

Gender and inequality
Christian Aid is working for a more inclusive world where identity – gender, ethnicity, caste, religion, class, sexual orientation – is no longer a barrier to equal treatment. We're urging world leaders to include strong and specific

targets on gender justice in the SDGs as well as the resources to turn promises into action. And we'll step up our efforts to build a global movement of faith leaders who will play a much more prominent role in promoting gender justice. We also aim to reflect our commitment to gender justice in our internal ways of working and practice.

Our humanitarian and resilience work
Following the UN summits in 2015 is the first ever World Humanitarian Summit in May 2016. Ahead of this, we'll be lobbying for:

- a shift in the balance of power in the humanitarian system towards the global South
- accountability to affected populations, including putting the voices of beneficiaries at the front and centre of the design and implementation of humanitarian programmes
- a shift in the mindset and resourcing of the sector, from post-crisis response to pre-crisis preparedness and resilience.

We want to build on our current knowledge and experience in resilience and use it to better integrate our humanitarian and development work. This means continuing to work with communities to be better prepared to withstand disaster, but also deepening our understanding of what a resilient society means, and using this in our development work to build thriving communities.

Organisational development
We have identified three priorities for organisational development, which will help us expand and improve our work:

Financial sustainability
Trends show that traditional sources of funding are changing in the international development sector, and the future could see aid being delivered in very different ways. We are actively engaging with this issue with new initiatives, and considering how best to adapt our ways of working so that our vital work can continue, while staying relevant to the needs of the present day.

Evidencing and communicating our impact
We are deeply committed to being accountable for the work that we do, both to the communities we work with and to our supporters. We also want to know that what we are doing is effective, and if not, to adapt and do things differently. That's why, in the coming year, we have decided to focus on improving the quality of information we collect and the way we analyse and respond to it. Furthermore, the complex nature of addressing poverty means that it is not always easy to convey to our supporters how succinctly we're making a difference. We therefore aim to improve the way we communicate our impact externally.

Strategic corporate partnerships
Businesses have an increasingly critical part to play in fighting poverty. We've already been engaging with the private sector in various ways, and are now seeking to form strategic corporate partnerships – jointly planned programmes delivering mutually beneficial outcomes – to allow us to harness the expertise, resources, reach, technology, networks, influence, efficiency and innovation of companies to help end poverty.

Principal risks

Christian Aid's work to eradicate poverty is inherently risky, particularly in fragile or conflict-prone countries, or when speaking out on difficult or controversial issues. Managing risks effectively is integral to the achievement of our essential purpose, and governance structures are in place to ensure the early identification and mitigation of key risks, and support the delivery of our strategy.

The trustees are ultimately responsible for risk management and the effectiveness of Christian Aid's internal control systems. The major risks to which Christian Aid is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks.

The board has considered and approved the risk management policy and its appetite for risk. It has delegated the regular review of the risk management process to the audit and risk committee, which also oversees the work of the internal audit function and receives regular reports from the head of internal audit and risk. The audit and risk committee is made up of five trustees and an independent adviser. Its meetings are regularly attended by members of the directorate so they can participate in cross-organisational risk management discussions.

Christian Aid's systems and procedures are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss.

Senior management ensures that day-to-day risk management processes are embedded across the organisation through the effective implementation of policies and procedures. Risk registers have been developed at a corporate, departmental and major-project level. Risks are assessed on the basis of their likelihood and potential impact, along with the mitigation strategies in place to manage them in line with the board's risk appetite. The directorate reviews and updates the corporate risk register three times a year and it is shared with the audit and risk committee. The board formally reviews and approves it annually.

There are a number of working groups that manage risks in high-risk areas, as defined in the risk register. In 2014/15, these continued to include the business continuity group; the health, safety and security committee; the public policy group; and the large programmes oversight committee. Serious incidents and near misses are monitored and inform the ongoing development of risk management strategies.

Risk management is embedded in our processes for the implementation and evaluation of our corporate strategy, Partnership for Change.

Internal audit is responsible for assessing the effectiveness of internal controls against a schedule of audits approved annually by the audit and risk committee, taking account of the corporate risk register. The results of the audits are reported to management and the directorate, and summarised for the audit and risk committee. Management is responsible for implementing agreed actions arising from the internal audit process. Their progress is tracked and regularly reviewed by senior management, the directorate, and the audit and risk committee. Every year, the audit and risk committee also receives an annual assurance statement from the Finance and Operations Director, which details key controls in place during the year. This is supported by completion of the Charity Commission's 'Internal financial controls for charities' checklist.

To supplement the schedule of audits, internal audit has implemented an internal control self-assessment process. It requires overseas offices and programmes to confirm adherence to key controls and report on any material control breakdowns and actions to prevent their reoccurrence. This is intended to ensure the control framework is fully embedded internationally. Where gaps are noted, management is required to implement corrective actions and report on this to internal audit. Where themes are noted, they are reported to senior management and actions are taken to review and reinforce related policies and procedures. The results of the internal control self-assessment are reviewed with the audit and risk committee. A similar process is in place for our national and regional offices in Britain and Ireland.

The self-assessment responses are tested during the standard internal audit programme for countries and offices that are visited as part of the internal audit plan. Internal audit also provides training and support to country and nations teams in the development and regular review of risks and mitigation strategies relevant to their operations. Online risk training is a component of the core learning and development framework for all staff.

Principal risks

The countries in which we operate

Risk
Working to eradicate poverty requires us to operate in places that are inherently challenging because of conflict, corruption, natural disasters, weak infrastructure and poor governance. A material change in international dynamics, either globally or in specific countries or regions where we work, can hamper our ability to operate effectively and safely in those locations. These changes may include a reduction in support for civil society, economic or political collapse, conflict or serious environmental disaster.

Lack of infrastructure, conflict and climatic factors can make it difficult to reach the most vulnerable communities, and to monitor the performance of our programmes. This can affect the quality of our results.

Mitigation
We operate through independent partners and alliances, such as ACT Alliance, which have roots in the communities in which they work. This ensures that we can respond quickly and sustainably to changing circumstances. It also enables us to access up-to-date information regularly to ensure our programmes remain relevant. Our partners are supported locally through country offices, which provide monitoring and evaluation, compliance training and support, networking opportunities and capacity building.

All Christian Aid staff travelling to and within our overseas operations are subject to our security policies and procedures. All country programmes have up -to-date security policies, provide briefings to visitors and adjust security assessments, as appropriate, in response to major changes in the political and security environment. As a last resort, we may withdraw staff from insecure locations or delay the implementation of a programme.

We provide staff with compulsory security training, and make security considerations a key part of all major programme decisions. Our London office hosts the European Interagency Security Forum and the ACT Alliance Security Coordinator – making Christian Aid a key hub for NGO security.

Case study: The Ebola crisis in Sierra Leone

The situation
The Ebola crisis hit Sierra Leone in May 2014. It was clear that knowledge about the disease and how it spreads was almost non-existent. In the early days, infected people and their families were not quarantined.

The risk
We recognised quickly the humanitarian crisis that was unfolding. Poor decision making at this time would not only have put our staff and partners at even greater risk, but also inadvertently fuelled the spread of the disease.

We believed that we needed to play to our strengths: education and awareness-raising; our experience in responding to the challenge of HIV/AIDS; and our understanding of the principles of good governance. We decided not to get involved in clinical treatment as it is outside our distinctive competence.

How we dealt with it
Initially, we followed the strict protocols on the protection of staff and adhered to the general advice of not moving into affected areas.

In November 2014, when we realised we needed to step up our response, we enhanced our existing crisis team and conducted a risk assessment on how we might deliver greater impact while minimising the risk to ourselves and our partners. We continued to focus on education, awareness raising and training, but also filled gaps in the wider response – providing for families and communities in quarantine, and supporting survivors and affected communities. We invested in protective equipment, hygiene facilities, support for staff and partners' wellbeing, and training in what to do to prevent the spread of the disease. All staff were empowered to play their part, including the office guards and drivers. Travel and meetings only took place if essential. We also followed official guidelines and coordinated closely with the Sierra Leonean government.

The results
We have reached deep into affected communities, increasing their understanding of how to prevent the spread of the disease in the highest risk locations.
We have managed the risks to our own staff and our partners, and built a capability that can be taken forward into future humanitarian crises.

Advocacy and popular campaigning

Risk

Christian Aid speaks out against the causes of poverty and this can put us in direct opposition to those with different views. In some situations, this can put staff and partners at risk. If communications are inappropriate or poorly researched, or erroneous statements are made, this could risk lives, damage our reputation or harm key relationships. Similarly, we could be challenged by those with vested interests who merely object to us telling the truth. Actions by our partners could also draw Christian Aid into litigious or conflict-related situations, particularly when they publish materials or engage in actions with our financial support. If we, or our partners, act in a way that is contrary to our public policy positions, this could seriously damage our reputation. In addition, poverty is a complex, multi-dimensional issue, and communicating it in interesting, accessible and engaging ways by supporters, the general public, donors and other stakeholders can be challenging.

Mitigation

We have a public policy group that is responsible for approving and communicating our public policy in key areas. We have developed corporate advocacy priorities that we believe will have the greatest impact on poverty, and our popular campaigning focuses on these priorities. We ensure we have expertise in these focus areas and that communications are researched and checked by a peer-review process and external advisers, as necessary, prior to publication. Staff involved in advocacy and lobbying activities have a clear understanding of the context of the role, and the responsibilities and limitations of campaigning organisations, as laid out in Charity Commission guidance. Clear guidance is given to country programmes about the issues they need to consider when supporting partner publications.

Being clear about our core values ensures our own actions are aligned with our public policy.

Working through and with partners

Risk

We believe that the most effective way to reduce poverty is to work through independent partners that are rooted in the communities in which they work. This approach is not without risk, however, as partners may lack capacity, especially in challenging contexts. As a result, there is a danger that some of the projects we support may lack impact, misuse funds or be unaccountable to beneficiaries. Apart from failing to deliver effective support to people in poverty. This could damage our reputation with donors and reduce our ability to fundraise.

Our corporate strategic framework involves a range of partnerships, including new models of working with governments, civil society organisations and the private sector. We also work with suppliers, consultants and financial services providers as part of our day-to-day operations.

We believe that these partnerships are essential to achieving our ambitions, but there is an inherent risk that working with others could dilute our strategy or lead us to compromise on our objectives. Christian Aid’s reputation could be damaged by association with the actions of others, over whom we have no direct control. A failure to invest in key relationships could also result in a loss of support for our cause or a failure to maximise our partnership potential.

Mitigation

We thoroughly research our implementing partners before providing funding through capacity assessments that consider the organisation’s past performance and its governance and control processes. We monitor all of our programmes and provide feedback to partners where issues are noted for future follow-up. We support partners, where necessary, in building their capacity, including training on donor compliance requirements. All partners that we fund to the value of £50,000 or more in any year are required to undertake an external audit.

As a certified Humanitarian Accountability Partnership member, we invite feedback from beneficiaries. We also commission and publish independent external evaluations of our work. We have anti-fraud and corruption policies, and a process for fully investigating all incidents and ensuring that lessons are learned. The large programmes oversight committee monitors the performance of major service contracts and major grants, and reviews the supporting risk management procedures.

We have a due diligence process to help us evaluate new business models for partnerships outside of our traditional implementing partner and alliances base. This includes directorate and board involvement in determining the range and depth of partnerships and associated business models, and is underpinned by our core values framework. Our standard terms and conditions include a code of conduct for suppliers, which covers ethical and environmental considerations.

Economy, sector competition and financial strategy

Risk
Changes in the economy at home and overseas can have a significant impact on both the propensity to give and the causes that supporters and donors are willing to support. Perceptions of the wealth of middle-income countries might provide a distorted view of the reality for the majority of people living in those countries. This, along with increased competition for funds, may reduce the amount of income, particularly income without restrictions, available for our programmes. There is also a risk that donors may change their funding priorities to areas that are not aligned with our strategic priorities, or change the way in which their funds are disbursed. If we are unable to respond to the changing environment or fundraise in a way that engages current and new supporters and our income drops, we may need to reduce the scale of our programmes.

We continue to carry a deficit in the closed final salary pension scheme, which could increase depending on economic and other factors.

Mitigation
We have a reserves policy, which takes account of our principal risks. Performance against our reserves target is regularly reviewed with the board. We have income targets and regularly review our performance against them. We have a thorough planning process that challenges our income assumptions and how we spend our funds. We closely monitor our costs and seek opportunities to improve efficiency where possible. The operational management group, chaired by the Director of Finance and Operations, monitors performance against our operational plans, and related risks and opportunities.

Our programme management information system helps fundraisers to understand where our programmes are most closely aligned with donor interests. The finance, fundraising and investment committee considers fundraising plans and performance. During 2013, we reviewed our operational model for working in India to identify local fundraising opportunities. This model of working is in its early stages of development at Christian Aid but, if successful, it may be replicated.

We have a loyal supporter base that shares our core values and beliefs. We continue to engage with our supporters, encouraging them to give, act and pray in solidarity with the poor and marginalised communities we support. We ask for and respond to feedback on our marketing, communications and fundraising activities. We provide case studies demonstrating the need for, and impact of, the work that we and our partners do.

Christian identity

Risk
Christian Aid undertakes charitable activities on behalf of the British and Irish churches and with their support. Our core belief is that all people are created equal, with inherent dignity and infinite worth. We are proud of our Christian heritage and identity, and our strong support from the churches. Partnering with the churches is fundamental to the delivery of our Partnership for Change strategy.

This partnership comes with risks, however. Negative external perceptions of Christianity could have a detrimental impact on our work. Tensions between the state and the churches, should they arise, could adversely impact our own relationship with governments. And we could also fail to make the most of our opportunities to engage the churches in the fight against poverty. The growth in religious extremism could hamper our ability to work in some locations and the effectiveness of our programmes.

Mitigation
Our work to eradicate poverty targets the world's most vulnerable and marginalised people, regardless of faith. We work with alliances of other faiths and with secular organisations that share our determination to end poverty. We have an open recruitment policy and we do not proselytise.

Our strategy has, at its heart, the desire to engage the churches in the fight against poverty and help supporters put their faith into action.

Christianity underpins our core values and we have a role to promote understanding and tolerance of others, using our faith as a force for change and contributing to interfaith cooperation for the benefit of those in poverty.

Regulatory compliance

Risk

We operate in many countries with many different jurisdictions. Failure to keep abreast of local laws and requirements could compromise our ability to continue working in these places. We are also bound by British and Irish law and Charity Commission rules.

Mitigation

We have in-country teams in many of the places where we work, which are responsible for ensuring compliance with local requirements, including registration, tax compliance and statutory reporting. Where required, external audits of our country offices are performed. We monitor changes to British and Irish regulation, and review our response with our advisers and trustees as appropriate. We have a data protection working group chaired by the Director of Finance and Operations, which keeps a watching brief over our legal compliance measures. During 2014 we also established a project board to review our policies and procedures around counter-terrorism, and sanction risks. This board's recommendations have been reviewed with the audit and risk committee and board.

Case Study: The Lobbying Act

The situation

The Lobbying Act became law in January 2014. This meant that organisations – unless they were registered and had limits set on the money they could spend on public lobbying – could not appear to influence voters to vote for or against particular parties from September 2014 until the General Election in May 2015. This, coupled with existing charity law, meant that charities had to be extremely careful about their plans to influence policy or use political processes. At the same time, both the Charity and Electoral Commissions recognised the important role charities play in the democratic process.

The risk

There was a danger that we either breached, or were accused of breaching, the legislation, bringing with it reputational risk, investigation from either regulatory body, or damage to political relationships. There was also the possibility that we would censor ourselves and the voices of people in poverty.

How we dealt with it

We engaged our board and audit and risk committee in discussions about the risk and how Christian Aid should respond. The board decided that we should not register with the Electoral Commission as a non-party campaigner. We took appropriate legal advice and issued guidance to all staff in Britain and Ireland. We gave specific guidance to those in the frontline of our public campaigning, including staff working with the media and on social media. We took additional legal advice at various stages during the year, and engaged trustees who were members of the audit and risk committee as a 'sounding board', especially where we were working in coalition.

The results

We continued to campaign on the issues that matter, while staying firmly within the law. Staff reported feeling confident about the extent of their remit.

Human resources

Risk

Our work is predicated on the continued support and effectiveness of our staff. If we do not provide effective leadership and management, and if we do not look after the wellbeing of our staff, the implementation of our strategy could be significantly compromised and our reputation damaged.

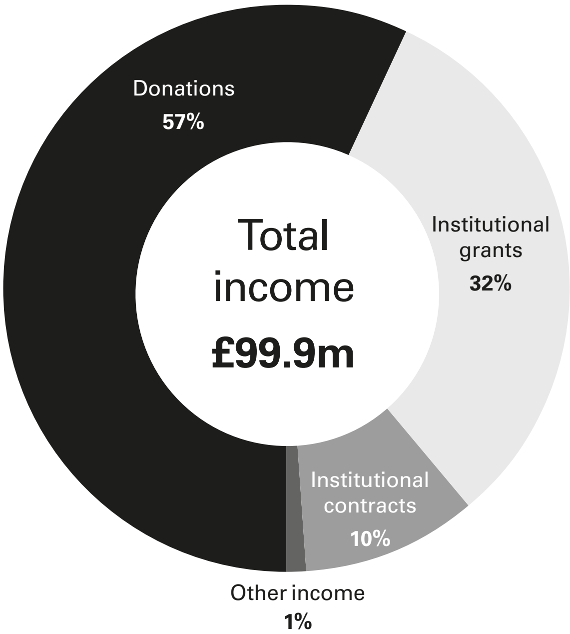
Mitigation

We have rigorous recruitment processes designed to help us select candidates who can best help us meet our core aims, and ensure equal opportunities. Posts are advertised internally as a matter of course, and we use gender-balanced panels to interview job applicants. New staff sign Christian Aid's code of conduct and are inducted in a range of policies that underpin our work. We have a structured performance management system that is designed to monitor individual performance and we have also invested in leadership development. We have HR policies designed to promote employee wellbeing and we provide regular and open communication to employees.

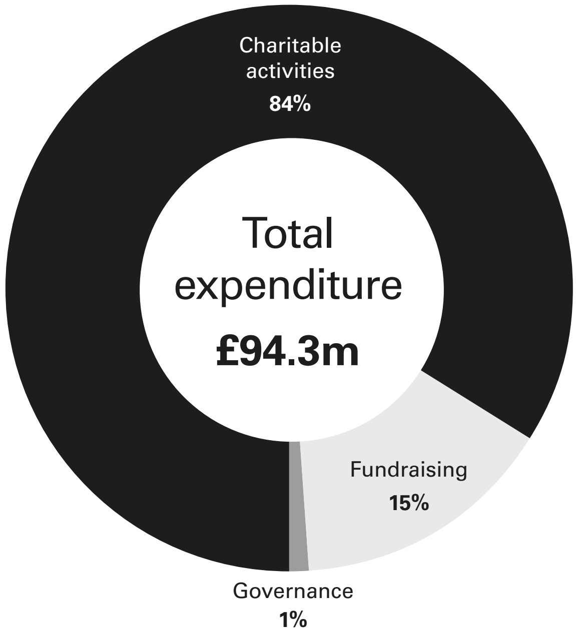
We regularly obtain feedback from staff through surveys, and we respond, by department, to the issues raised. We have also introduced a suggestions box for staff.

Financial review

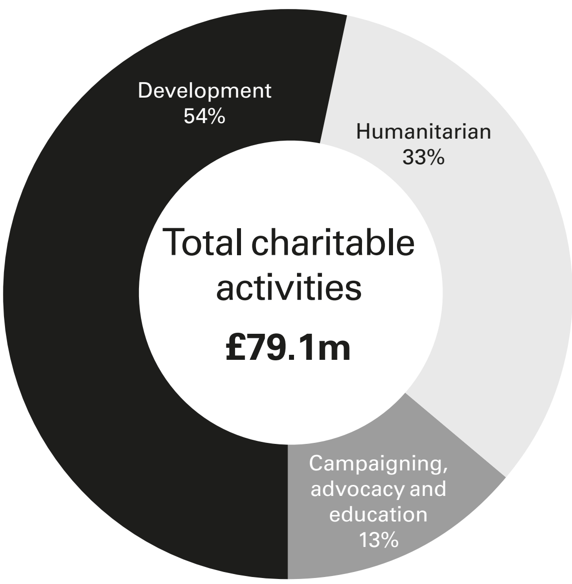
This year we raised £99.9m from…

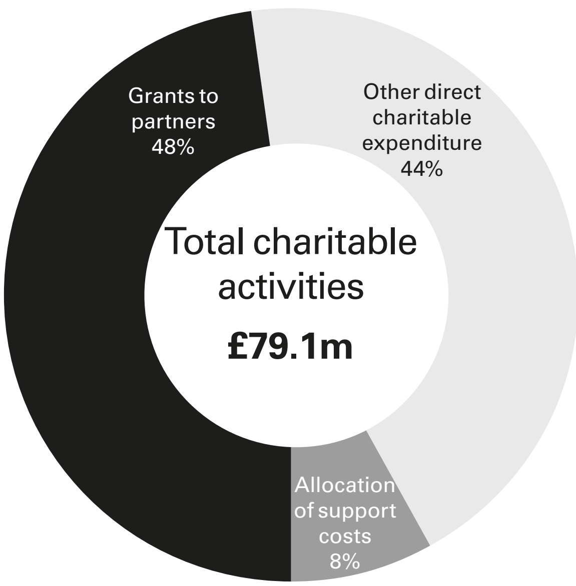


And we spent £94.3m on…



We worked with 568 partners in 39 countries on long-term development and responding to humanitarian crises, and we continued our campaigning, advocacy and education work to achieve long-term benefits for those communities and beyond.





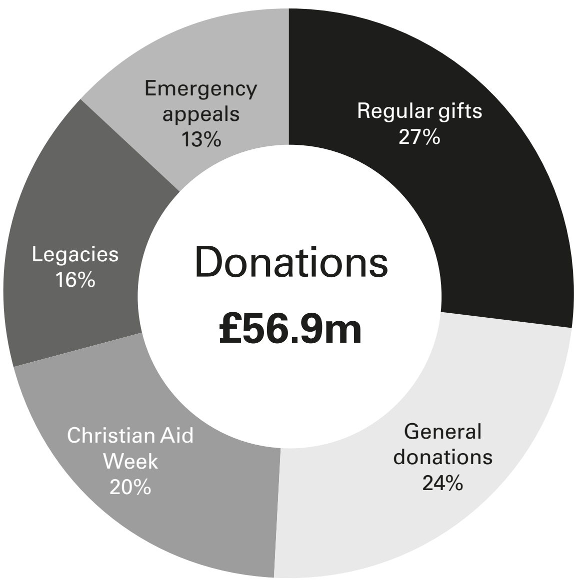
Income

Total income for 2014/15 was £99.9m, down £3.7m or 4% on the previous year.

Both donations and institutional contracts have decreased, while institutional grants have remained static. Other income has risen significantly, albeit from a small base, as highlighted in the table below:

Total income by type	**2010/11**	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2014/15 change**
Donations	£62.2m	£57.7m	£55.6m	£59.5m	£56.9m	(4%)
Institutional grants	£27.0m	£31.1m	£27.4m	£31.5m	£31.6m	(0%)
Institutional contracts	£4.6m	£5.7m	£11.6m	£12.0m	£10.5m	(13%)
Other income	£1.2m	£1.0m	£0.8m	£0.6m	£0.9m	50%
Total income	**£95.0m**	**£95.5m**	**£95.4m**	**£103.6m**	**£99.9m**	**(4%)**

Donations

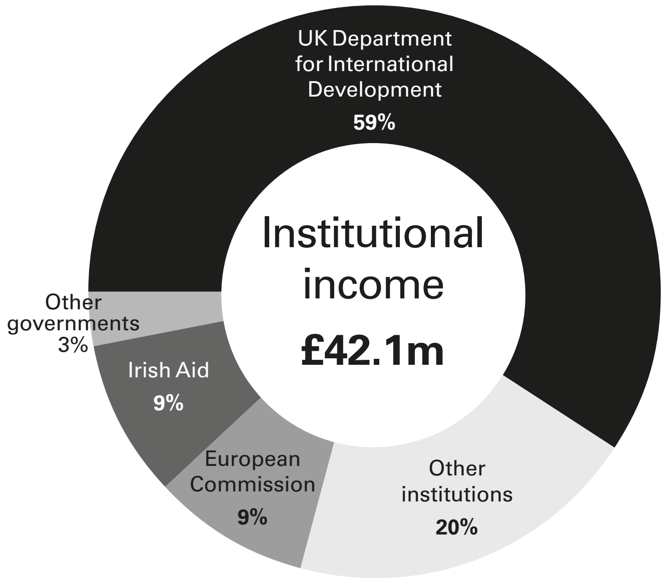


Voluntary donations decreased by 4% – from £59.5m in 2013/14 to £56.9m in 2014/15 – reflecting a difficult fundraising year.

- Legacies income reduced by £3.6m, following two record years. Our legacy pipeline is still strong at £8.6m, although marginally lower than last year.
- Our income from Christian Aid Week in 2014 was £11.1m, a fall of £0.6m compared with 2013.
- The £7.4m we raised from emergency appeals was £1m lower than the previous year.
- Regular gifts raised £15.5m, £0.4m less than the previous year. During 2014/15 we tested a range of activities to recruit regular donors. In 2015/16 we plan to launch a major fundraising campaign aimed at recruiting 60,000 new committed givers over the next five years.
- Our Christmas appeal was very successful, raising £3.6m, an increase of £2.1m on the previous year. It was boosted by the fact that almost all of this would be matched by the UK Government's Department for International Development (DFID) to fund maternal health projects in Kenya and Malawi.

Institutional income (grants and contracts)

Institutional income decreased by 3%, from £43.5m in 2013/14 to £42.1m in 2014/15.



The lifetime value of grants and contracts awarded during the year was £47.4m. This was £18.7m higher than in 2013/14. Here are some of the highlights from the year:

- We were awarded two grants worth £11.8m from DFID's Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED) programme in Ethiopia and Burkina Faso. The programme will be delivered through consortiums in each country, including our national partners and King's College London, Action Contre la Faim, Oxfam Intermón and Action Aid.
- At the beginning of the year, DFID extended Christian Aid's Programme Partnership Arrangement for a further two years to March 2016 with a grant worth £14.6m. It will mean we can reach an estimated 7.9 million people in 13 countries – with work to improve their healthcare, livelihoods and ability to cope with disasters.
- The European Commission awarded us €6.85m (£5.14m) worth of grants. These included new grants through EuropeAid for long-term development programmes such as a community health rights project for indigenous and marginalised women in Central America. The European Community Humanitarian Office (ECHO) contributed towards grants for our emergencies work in the DRC, Bangladesh, Burkina Faso and Malawi.
- Christian Aid Ireland secured funding from Irish Aid for €1.55m (£1.13m) towards humanitarian programmes in the DRC, Mali, South Sudan, Iraq and the Philippines.
- We agreed our first grant with the Inter-American Development Bank for a programme to commercialise cocoa production in Nicaragua with our partner Soppexcca, involving technical assistance and loan financing.

	2010/11	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2014/15 change**
Number of grants and contracts submitted	148	119	136	173	119	(31%)
Number of grants and contracts awarded	79	71	74	83	71	(14%)
Value of grants and contracts awarded	£34.8m	£48.5m(*)	£16.1m	£28.7m	£47.4m	65%
Income receivable in the year	£31.5m	£36.7m	£38.0m	£43.5m	£42.1m	(3%)

* In 2011/12 we were awarded two strategic multi-annual grants: the Programme Partnership Arrangement from DFID – worth £21.7m over three years – and €12.2m from Irish Aid over four years.

Expenditure

Our total expenditure decreased by 6% in 2014/15, from £100.4m in 2013/14 to £94.3m in 2014/15.

Direct charitable expenditure represents 84% of our total spending. After reaching an all-time high of £85.6m last year it decreased to £79.1m this year, mainly because some of our contracts for major development programmes came to an end.

In 2014/15 we spent £42.4m on long-term **development** – £5m less than the previous year. We completed the delivery of two high-profile programmes – the DFID Fund for Civil Society (CSF) in the DRC and ENCISS in Sierra Leone. The breadth and depth of our development work is described on p7 to p14.

The £25.9m we spent on our **humanitarian work** is in line with last year. We responded to the crisis in Gaza and Iraq, and the outbreak of Ebola in Sierra Leone. We continued working in Syria with war-affected communities, and helping people recover from Typhoon Haiyan in the Philippines. We also supported low-profile emergencies in Malawi, Burkina Faso, the DRC and Kenya.

The boundaries between our humanitarian and development work are often blurred. Our humanitarian work not only covers the rapid response to a crisis but also ongoing rehabilitation programmes with affected communities for up to five years after the disaster struck.

Our expenditure on **campaigning, advocacy and education** was £10.7m, which is in line with last year. This figure includes education and raising awareness with churches and Christian Aid supporters about our work to tackle poverty and its causes. We also continued to focus on our two main public campaigns: tax justice and climate change. In 2014/15, our One Million Ways campaign inspired 57,000 actions on climate change. We sought strong manifesto commitments from all UK political parties on international development, tax and climate change. And we secured pledges to act on climate change from all the main parties ahead of the election.

We played a central role in setting up the Global Alliance on Tax Justice, which brings together organisations from across the globe to campaign on tax justice. And we have been very active in supporting the ACT Alliance's climate campaign, as the world looks ahead to December's UN summit in Paris for an ambitious, legally binding agreement on climate change.

Fundraising costs as a percentage of total expenditure increased from 14% to 15% as we entered the second year of investment in our new fundraising strategy. We renewed our clergy-calling campaign, aimed at recruiting new churches to support our work; invested in the Christmas appeal to ensure we maximised the benefit of DFID's UK Aid match funding; and undertook a series of test activities aimed at, over time, re-invigorating our Christian Aid Week moment and bringing new regular givers into the organisation.

Expenditure on salaries increased by £1m or 4% during 2014/15. Headcount increased by 27 in 2014/15 as we scaled up our response to emergencies in the Philippines, Syria, Iraq and the Middle East, and strengthened our church-facing teams in England. The increase in salaries is in line with the increase in headcount. Given uncertainty over future fundraising performance and in light of the difficult economic environment, the board did not award a pay rise from April 2014 to employees on UK, Ireland or Spain contracts, but we continued to award contractual increments (or step increases) for roles recruited before 1 April 2013. Increases of up to 11% were awarded to overseas staff based on inflation indices in the countries where we work.

Grant expenditure has decreased by £6.9m compared with the previous year. Part of the reduction reflects the completion of the previously mentioned contracts in the DRC and Sierra Leone. The grant component of these programmes fell in their final phase as the emphasis switched to activities implemented directly by CSF and ENCISS, rather than through our partners. We are also investing in increased support, capacity building and technical assistance for our partners in the form of staff time rather than grants. We anticipate grant expenditure rising again in 2015/16 and beyond (in both absolute and percentage terms), as we have secured a number of new larger programmes that will come online in the coming year.

Total expenditure	**2010/11**	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2014/15 change**
Direct charitable activity	£74.3m	£80.9m	£83.1m	£85.6m	£79.1m	(8%)
Fundraising	£14.6m	£12.6m	£12.2m	£13.6m	£14.2m	4%
Governance	£1.2m	£1.3m	£1.3m	£1.2m	£1.0m	(17%)
Total expenditure	**£90.1m**	**£94.8m**	**£96.6m**	**£100.4m**	**£94.3m**	**(6%)**
Fundraising costs as percentage of total expenditure	16%	13%	13%	14%	15%	

Reserves

The charity's operational reserve decreased slightly from £15.3m to £15m as a result of lower unrestricted income than anticipated in the 2014/15 budget. During the year we further reduced unrestricted expenditure to mitigate the impact of reduced income on the operational reserve. Based on our reserves policy, our target operational reserve for 2014/15 was £20.3m. The trustees anticipate that the level of this reserve will remain below target for at least the next three years as Christian Aid invests in reaching new supporters. Meanwhile, the pension deficit (under the FRS17 valuation) grew from £2.1m to £5.9m following changes in the economic assumptions, principally the discount rate, which have increased the liabilities in the scheme substantially.

For more details about our reserves policy, please see page 28.

	2010/11	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2014/15 change**
Operational reserve	£20.0m	£16.5m	£18.0m	£15.3m	£15.0m	(2%)
Other unrestricted reserves	£5.8m	£5.3m	£4.1m	£3.4m	£2.9m	(15%)
FRS17 calculated pension deficit	(£10.8m)	(£10.1m)	(£8.0m)	(£2.1m)	(£5.9m)	(181%)
Unrestricted reserves, net of pension deficit	£15.0m	£11.7m	£14.1m	£16.6m	£12.0m	(28%)
Restricted reserves	£13.8m	£16.2m	£12.1m	£15.3m	£18.0m	18%
Total reserves, net of pension deficit	**£28.8m**	**£27.8m**	**£26.2m**	**£31.9m**	**£30.0m**	(6%)

Structure, governance and management

Organisational structure

Christian Aid operates through an incorporated charity registered with the Charity Commission for England and Wales and with Companies House. Various subsidiary and connected charities support Christian Aid and are described below.

The Board of Trustees of Christian Aid consists of a Chair; a nominee from each of the national committees for Wales and Scotland; the Chair of Christian Aid Ireland; a nominee of Churches Together in Britain and Ireland (CTBI); and up to 15 other trustees appointed by the members (the sponsoring churches in Britain and Ireland). This mix ensures an appropriate balance of lay and ordained people, gender, age, ethnic origin, church tradition, geographical spread, and knowledge and skills relevant to Christian Aid's work. In keeping with good governance practice, one-quarter of the trustees retire at each annual general meeting and are eligible to be re-appointed for further terms of office, usually limited to eight consecutive years. This process does not apply to the nominees from the national committees and CTBI.

The board's principal responsibilities include determining the overall strategy, policies, direction and goals of Christian Aid; protecting and promoting the identity and values of the charity; and fulfilling our statutory responsibilities.

The board delegates certain functions to committees of trustees, including an audit and risk committee; a finance, fundraising and investment committee; a human resources governance and strategy committee; and a remuneration committee. The nominations and procedures committee is separately constituted under the articles.

The nominations and procedures committee is responsible for nominating new trustees for election to the members (the sponsoring churches) at the Annual General Meeting to review the performance of the board.

The audit and risk committee reviews reports from external and internal auditors, commissions special investigations and advises the board on risk management.

The finance, fundraising and investment committee reviews the annual plans and budget, investment in and performance of fundraising, key financial policies, pension funding and the performance of Christian Aid's investment managers.

The human resources, governance and strategy committee provides advice on human resource policies to ensure that they are aligned with Christian Aid's values and objectives.

The remuneration committee reviews the principles governing the pay and benefits of all Christian Aid employees. It also makes recommendations to the board on the broad policy framework and overall costs of the remuneration of the Chief Executive and directors. Details of the pay and benefits package are determined in line with the policy framework.

National committees for Wales and Scotland continue to support the board in appropriately articulating Christian Aid's work and engaging with the churches and other stakeholders.

The board reports to the members at the annual general meeting. The members are the 41 sponsoring churches, as listed in the 'Acknowledgements' section on page 63.

During 2014 the board reviewed its own progress in establishing good governance best practice since the last governance review in 2011, using *Hallmarks of an Effective Charity*, published by the Charity Commission.

Charitable companies in the Republic of Ireland and Northern Ireland are responsible for the affairs of Christian Aid in Ireland. Although two legal forms exist, Christian Aid Ireland operates as a single pan-Ireland development charity working in close cooperation with Christian Aid. The Irish sponsoring churches, the Irish Council of Churches and Christian Aid are members of Christian Aid Ireland. All three boards include some common board members. Christian Aid Ireland operates under the Christian Aid name through a licence agreement with Christian Aid.

Christian Aid is registered with the Office of the Scottish Charity Regulator in recognition of our fundraising activities in Scotland.

InspirAction (Spain) is a charitable foundation established in Spain. It undertakes a range of awareness-raising and advocacy activities aimed at Spanish-speaking audiences, initially in Spain but now more broadly around the Spanish-speaking world. The board of InspirAction operates under this name under licence from Christian Aid.

InspirAction (US) is a separately registered legal entity incorporated in the state of Missouri. This is a not-for-profit organisation, undertaking fundraising activities in the US to support Christian Aid's work overseas. The board of InspirAction (US) operates under this name under licence from Christian Aid.

The Change Alliance is a for-profit subsidiary of Christian Aid, established in India to promote fundraising opportunities and new business models.

Christian Aid Trading Limited is a for-profit subsidiary of Christian Aid that pursues commercial fundraising opportunities in Britain and Ireland, and donates its profit to the charity.

Christian Aid has also separately registered legal entities in a number of countries in which we have programmes. These entities are consolidated as branches of Christian Aid in the same way as other country offices, since programme management continues to operate within the delegated authority framework of Christian Aid.

The British and Irish Churches Trust acts as custodian trustee to Christian Aid and CTBI. The trust has legal title to Christian Aid's head office – Interchurch House – on behalf of the two charities, who jointly own the property.

New trustees undertake a comprehensive induction programme, which covers the formal governance arrangements – including Christian Aid's legal structures and obligations, charitable priorities and work. Trustees are invited to meet regularly with individual staff members to gain a more detailed understanding of specific areas of work, and time is set aside at each board meeting for groups of senior staff to present their work in more depth.

We also recognise the importance of trustees keeping up to date with current rules, regulations and best practice. Trustees are therefore invited to attend seminars and conferences, which give them a better understanding of their roles and responsibilities.

Trustee attendance register

	Board		Other committees	
	Total	Attended	Total	Attended
Alexis Chapman[2]	7	7	4	4
Jennifer Cormack[2]	7	5	4	4
John Davies	7	6		
Robert Fyffe[4]	7	6	3	3
Bala Gnanapragasam[1]	7	6	3	1
Carolyn Gray[3,5]	7	1	6	5
Victoria Hardman[1]	7	6	3	3
Tom Hinton[2]	7	7	4	3
Mervyn McCullagh[3]	7	7	4	3
Alan D McDonald	7	7		
Morag Mylne	7	5		
Wilton Powell	7	4		
Alastair Redfern	7	4		
Brian Ridsdale[1,2,5]	7	6	9	9
Charlotte Seymour-Smith[1,4,5]	7	7	8	
Paul Spray	7	7		
Carla Stent[1,2]	7	5	7	4
Rowan Williams[*1,2,3,4]	7	7		
Trevor Williams	7	5		

Legend:

1. Audit and risk committee
2. Finance, fundraising and investment committee
3. HR, governance and strategy committee
4. Nominations and procedures committee
5. Remuneration committee

*Ex-officio

Public benefit

The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing Christian Aid's aims and objectives, and in planning activities and setting policies and priorities for the year ahead.

The objectives of Christian Aid are:

- the furtherance of charitable purposes that relieve and combat poverty, malnutrition, hunger, disease, sickness or distress throughout the world
- the furtherance of charitable purposes that advance or assist such other charitable work as may be carried out by or with the support of the sponsoring churches.

Christian Aid carries out these objectives through working towards our essential purpose to expose the scandal of poverty, to help root it out from the world in practical ways, and to challenge and change the systems that favour the rich and powerful over the poor and marginalised.

The activities that Christian Aid carries out to further our charitable purposes for the public benefit are concentrated on providing grants to and otherwise supporting 568 partner organisations (with 128 of those implementing service contracts) in 39 countries for long-term development and responding to emergencies, as well as vital campaigning, advocacy and education work on the causes of poverty.

Policies

Under the Charity Accounting and Reporting Regulations 2005, the trustees have undertaken to give details of various financial policies of the organisation. These are detailed below.

Reserves policy
The charity's reserves fall into two types.

Restricted funds are generated when the donor stipulates how their donation may be spent. In most cases there will be a time lag between when such funds are received and when they are expended. In particular, with many of the recent emergency appeals there is the need for immediate relief work, followed up with longer-term rehabilitation and development activities, in line with the appeal request. This means part of the appeal money being expended over a number of years.

Deficits on restricted funds arise where grants to partners have been approved against various projects that the trustees expect to be funded by institutional donors, but the criteria for recognition of income has not been met. Based on reports from partners on the progress of these projects at year end, the trustees determine whether the associated income should be recognised in the accounts. The status of all projects financed through restricted funds is reviewed corporately every quarter. The trustees are content with the overall level of the deficits in these funds at 31 March 2015.

At 31 March 2015, restricted funds totalled £18m.

Unrestricted funds are generated when the donor does not stipulate how the income may be spent. Within certain operating needs, the trustees' policy is to ensure that such funds are expended as soon as possible, while guaranteeing these resources are used effectively. Unrestricted funds include designated and other funds where the trustees have set aside money for a specific purpose or to cover possible risks. At 31 March 2015 the principal funds were as follows:

- The operational reserve is held to cover any temporary shortfall in income, unforeseen rise in spending requirements or other financial contingency, so that the charity – and in particular funding to partners – can continue to operate at any time. The level of this reserve is based on the trustees' assessment of the likelihood of such financial contingencies and the impact they might have. The targeted level of operational reserve therefore comprises 25% of the budgeted core income, a provision for the financial impact of major risks and 10% of our defined benefit pension scheme buy-out deficit. The reserve currently stands at £15m, a deterioration of £0.3m on the previous year and £5.3m below the target set by the trustees. The trustees anticipate that the level of this reserve will remain below target for at least the next three years as Christian Aid invests in reaching new supporters.

- General funds represent other unrestricted reserves held separately from the operational reserve in connected charities and subsidiary undertakings. At 31 March 2015, general funds held by these entities was £0.6m.
- The fixed asset designated reserve comprises the funds invested in fixed assets to allow the organisation to carry out our work effectively. At 31 March 2015, the level of this reserve was £2.4m and included the assets disclosed in note 8 of 'Notes to the financial statements'. Because this reserve comprises fixed assets, it is not possible to use them elsewhere within the charity.
- The negative designated pension reserve of £5.9m represents the deficit on the final salary pension scheme as valued under FRS17 as at 31 March 2015. See note 22 of 'Notes to the financial statements' for more information.

At 31 March 2015, unrestricted funds, net of the pension deficit, totalled £12m, a decrease of £4.6m over the year. This is linked primarily to the increase in the pension deficit of £3.8m.

Investment and foreign exchange policy
Christian Aid manages its investments within our ethical guidelines. This is done on a combined income-and-capital basis, and is subject to the need for short-term realisability of funds and a degree of measured risk.

Short-term cash is managed internally, and held on overnight and term deposits with a range of approved banks. Longer-term cash is held in an Epworth Affirmative Deposit account. This is a Charity Commission-approved pooled fund, consisting of deposits held with a number of financial institutions. A proportion of the longer-term cash is managed by investment managers CCLA on a mandate which has as a prime objective the preservation of capital. It is invested in a portfolio of government and corporate bonds, which is consistent with Christian Aid's ethical investment standards.

The investment policy set by Christian Aid requires CCLA to observe restrictions with the aim of controlling financial risk, as well as meeting our ethical criteria. These restrictions mean that bonds in the portfolio are lower yielding, on average, than those in the benchmark portfolio. Consequently the portfolio's returns tend to be lower than those of the benchmark.

Christian Aid's main operating currency is sterling. However, our overseas offices and partners operate with a range of currencies and so face foreign-currency exchange-rate fluctuations. When a significant protected exchange risk is identified, Christian Aid may enter into forward cover contracts to purchase currencies for planned grants. Responsibility for identifying when to hedge specific currency risks rests with the Director of Finance and Operations. At the end of March 2015, Christian Aid had two foreign exchange forward contracts covering risks against US and Indian rupee exchange-rate variations. Further details are disclosed in note 18 to the financial statements.

Grants policy
The majority of Christian Aid's charitable work is carried out by making grants to partner organisations. Grants are made within the agreed strategies of Christian Aid. Grants for development programmes tend to be given on a three-year basis.

Project proposals are subject to a formal approval process before individual grants are approved. All projects are systematically monitored for the duration of their existence, and major projects are subject to a final evaluation process.

In recent years, Christian Aid has started acting as a sub-contractor for a number of governments, including the UK Government. Under these contracts, Christian Aid disburses grants to a range of donor-approved grantees in countries including the DRC, Sierra Leone and India. The selection, monitoring and evaluation of the performance of these grantees are subject to contract-specific performance measures.

Christian Aid pension schemes
The trustees closed the final salary pension scheme to new members and to future accrual in 2007. In its place, Christian Aid offers UK qualifying staff a defined contribution group personal pension scheme. In the Republic of Ireland, Christian Aid also contributes to an occupational money-purchase scheme.

The last completed triennial valuation of the closed final salary scheme was at September 2011. The calculated deficit in the scheme was £18m, which led to a revised recovery plan put forward by Christian Aid and agreed by the pension trustees from April 2013.

An updated triennial valuation of the scheme as at September 2014 is underway and will lead to a review of the recovery plan between the pension trustees and Christian Aid by the end of March 2016.

In addition, the scheme actuary carries out a separate annual valuation in line with the accounting standard FRS17. This is calculated using different assumptions and may result in a different funding position. The 31 March 2015 valuation under this method showed a deficit of £5.9m compared with a deficit of £2.1m in the previous year. This rise in the deficit resulted from a significant decrease in the discount rate assumption, which increased the estimated present value of the scheme liabilities. Details are shown in full in note 22 of 'Notes to the financial statements'. Christian Aid continues to set the level of our target operational reserve to reflect the continuing risks attached to the pension scheme.

The Pensions Trust (Verity Trustees Limited) still acts as trustee to the final salary scheme. The equity component of the scheme funds continues to be managed by the Legal and General Assurance Society Limited and invested in an FTSE4GOOD tracker fund.

Remuneration policy
The salaries of Christian Aid staff are periodically benchmarked against comparable organisations, including other charities and church organisations, with the support of an external consultant. Christian Aid aims to set salaries equivalent to the median for such organisations. All posts are evaluated based on agreed, organisation-wide criteria that determine the grade and salary for the post.

The board has adopted the Hutton Fair Pay Review recommendation on executive pay; the salary of the highest paid employee is no more than four times the median salary of the organisation.

Given uncertainty over future fundraising performance and in light of the difficult economic environment, the board did not award a pay rise from April 2014. A 1% salary increase was awarded in April 2015, in line with the average of earnings and consumer price inflation.

Communicating with staff and volunteers
Christian Aid is committed to open and accountable management of our employees. They can expect to be properly line-managed and can also raise concerns through their manager or through senior management, including the Chief Executive. All staff are regularly informed and consulted about changes and developments within the organisation.

The intranet is a key tool for consultation, with blogs being used to gather staff feedback on proposed changes. Our methods of communicating with staff continue to evolve and our newly upgraded intranet has made it significantly easier for staff to access news and information from across the organisation on any device. The new intranet has also opened up fresh opportunities for dialogue and sharing learning, as a new set of internal social media tools are rolled out.

Discussion and information sharing also takes place at quarterly all-staff meetings and lunchtime talks broadcast on internet radio to all Christian Aid offices. Staff also receive *Majority World News*, a daily information bulletin, and *The Week*, a weekly roundup of key developments.

UK-based staff are encouraged to join a trade union and overseas staff are represented by elected coordinators. Unite and the National Union of Journalists are the recognised unions at Christian Aid. They help staff and coordinators during key consultations and with employee relations issues.

Christian Aid seeks to work in partnership with volunteers and give them opportunities to make suggestions or raise concerns. This year we conducted a volunteer satisfaction survey. All volunteers have a supervisor and there is a clear process for raising any issues. Volunteers receive a quarterly e-newsletter and those based in offices have access to the same news and information as paid staff.

Christian Aid's volunteering strategy contains a commitment to working in closer partnership with volunteers, and they are becoming increasingly involved in regional planning meetings and consultations.

Staff health, safety and security
This year has seen further significant violence against aid workers, though not as high as in previous years. According to the Aid Worker Security Database, 326 have been killed, kidnapped or wounded. The majority of these incidents took place in a small number of highly insecure countries – Afghanistan, Somalia, Pakistan, Sudan, South Sudan, Iraq and Syria. We have programmes and staff in most of these places. The trustees are pleased to report, however, that there have been no major incidents that have affected Christian Aid's staff, offices or reputation.

This year, Christian Aid had 46 reported incidents (compared with 51 in the previous year), of which 21 were security related – the remainder concerned health and safety.

We proactively ensure that all staff who travel are adequately trained in security and first aid, and understand how to manage risk so that they can work confidently in insecure environments. During the year, 287 staff (both national and international, including 38 ACT Alliance members and partners) were trained in first aid and security. Female staff received further gender-specific training.

We have a secure and robust system on the intranet for reporting both security and health and safety incidents, which staff are familiar with. In many cases, incidents are investigated and lessons learned.

Protecting vulnerable beneficiaries is at the heart of Christian Aid's work. By signing our Code of Conduct when they join the organisation, all employees commit to safeguarding vulnerable beneficiaries and reporting any abuse. Christian Aid has a range of policies, which cover everything from whistleblowing to child protection. (There were no reported child protection incidents this year.)

We're also accredited to the Humanitarian Accountability Partnership, which has accountability to beneficiaries at its heart.

Staff matters
Our continuing success depends on the skills, experience and capacity of our staff. In an increasingly unpredictable and uncertain world, we need a workforce and leadership able to anticipate future sector trends and work in flexible and agile ways able to respond to often rapid changes.

To this end, we have identified the following priorities we need to address:

- Strengthening and appropriately digitising organisational systems and processes, and helping our staff adjust and engage with them.
- Developing innovative ways of working with internal and external stakeholders in a networked world.
- Promoting context-sensitive and relevant workforce development and engagement.
- Responding to gender trends and dynamics in our UK-based and international work.
- Developing flexible workforce planning approaches and future resourcing models.

Last year, we continued to make progress in several areas of work which began in 2013/14.

These include a comprehensive 12-month review of our HR information systems to help ensure we deliver comprehensive, smart and timely data that informs decision making across Christian Aid.

As part of embedding our gender strategy, we are developing a formal programme of support for staff returning to work following significant absences on maternity or paternity leave. It is designed to help them more easily reintegrate into the work environment and better balance their work-life commitments.

We are part way through a comprehensive review of over 70 HR policies and procedures to ensure that they flexibly support organisational management and decision making.

Diversity and disability
It is Christian Aid's policy to respect the diversity of all employees and volunteers, and treat them fairly and equally regardless of characteristics such as physical or mental disability, gender, sexual orientation, race, caste, culture, nationality, ethnic origin, religious belief or age.

Wherever possible, applications from disabled people are encouraged, their skills are developed and every reasonable measure is taken to adapt our premises and working conditions to enable disabled people to work or volunteer at Christian Aid.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Information provided to auditors
Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Crowe Clark Whitehill LLP remained Christian Aid's auditors throughout the year.

The annual report and accounts, including the strategic report, is approved by the Board of Trustees on 16 September 2015 and signed on its behalf by the Chair of the Board:

Rowan Williams

Dr Rowan Williams
Chair of the Christian Aid Board of Trustees
15 September 2015

Auditor's report

Independent auditor's report to the members and trustees of Christian Aid

We have audited the financial statements of Christian Aid for the year ended 31 March 2015, which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the trustees' annual report, including the strategic report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees’ annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor

London
16 September 2015

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Financial statements

Consolidated statement of financial activities

(incorporating an income and expenditure account) for the year ended 31 March 2015

	Notes	2015 Unrestricted funds £'000	2015 Restricted funds £'000	**2015 Total funds £'000**	2014 Total funds £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Donations	2	45,346	11,520	**56,866**	59,516
Institutional grants	3, 19-21	1,017	30,585	**31,602**	31,459
Activities for generating funds		258	-	**258**	251
Investment income		617	35	**652**	312
Incoming resources from charitable activities	4	10,527	-	**10,527**	12,022
Other incoming resources		7	-	**7**	44
Total incoming resources		**57,772**	**42,140**	**99,912**	**103,604**
Resources expended					
Cost of generating funds					
Costs of generating voluntary income	5	13,744	402	**14,146**	13,441
Fundraising trading: cost of goods sold and other costs	5	55	-	**55**	84
Investment management costs	5	45	-	**45**	46
Charitable activities					
Development	5	24,563	17,835	**42,398**	48,758
Humanitarian	5	5,387	20,546	**25,933**	25,980
Campaigning, advocacy and education	5	10,156	575	**10,731**	10,847
Governance costs	5	981	57	**1,038**	1,247
Total resources expended		**54,931**	**39,415**	**94,346**	**100,403**
Net income/(expenditure) for the year		2,841	2,725	**5,566**	3,201
Other recognised gains/(losses)					
Gains/(losses) on investment assets	9	225	-	**225**	(92)
Actuarial gains/(losses) on defined benefit pension scheme	22	(7,366)	-	**(7,366)**	2,650
Exchange translation difference arising on consolidation		(266)	(95)	**(361)**	(56)
Net movement in funds		**(4,566)**	**2,630**	**(1,936)**	**5,703**
Reconciliation of funds					
Total funds brought forward at 1 April		16,606	15,344	**31,950**	26,247
Total funds carried forward at 31 March	**14,15**	**12,040**	**17,974**	**30,014**	**31,950**

There are no recognised gains or losses, or movements in funds, other than those disclosed above.

Balance sheets

as at 31 March 2015

		Consolidated group		Parent charity	
	Notes	**2015 £'000**	2014 £'000	**2015 £'000**	2014 £'000
Fixed assets					
Tangible fixed assets	8	**2,407**	2,823	**2,380**	2,803
Investments	9	**16,460**	16,953	**16,492**	16,988
		18,867	19,776	**18,872**	19,791
Current assets					
Stocks		**1**	2	**-**	-
Debtors	10	**10,766**	12,002	**10,292**	9,727
Short-term cash deposits		**3,229**	1,954	**2,316**	1,954
Cash at bank and in hand		**7,673**	6,408	**4,961**	4,643
		21,669	20,366	**17,569**	16,324
Liabilities					
Creditors: amounts falling due within one year	11	**(4,611)**	(6,075)	**(4,520)**	(5,964)
Net current assets		**17,058**	14,291	**13,049**	10,360
Net assets excluding pension liability		**35,925**	34,067	**31,921**	30,151
Defined benefit pension scheme liability	22	**(5,911)**	(2,117)	**(5,911)**	(2,117)
Net assets including pension liability		**30,014**	31,950	**26,010**	28,034
Restricted funds					
Appeals and other donations	15	**11,347**	10,422	**10,479**	9,618
Institutional grants	15	**6,627**	4,922	**4,096**	2,461
Total restricted funds		**17,974**	15,344	**14,575**	12,079
Unrestricted funds					
Unrestricted funds excluding pension reserve		**17,951**	18,723	**17,346**	18,072
Pension reserve	22	**(5,911)**	(2,117)	**(5,911)**	(2,117)
Total unrestricted funds	14	**12,040**	16,606	**11,435**	15,955
Total funds		**30,014**	**31,950**	**26,010**	**28,034**

The financial statements were approved on the authority of the board and signed on its behalf by:

Dr Rowan Williams
Chair of the Christian Aid Board of Trustees
15 September 2015

Consolidated cash flow statement

for the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
Reconciliation of net incoming resources to net cash inflow from operating activities			
Net incoming resources		**5,566**	3,201
Investment income		**(652)**	(312)
Depreciation charge	8	**902**	853
Profit on sale of tangible fixed assets		**(7)**	(44)
FRS17 defined benefit pension contributions	22	**(3,183)**	(3,183)
Amounts related to the defined benefit pension scheme included within the statement of financial activities	22	**(389)**	(20)
Exchange translation difference arising on consolidation		**(361)**	(56)
Decrease in stocks		**1**	2
(Increase)/decrease in debtors	10	**1,236**	(2,126)
Increase/(decrease) in current liabilities		**(1,464)**	465
Net cash inflow from operating activities		**1,649**	(1,220)

	Notes	2015 £'000	2014 £'000
Consolidated cash flow statement			
Net cash inflow from operating activities		**1,649**	(1,220)
Return on investments and servicing of finance			
Interest received		**652**	312
Capital expenditure			
Payments to acquire tangible fixed assets	8	**(486)**	(460)
Proceeds from sales of tangible fixed assets		**7**	51
Payments to acquire investments	9	**(9,655)**	(9,128)
Proceeds of sale of investments	9	**10,373**	9,688
		239	151
Cash (outflow)/inflow before use of liquid resources		**2,540**	(757)
Management of liquid resources			
Decrease/(increase) in short-term deposits		**(1,275)**	(122)
Increase/(decrease) in cash during the year		**1,265**	(879)

Analysis of net funds as shown in the balance sheet and changes during the year

	As at 1 April 2014 £'000	**Change in year £'000**	As at 31 March 2015 £'000
Cash at bank and in hand	6,408	**1,265**	7,673
Short-term cash deposits	1,954	**1,275**	3,229
Net funds	8,362	**2,540**	10,902

Notes to the financial statements

for the year ended 31 March 2015

1. Accounting policies

a. Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market valuation. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", published in March 2005, the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006, and applicable UK accounting standards.

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

The statement of financial activities and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line-by-line basis. No separate income and expenditure account of the charity has been presented, as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The gross income of the charity for the year was £95.3m (2014: £98.6m) and its gross expenditure was £90.2m (2014: £95.6m).

The group accounts include a 100% consolidation of Christian Aid Trading Limited, Christian Aid Ireland Limited (a charitable company registered in Northern Ireland), Christian Aid Ireland Limited (a charitable company registered in the Republic of Ireland), Christian Aid International (a charitable foundation registered in Spain) and Change Alliance (a company limited by share capital, incorporated in India). The group accounts also include a 71.25% proportional consolidation of The British and Irish Churches Trust Limited, since Christian Aid's interest relates directly to its share of the underlying assets, liabilities and cash flows. Further details of the subsidiaries are given in note 17.

b. Fund accounting

Reserve policies are given on page 28 of the trustees' report. Reserves are either unrestricted or restricted funds.

Restricted funds represent income to be used for a specific purpose as requested by the donor. Income and expenditure on these funds are shown separately within the statement of financial activities and analysed into their main components in note 15.

Unrestricted funds are those that have not had a restriction placed on them by the donor. Designated unrestricted funds are those where the trustees have set aside monies from unrestricted funding for specific purposes. Details can be found in the trustees' report and in note 14.

c. Incoming resources

All incoming resources accruing to the charity during the year are recognised in the statement of financial activities as soon as it is prudent and practicable to do so, when entitled, certain and measurable. Incoming resources from charitable activities refer to contract income, which is recognised as unrestricted income in the period in which the income is earned, is certain of receipt and can be measured with reliability.

Gifts in kind for use by the charity are included in the accounts at their approximate market value at the date of receipt. Gifts in kind for distribution are included in the accounts at their approximate market value at the date of distribution.

Legacy income is included where there is sufficient evidence of entitlement, certainty of receipt and where the amount is measurable. No value is included where a legacy is subject to a life interest held by another party.

d. Resources expended

All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to that category. The costs of each staff team, including a relevant proportion of support costs allocated on a usage basis, are allocated across the headings of costs of generating funds, charitable activities and governance based on the proportion of time spent on each of these areas of work.

Costs of generating funds comprise the costs incurred in commercial trading activities, investment management costs and fundraising and publicity costs. Fundraising and publicity costs include the costs of advertising, profile-raising, producing publications and printing and mailing fundraising material, as well as the staff costs in these areas and an appropriate allocation of central office costs.

Costs of charitable activities include direct expenditure incurred through grants to partners and operational activities, and an appropriate allocation of support costs. Grants to partners are recognised as expenditure when there is a legal or constructive obligation to make the grant. This is usually immediately prior to a payment being made. Grant expenditure also includes grants made through sub-contractors.

Governance costs represent the costs associated with the governance arrangements of the charity, which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

Support costs include central or regional office functions such as facilities management, finance, human resources and information systems.

e. Tangible fixed assets and depreciation
Tangible fixed assets costing over £5,000 are capitalised at cost. Depreciation is provided in order to write off the cost of tangible fixed assets over their estimated useful economic lives, on a straight-line basis, as follows:

Freehold land	Nil
Freehold properties	50 years
Leasehold properties	5 years
Leasehold improvements	5 years
Office furniture, fittings and equipment	5 years
Motor vehicles	5 years
Computer equipment	4 years

Assets in the course of construction are not depreciated while in construction. Once the construction is completed, the cost is transferred to another fixed asset class and depreciated accordingly.

f. Stocks
Stocks consist of educational materials valued at the lower of cost and net realisable value.

g. Pension costs
Defined Benefit Scheme – The amounts charged in the statement of financial activities are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs and other finance costs have been recognised immediately in the statement of financial activities. Actuarial gains and losses are recognised immediately in "Other recognised gains and losses". This is in accordance with FRS17, Retirement Benefits.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond. The actuarial valuation is obtained at least triennially and is updated at each balance sheet date. The resulting defined pension scheme asset or liability is shown separately on the face of the balance sheet.

On 30 June 2007 the scheme was closed to new entrants and for future accrual for members.

Defined Contribution Scheme – Christian Aid also operates a defined contribution scheme for employees. The charity's contributions to the scheme are charged in the statement of financial activities in the period in which the contributions are payable.

h. Taxation and irrecoverable VAT
Christian Aid is a registered charity and as such is potentially exempt from taxation of its income and gains to the extent that they fall within the charity exemptions in the Corporation Taxes Act 2010 or Section 256 Taxation of Chargeable Gains Act 1992. No tax charge has arisen in the parent charity in the year. A tax charge of £8,000 has arisen in our Indian subsidiary, Change Alliance, which is a fully owned for-profit organisation. No tax charge has arisen in other subsidiaries due to their policy of gifting all taxable profits to Christian Aid each year.

In common with many other charities, Christian Aid is unable to recover the majority of VAT that is incurred on purchases of goods and services in the UK. The amount of VAT that cannot be recovered is included within the appropriate underlying cost and was £1.0m for the year (2014: £1.0m).

i. Foreign currencies
Foreign currency balances have been translated at the exchange rate ruling at the balance sheet date. Income and expenditure transactions have been translated at the prevailing rate at the time of the transaction.

j. Related party disclosures
The charity has taken advantage of the exemption which is conferred by FRS8, Related Party Disclosures, that allows it not to disclose transactions with group undertakings that are eliminated on consolidation.

k. Fixed asset investments
Fixed asset investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising from disposals and revaluations throughout the year.

l. Operating leases
Rentals applicable to operating leases are charged to the consolidated statement of financial activities in the period to which the cost relates.

2. Donations

	2015 Unrestricted £'000	2015 Restricted £'000	**2015 Total £'000**	2014 Unrestricted £'000	2014 Restricted £'000	2014 Total £'000
Christian Aid Week	11,103	-	**11,103**	11,722	-	11,722
In Their Lifetime	176	1,001	**1,177**	-	1,194	1,194
Denominational appeals	118	1,375	**1,493**	91	1,253	1,344
Christian Aid humanitarian appeals	-	4,679	**4,679**	-	6,465	6,465
Disasters Emergency Committee appeals	-	2,680	**2,680**	-	1,974	1,974
Legacies	9,232	90	**9,322**	11,202	1,719	12,921
Regular gifts	15,511	7	**15,518**	15,883	13	15,896
Other donations	9,206	1,688	**10,894**	6,436	1,564	8,000
Total donations	**45,346**	**11,520**	**56,866**	**45,334**	**14,182**	**59,516**

Total donations of £56.9m (2014: £59.5m) include £4.9m of tax recovered through tax-efficient giving (2014: £5.0m).
Legacies of which we have been notified, but not recognised as income, are valued at £8.6m (2014: £8.5m).
Total donations include gifts in kind valued at £720,861 (2014: £646,588).
Donations received from the public in the Isle of Man (excluding Government grants) during 2014/15, included above, were £35,812 (2014: £45,820).

3. Institutional grants

	Notes	2015 Unrestricted £'000	2015 Restricted £'000	**2015 Total £'000**	2014 Unrestricted £'000	2014 Restricted £'000	2014 Total £'000
UK Government – Department for International Development	19	171	14,380	**14,551**	74	16,160	16,234
European Commission		387	3,428	**3,815**	121	5,373	5,494
Irish Aid		-	3,610	**3,610**	-	3,762	3,762
United States Agency for International Development (USAID)		-	205	**205**	7	52	59
Jersey Overseas Aid Commission		-	120	**120**	-	360	360
Isle of Man International Development Committee		-	77	**77**	-	237	237
Guernsey Overseas Aid Commission		-	55	**55**	-	20	20
Other governments and public authorities		1	550	**551**	8	498	506
Comic Relief	20	-	797	**797**	2	185	187
Start Network		53	697	**750**	-	-	-
Act Alliance		2	672	**674**	-	577	577
Bread for the World		-	626	**626**	-	-	-
ICCO*	21	3	587	**590**	2	383	385
Other institutions		400	4,781	**5,181**	239	3,399	3,638
Total institutional grants		**1,017**	**30,585**	**31,602**	**453**	**31,006**	**31,459**

Total institutional grants of £31.6m (2014: £31.5m) includes gifts in kind valued at £603,656 (2014: £724,061).

Funding of £73,037 was contributed by ACT members in 2014/15 towards the ACT security coordinator (Finn Church Aid £11,037 (€14,000), Norwegian Church Aid £20,000, ICCO* £15,767 (€20,000), Lutheran World Federation £2,985 ($5,000), ACT £16,606 ($25,000), DanChurchAid £6,642 ($10,000). Expenditure on the ACT security coordinator in 2014/15 was £50,993 (2014: £48,917).)

*ICCO is an interchurch organisation for development cooperation based in the Netherlands.

4. Incoming resources from charitable activities

	2015 Unrestricted £'000	2015 Restricted £'000	**2015 Total £'000**	2014 Unrestricted £'000	2014 Restricted £'000	2014 Total £'000
UK Government – Department for International Development						
PACS2 civil society programme in India	5,906	-	**5,906**	6,090	-	6,090
CSF civil society programme in DRC	2,792	-	**2,792**	3,769	-	3,769
ENCISS civil society programme in Sierra Leone	1,661	-	**1,661**	2,047	-	2,047
Other organisations	168	-	**168**	116	-	116
Total incoming resources from charitable activities	**10,527**	**-**	**10,527**	**12,022**	**-**	**12,022**

5. Total resources expended

	Notes	Grants to partner organisations £'000	Other direct costs: Staff costs £'000	Other direct costs: Non staff costs £'000	Allocation of support costs: Staff costs £'000	Allocation of support costs: Non staff costs £'000	**2015 Total £'000**	2014 Total £'000
	Notes	5.1			5.2	5.2		
Costs of generating voluntary income		-	6,254	6,561	708	623	**14,146**	13,441
Fundraising trading: cost of goods sold and other costs		-	-	55	-	-	**55**	84
Investment management costs		-	20	25	-	-	**45**	46
Total costs of generating funds		-	6,274	6,641	708	623	**14,246**	13,571
Development		20,317	10,216	8,586	1,957	1,322	**42,398**	48,758
Humanitarian		17,491	4,060	2,729	542	1,111	**25,933**	25,980
Campaigning, advocacy and education		497	6,278	2,548	768	640	**10,731**	10,847
Total charitable activities		38,305	20,554	13,863	3,267	3,073	**79,062**	85,585
Governance	5.3	-	686	231	65	56	**1,038**	1,247
Total resources expended		**38,305**	**27,514**	**20,735**	**4,040**	**3,752**	**94,346**	**100,403**

Costs of generating funds comprise the costs incurred in commercial trading activities, investment management costs and fundraising and publicity costs. Fundraising and publicity costs include the costs of advertising, profile-raising, producing publications and printing and mailing fundraising material, the staff costs in these areas and an appropriate allocation of support costs.

Charitable activities include expenditure incurred through grants to partners and through operational activities, and an appropriate allocation of support costs.

Governance costs represent the costs associated with the governance arrangements of the charity, which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

All our grants are to organisations, not individuals. Details of grants made are available from the Director of Finance and Operations, Christian Aid, 35 Lower March, London, SE1 7RL.

5.1 Grant expenditure analysed by region

	2015 £'000	2014 £'000	**2015 %**	2014 %
Africa	**16,548**	19,305	**43%**	43%
Asia and the Middle East	**15,764**	17,236	**41%**	38%
Latin America and the Caribbean	**5,155**	8,055	**14%**	18%
Global	**838**	633	**2%**	1%
Total grants to partner organisations	**38,305**	45,229	**100%**	100%

5.2 Allocation of support costs

	Basis of allocation	2015 £'000	2015 £'000	**2015 £'000**	2014 £'000
		Staff cost	Other costs	**Total**	Total
Facilities management	Headcount	184	1,757	**1,941**	1,922
Finance teams	Headcount	1,250	249	**1,499**	1,460
Human resources	Headcount	1,401	455	**1,856**	2,037
Information systems	Headcount	956	1,097	**2,053**	2,098
Pension scheme and financial management	Headcount	249	194	**443**	323
		4,040	**3,752**	**7,792**	**7,840**

5.3 Governance costs

	2015 £'000	2014 £'000
Internal audit	**239**	268
External audit	**86**	95
Trustees' expenses	**20**	14
Strategic management	**693**	870
	1,038	1,247

6. Staff and trustee costs

	2015 £'000	2014 £'000
Staff costs of Britain-, Ireland- and Spain-based staff		
Salaries	**18,840**	18,079
Pension contributions	**1,296**	1,164
National Insurance contributions	**1,854**	1,889
Benefits in kind	**145**	173
Total staff costs (Britain-, Ireland- and Spain based)	**22,135**	21,305
Staff cost of overseas-based staff	**9,428**	9,158
Total staff costs	**31,563**	30,463

Staff numbers by location	**2015 FTE**	2014 FTE
Britain-, Ireland- and Spain-based staff	**502**	483
Overseas-based staff	**397**	389
Total staff FTE	**899**	872

FTE = full-time equivalent

Overseas staff include 12 employees with a cost of £488,000 (2014: 16 employees with a cost of £688,000) on Britain, Ireland and Spain contracts, based at the charity's overseas offices. The cost of those employees was included in the category 'Total staff costs (Britain, Ireland and Spain contracts)' last year. This category has been changed to 'staff costs (Britain-, Ireland- and Spain-based)' and the prior year figures have been restated.

Benefits in kind include £9,239 of company car benefits, the corresponding costs (primarily leasing costs) are reported in non-staff costs in note 5.

Staff numbers by activity	**2015 FTE**	2014 FTE
Generating funds	**172**	172
Charitable activities	**712**	684
Governance	**15**	16
Total staff FTE	**899**	872

The emoluments of the Chief Executive, the highest paid employee, were £126,206 (2014: £121,223). The CEO took a short period of unpaid leave during 2014, which explains the increase compared to last year. Her full-year equivalent salary remained unchanged. The CEO's expenses were £6,640 (2014: £8,114), mainly for overseas travel as a representative of Christian Aid and visiting partners.

Staff and trustee costs (continued)

The number of higher-paid staff with emoluments falling in the following ranges were:

	2015	2014
£120,000 to £129,999	**1**	1
£110,000 to £119,999	**-**	-
£100,000 to £109,999	**-**	-
£90,000 to £99,999	**2**	1
£80,000 to £89,999	**4**	4
£70,000 to £79,999	**1**	1
£60,000 to £69,999	**8**	8

Contributions in the year for the provision of defined contribution pension schemes to higher paid staff were £108,965 (2014: £102,907).

Trustees' expenses and number of trustees who claimed expenses during the year	**2015 Number of trustees**	**2015 £'000**	2014 Number of trustees	2014 £'000
Trustees' expenses – parent	**19**	**10**	19	8
Trustees' expenses – other group charities	**14**	**6**	16	6

7. Statement of financial activities

Net movement in funds is stated after the following charges:

	Consolidated group		**Parent charity**	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Auditor remuneration (exclusive of VAT)				
Fees payable to parent charity's auditor for the audit of the charity's annual accounts	**53**	56	**53**	56
Fees payable to parent charity's auditor for the audit of the charity's subsidiaries pursuant to legislation	**4**	5	-	-
Total audit fees	**57**	61	**53**	56
Other services	-	-	-	-
Total fees payable to parent charity's auditor	**57**	61	**53**	56
Rental costs in relation to operating leases – land and buildings	**81**	128	**205**	205
Investment manager's fee	**26**	26	**26**	26

8. Tangible fixed assets

	Central office freehold £'000	Other leasehold/ freehold property £'000	Leasehold improvements £'000	Computer equipment £'000	Office furniture, fittings and equipment £'000	Motor vehicles £'000	**Total £'000**
Cost							
At 1 April 2014	1,855	272	2,671	4,730	789	972	**11,289**
Additions	-	-	256	69	15	146	**486**
Disposals	-	-	(9)	(174)	-	(21)	**(204)**
At 31 March 2015	**1,855**	**272**	**2,918**	**4,625**	**804**	**1,097**	**11,571**
Depreciation							
At 1 April 2014	826	87	2,630	3,705	588	630	**8,466**
Charge in year	38	3	45	616	63	137	**902**
Disposals	-	-	(9)	(174)	-	(21)	**(204)**
At 31 March 2015	**864**	**90**	**2,666**	**4,147**	**651**	**746**	**9,164**
Net book value							
At 31 March 2015	**991**	**182**	**252**	**478**	**153**	**351**	**2,407**
At 1 April 2014	1,029	185	41	1,025	201	342	2,823
Held by parent charity	**991**	**182**	**234**	**478**	**153**	**342**	**2,380**
Held by subsidiaries	**-**	**-**	**18**	**-**	**-**	**9**	**27**

9. Investments

	Consolidated group		Parent charity	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
As at 31 March				
Gilts – UK	**4,711**	3,366	**4,711**	3,366
Fixed-interest securities	**5,196**	3,141	**5,196**	3,141
Floating-rates notes	**526**	3,624	**526**	3,624
Sterling deposits	**5,745**	6,526	**5,745**	6,526
Unlisted investments	**151**	151	**151**	151
Investments in subsidiary undertakings	-	-	**32**	35
Programme-related investments	**131**	145	**131**	145
Total investments	**16,460**	**16,953**	**16,492**	**16,988**
Movements during the year				
At the beginning of the year	**16,953**	17,605	**16,988**	17,630
Cost of acquisitions	**9,655**	9,128	**9,656**	9,138
Disposals	**(10,373)**	(9,688)	**(10,373)**	(9,688)
Unrealised gain/(loss)	**225**	(92)	**221**	(92)
Total investments	**16,460**	**16,953**	**16,492**	**16,988**

Programme-related investments consist of a social investment loan to a co-operative in Nicaragua. The trustees are satisfied that making this loan constitutes a programme investment that furthers the objects of the charity.

Investments forming more than 5% of the investment portfolio (gilts, fixed-interest securities and floating-rates notes) were as follows:

	2015 £'000	**2015 %**	2014 £'000	2014 %
UK Treasury Government Bond 4% 2016	**4,024**	**38.6**	-	-
UK Treasury Government Bond 5% 2014	-	-	3,366	33.0
Network Rail 1% 2017	**1,005**	**9.6**	685	7.0
KFW 5.625% 2017	**613**	**5.9**	-	-
KFW FRN 09/03/2015	**-**	-	1,001	10.0
Republic of Finland FRN 25/03/2015	**-**	-	1,001	10.0

10. Debtors

	Consolidated group		Parent charity	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Payments in advance for Christian Aid Week	**320**	388	**320**	388
Other prepayments	**911**	629	**903**	617
Accrued income	**3,712**	5,595	**2,394**	3,110
Other debtors	**5,823**	5,390	**5,652**	5,128
Amounts due from subsidiary undertakings	**-**	-	**79**	164
Amounts due from connected charities	**-**	-	**944**	320
Total debtors	**10,766**	**12,002**	**10,292**	**9,727**

11. Creditors: amounts falling due within one year

	Consolidated group		Parent charity	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Interest-free loans from supporters	**117**	117	**117**	117
Trade creditors	**1,652**	2,221	**1,646**	2,212
Deferred income	**539**	1,505	**539**	1,505
Tax and social security	**568**	595	**564**	587
Other creditors	**1,255**	1,052	**1,168**	973
Accruals	**480**	585	**424**	541
Amounts due to connected charities	-	-	**62**	29
Total creditors	**4,611**	**6,075**	**4,520**	**5,964**

Movement on deferred income during the year:

	Consolidated group		Parent charity	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Balance brought forward	**1,505**	1,369	**1,505**	1,369
Released to income	**(1,505)**	(1,369)	**(1,505)**	(1,369)
Received in year	**539**	1,505	**539**	1,505
Balance carried forward	**539**	**1,505**	**539**	**1,505**

12. Future commitments

In addition to the amounts shown as creditors in these accounts, there are also commitments to projects that have been accepted in principle by Christian Aid's board and are expected to be recommended for funding in 2015/16.

	Consolidated group		Parent charity	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Commitments	**796**	1,389	**796**	1,348

13. Leasing commitments

As at 31 March 2015, the group had annual commitments under non-cancellable operating leases of:

	Consolidated group		Parent charity	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Operating leases that expire after more than five years				
Land and buildings	**74**	76	**205**	205
Other	**6**	5	**-**	-
	80	81	**205**	205

14. Unrestricted funds

	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Transfers £'000	**Closing balance £'000**
Consolidated group						
General funds – Christian Aid (Operational reserve)	15,269	54,779	(51,686)	225	(3,621)	**14,966**
General funds – Christian Aid Trading Ltd	35	83	(85)	-	-	**33**
General funds – Christian Aid Ireland	501	2,214	(2,045)	(257)	(11)	**402**
General funds – InspirAction	95	169	(179)	(9)	-	**76**
General funds – Change Alliance	-	-	-	-	67	**67**
Fixed asset fund	2,823	-	(892)	-	476	**2,407**
Pension reserve	(2,117)	527	(44)	(7,366)	3,089	**(5,911)**
Consolidated group total unrestricted funds	**16,606**	**57,772**	**(54,931)**	**(7,407)**	-	**12,040**
Parent charity						
Unrestricted funds excluding pension reserve	18,072	54,779	(52,641)	225	(3,089)	**17,346**
Pension reserve	(2,117)	527	(44)	(7,366)	3,089	**(5,911)**
Parent charity total unrestricted funds	**15,955**	**55,306**	**(52,685)**	**(7,141)**	-	**11,435**

15. Restricted funds

Consolidated group	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Currency translation £'000	**Closing balance £'000**
In Their Lifetime	2,150	1,001	(1,143)	-	**2,008**
Denominational appeals	450	1,375	(1,421)	-	**404**
Christian Aid humanitarian appeals:					
Ebola	-	1,049	(272)	-	**777**
East Africa food crisis	541	3	(448)	-	**96**
Haiti earthquake	140	1	(146)	5	**-**
Indian Cyclone Phailin	78	1	(59)	-	**20**
India floods 2013	79	1	(64)	-	**16**
Iraq crisis	-	1,370	(438)	-	**932**
Pakistan floods	151	-	(151)	-	**-**
Philippines Typhoon Haiyan 2013	2,701	91	(659)	(24)	**2,109**
South Asia floods	-	38	(38)	-	**-**
West Africa food crisis 2012	12	-	(12)	-	**-**
Middle East (Gaza)	185	1,835	(670)	-	**1,350**
Syria	1,966	325	(373)	(5)	**1,913**
Disasters Emergency Committee appeals:					
Ebola	-	762	(630)	-	**132**
Gaza crisis	-	419	(377)	-	**42**
Philippines Typhoon Haiyan 2013	112	1,108	(1,310)	-	**(90)**
Syria crisis	39	391	(399)	-	**31**
Legacies	1,416	90	(434)	-	**1,072**
Other donations	402	1,695	(1,561)	(1)	**535**
Appeals and other donations	10,422	11,555	(10,605)	(25)	**11,347**
Institutional grants	4,922	30,585	(28,810)	(70)	**6,627**
Total restricted funds	**15,344**	**42,140**	**(39,415)**	**(95)**	**17,974**

Parent charity	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Currency translation £'000	**Closing balance £'000**
Appeals and other donations	9,618	10,429	(9,568)	-	**10,479**
Institutional grants	2,461	29,591	(27,956)	-	**4,096**
Total restricted funds	**12,079**	**40,020**	**(37,524)**	**-**	**14,575**

At 31 March 2015, institutional grants (funds in deficit) amounted to £1.2m (£1.6m at 31 March 2014).

16. Analysis of net assets

Fund balances as at 31 March 2015 are represented by:

	Unrestricted funds		Restricted funds	**Total**
	Designated £'000	Other £'000	£'000	**£'000**
Consolidated group				
Fixed assets	2,407	-	-	**2,407**
Investments	-	16,460	-	**16,460**
Current assets	-	3,695	17,974	**21,669**
Current liabilities	-	(4,611)	-	**(4,611)**
Pension liability	(5,911)	-	-	**(5,911)**
Total net assets	**(3,504)**	**15,544**	**17,974**	**30,014**
Parent charity				
Fixed assets	2,380	-	-	**2,380**
Investments	-	16,492	-	**16,492**
Current assets	-	2,994	14,575	**17,569**
Current liabilities	-	(4,520)	-	**(4,520)**
Pension liability	(5,911)	-	-	**(5,911)**
Total net assets	**(3,531)**	**14,966**	**14,575**	**26,010**

17. Subsidiary undertakings

The Christian Aid group comprises the parent charity (Christian Aid) and six subsidiary undertakings. The results for the year of the subsidiary undertakings are given below.

Christian Aid Ireland Ltd (Northern Ireland) (CA NI)
A charitable company limited by guarantee, incorporated in Northern Ireland, Christian Aid Ireland (Northern Ireland) was established by the Irish Churches and Christian Aid to further develop the work of Christian Aid in Northern Ireland. Christian Aid Ireland (Northern Ireland) is consolidated on a line-by-line basis in the Christian Aid group financial statements, in line with Financial Reporting Standard 2. The Christian Aid Ireland (Northern Ireland) year end was 31 March 2015.

Christian Aid Ireland Ltd (Republic of Ireland) (CA ROI)
A charitable company limited by guarantee, incorporated in the Republic of Ireland, Christian Aid Ireland (Republic of Ireland) was established by the Irish Churches and Christian Aid to further develop the work of Christian Aid in Republic of Ireland. Christian Aid Ireland (Republic of Ireland) is consolidated on a line-by-line basis in the Christian Aid group financial statements, in line with Financial Reporting Standard 2. The Christian Aid Ireland (Republic of Ireland) year end was 31 March 2015.

Christian Aid International (CA INT)
A charitable foundation registered in Spain, Christian Aid International operates under the brand name InspirAction, with the objective of raising awareness of, and funds for, some of the world's poorest and most marginalised communities. Christian Aid is the sole member with authority to appoint and remove trustees from the foundation. Christian Aid International is consolidated on a line-by-line basis in the Christian Aid group financial statements, in line with Financial Reporting Standard 2. The Christian Aid International year end was 31 March 2015.

The British and Irish Churches Trust Ltd (BICT)
A charitable company limited by guarantee, incorporated in England and Wales, which owns the freehold title to Interchurch House on behalf of Christian Aid and Churches Together in Britain and Ireland (CTBI). The year end of this company was 31 December 2014, the date of CTBI's year end. The figures below represent Christian Aid's 71.25% interest. The reserves retained within BICT are related to the management of Interchurch House.

Christian Aid Trading Ltd (CAT)
A company limited by share capital, incorporated in England and Wales. Its two shares are held by Christian Aid. Christian Aid Trading Ltd carries out the trading and commercial promotional activities of Christian Aid, the incorporated charity. The net taxable profit is transferred by Gift Aid to Christian Aid. The Christian Aid Trading Ltd year end was 31 March 2015.

Change Alliance (CH A)
A company limited by share capital, incorporated in India. Its shares are held by employees of Christian Aid as nominees. Change Alliance India is a for-profit organisation which, with partners, is currently undertaking Christian Aid's activities in India. The Change Alliance year end was 31 March 2015.

	2015 CA NI £'000	2015 CA ROI £'000	2015 CA INT £'000	2015 BICT £'000	2015 CAT £'000	2015 CH A £'000	2014 CA NI £'000	2014 CA ROI £'000	2014 CA INT £'000	2014 BICT £'000	2014 CAT £'000	2014 CH A £'000
Total incoming resources	2,739	5,070	265	516	243	572	2,783	4,848	238	514	237	-
Total resources expended	(2,706)	(4,711)	(275)	(516)	(57)	(505)	(2,453)	(4,803)	(259)	(514)	(88)	-
Net incoming resources	**33**	**359**	**(10)**	**-**	**186**	**67**	330	45	(21)	-	149	-
Revaluation on translation	-	-	(14)		-	-	(2)	(50)	(4)	-	-	-
Gift Aided to Christian Aid	-	-	-	-	(186)	-	-	-	-	-	(149)	-
Retained surplus/(deficit) for the year	**33**	**359**	**(24)**	**-**	**-**	**67**	328	(5)	(25)	-	-	-
Total assets	1,975	2,878	108	51	138	81	1,061	3,068	159	53	248	10
Total liabilities	(1,050)	(19)	(10)	(37)	(113)	(14)	(169)	(178)	(37)	(38)	(222)	(10)
Total funds	**925**	**2,859**	**98**	**14**	**25**	**67**	892	2,890	122	15	26	-

18. Derivatives not included at fair value

Christian Aid uses derivative financial instruments to manage its exposure to foreign currency exchange risks, including foreign exchange forward contracts. The fair value of these instruments is calculated at the balance sheet date by comparison between the rate implicit in the contract and the exchange rate at that date.

At 31 March 2015, Christian Aid had commitments to buy US$7m in foreign exchange forward contracts, with an unrealised gain of £244,390 (2014: commitments to buy US$8m in foreign exchange forward contracts, with an unrealised loss of £91,000 – fair value calculated as at 31 March 2014).

At 31 March 2015, Christian Aid had commitments to buy 37m Indian rupees in foreign exchange forward contracts with an unrealised loss of £12,200 (2014: commitments to buy 74.8m Indian rupees with an unrealised loss of £44,300 – fair value calculated as at 31 March 2014).

19. UK Government Department for International Development funding

In the year ended 31 March 2015, grants totalling £14.6m (2014: £16.2m) were received by Christian Aid from the Department for International Development, as follows:

	2015 Unrestricted £'000	2015 Restricted £'000	**2015 Total £'000**	2014 Total £'000
Programme Partnership Arrangement	-	7,256	**7,256**	7,256
UK Aid Match	-	1,576	**1,576**	1,724
European Interagency Security Forum	4	112	**116**	-
Power to the People	-	(18)	**(18)**	99
For specific programmes in:				
Burkina Faso	4	257	**261**	-
Ethiopia	14	332	**346**	146
India	-	66	**66**	1,976
Malawi	-	2,487	**2,487**	2,237
Myanmar	(11)	263	**252**	274
Nigeria	16	623	**639**	784
Philippines	144	1,426	**1,570**	1,738
	171	14,380	**14,551**	16,234

Expenditure for the Governance and Transparency Fund (GTF301) 'Power to the People', in the year ended 31 March 2015, amounted to £9,558 (2014: £0.1m).

20. Comic Relief funding

In the year ended 31 March 2015, grants totalling £0.8m (2014: £0.2m) were received by Christian Aid from Comic Relief, as follows:

	2015 Unrestricted £'000	2015 Restricted £'000	**2015 Total £'000**	2014 Total £'000
People Living Positively	-	138	**138**	187
For specific programmes in:				
Angola	-	5	**5**	-
Kenya	-	598	**598**	-
Sudan*	-	(131)	**(131)**	-
Zimbabwe	-	187	**187**	-
	-	797	**797**	187

* £131,000 of the grant was returned to Comic Relief as the situation in Sudan did not allow us to spend the full grant.

21. ICCO* funding

Consolidated group	Opening balance	Incoming resources	Resources expended			**Closing balance**
			Salaries	Other costs	Grants to partners	
	£'000	£'000	£'000	£'000	£'000	**£'000**
Aloe value chain project	-	37	-	(6)	-	**31**
Civil society organisations (CSO) capacity strengthening	22	-	-	(3)	-	**19**
Ebola Crisis West Africa 2014	-	155	-	(21)	(84)	**50**
Philippines Typhoon Haiyan (Yolanda) 2013	-	398	(4)	(25)	(143)	**226**
Support to internally displaced people and host families by promoting development of rural areas in Chantal	7	-	-	(7)	-	**-**
Total ICCO funding	**29**	**590**	**(4)**	**(62)**	**(227)**	**326**

*ICCO is an interchurch organisation for development cooperation based in the Netherlands.

22. Pensions

Christian Aid operates a defined benefit scheme in the UK. The scheme is closed to future accrual with effect from 30 June 2007, but has retained the salary link for active members. A full actuarial valuation is currently being carried out at 30 September 2014 and the preliminary results have been updated to 31 March 2015 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The current arrangements for the payment of contributions are as described in the most recent Schedule of Contributions dated 18 September 2012. The employer currently pays contributions of £3,089,600 per annum in respect of the deficit and £93,408 per annum in respect of scheme expenses. The PPF levy is met in addition by the employer.

a. Defined benefit (final salary) funded pension scheme

(i) The amounts recognised in the balance sheet are as follows:

	2015 £'000	2014 £'000
Present value of funded obligations	**(63,359)**	(48,694)
Fair value of plan assets	**57,448**	46,577
Deficit	**(5,911)**	(2,117)

Amounts in the balance sheet:		
Liabilities	**(5,911)**	(2,117)
Assets	**-**	-
Net liability	**(5,911)**	(2,117)

(ii) Changes in the present value of the defined benefit obligation are as follows:

	2015 £'000	2014 £'000
Opening defined benefit obligation	**48,694**	48,068
Current service cost*	**138**	144
Interest on obligation	**2,119**	2,096
Actuarial losses/(gains)	**13,607**	(603)
Benefits paid	**(1,199)**	(1,011)
Defined benefit obligation at end of year	**63,359**	48,694

*The current service cost is purely in respect of expenses.

(iii) Changes in the fair value of the scheme assets are as follows:

	2015 £'000	2014 £'000
Opening fair value of scheme assets	**46,577**	40,098
Expected return	**2,646**	2,260
Actuarial gain/(loss)	**6,241**	2,047
Employer contributions	**3,183**	3,183
Benefits paid	**(1,199)**	(1,011)
Fair value of scheme assets at the year end	**57,448**	46,577

The actual return on the scheme assets over the period ended 31 March 2015 was £8,887,000.
The best estimate of contributions to be paid by the employer for the period commencing 1 April 2015 is £3,183,000. This includes an allowance for expenses. The PPF levy is payable in addition by the employer.
The current arrangements as regards to contribution levels are described in the Schedule of Contributions dated 18 September 2012.

(iv) The amounts included within the statement of financial activities are as follows:

	2015 £'000	2014 £'000
Current service cost	**(138)**	(144)
Past service cost	-	-
Expected return on scheme assets	**2,646**	2,260
Interest on obligation	**(2,119)**	(2,096)
Total amount charged within net incoming/(outgoing) resources	**389**	20
Actuarial gain/(loss)	**(7,366)**	2,650
Total amount charged to the statement of financial activities	**(6,977)**	2,670

	2015 £'000	2014 £'000
Net cumulative actuarial losses since 1 April 2002	**19,405**	12,039

(v) The major categories of scheme assets by value and as a percentage of total scheme assets are as follows:

	Value at 31 March 2015 £'000	**Proportion %**	Value at 31 March 2014 £'000	Proportion %
Equities	**28,094**	**49%**	23,997	51%
Bonds	**28,658**	**50%**	22,624	49%
Cash	**696**	**1%**	(44)	0%
	57,448	**100%**	46,577	100%

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

The long-term expected rate of return on cash is determined by reference to bank base rates at the balance sheet dates. The long-term expected return on bonds is determined by reference to UK long-dated government and corporate bond yields at the balance sheet date. The long-term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance.

	2015 £'000	2014 £'000
The actual return on the scheme assets in the year	**8,887**	4,307

(vi) Principal assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate	**3.10%**	4.40%
Rate of increase in salaries	**4.00%**	4.30%
Rate of increase of pensions: LPI 5%	**2.10%**	2.40%
Rate of revaluation of deferred pensions in excess of the Guaranteed Minimum Pension	**3.00%**	3.30%
Inflation assumption – Retail Price Index	**3.00%**	3.30%
Inflation assumption – Consumer Price Index	**2.00%**	2.40%
Expected return on scheme assets at as the beginning of each period presented	**5.56%**	5.49%

The mortality assumptions adopted at 31 March 2015 imply the following life expectancies:	**2015 Years**	2014 Years
Male retiring at age 65 in 2015	**23.3**	23.1
Female retiring at age 65 in 2015	**25.0**	25.1
Male retiring at age 65 in 2035	**25.1**	25.3
Female retiring at age 65 in 2035	**26.5**	27.0

(vii) The amounts for the current and previous periods are as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Defined benefit obligation	**(63,359)**	(48,694)	(48,068)	(43,850)	(41,261)
Scheme assets	**57,448**	46,577	40,098	33,761	30,499
Surplus/(deficit)	**(5,911)**	(2,117)	(7,970)	(10,089)	(10,762)
Experience gain/(loss) on scheme liabilities	**(2,699)**	226	340	1,661	-
Actual return less expected return on scheme assets	**6,241**	2,047	2,825	(189)	(313)

b. Defined contribution pension scheme

The total cost of the defined contribution pension scheme to the charity was £1,208,887 (2014: £1,097,410). There were no outstanding or prepaid contributions at 31 March 2015.

c. The Pensions Trust Growth Plan

The Pensions Trust Growth Plan is a multi-employer pension plan, which is in most respects a money purchase arrangement but has some guarantees. The pension guarantees create a defined benefit pension obligation. Following a change in legislation in September 2005, there is a potential debt owed by participating employers of The Growth Plan in the event that an employer ceases to participate in the scheme or the scheme winds up at a time when it is not fully funded on a buy-out basis. At this point in time the trustee does not intend to wind up the Growth Plan. Following an actuarial valuation of the Growth Plan as at 30 September 2014, the updated estimated employer debt on withdrawal for Christian Aid as at 30 September 2014 was £790,094 (30 September 2013: £673,000).

Reference and administrative details

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2. Finance, fundraising and investment committee
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4. Nominations and procedures committee
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Strategy and People Management – Martin Kyndt

Supporter and Community Partnerships – David Pain

International – Paul Valentin

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If you have any comments or queries about our Annual Report, please let us know at info@christian-aid.org or phone us on +44 (0)20 7523 2225

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Acknowledgements

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Baptist Union of Great Britain
Baptist Union of Scotland
Baptist Union of Wales
Cherubim and Seraphim Council of Churches
Church in Wales
Church of England
Church of God of Prophecy
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United Free Church of Scotland
United Reformed Church
Wesleyan Holiness Church

Acknowledgements
All of Christian Aid's work is based on the spirit of cooperation and partnership. We would like to express our sincere thanks to the many organisations and individuals who make our work possible. Together we strive to be part of a worldwide movement of people committed to eradicating poverty and social injustice.

We want to give special thanks to the following supporters.

Individual supporters
This movement includes the many hundreds of thousands of supporters who contribute to our work in a multitude of ways – as individual donors, campaigners, collectors, local and national committee members, or through local churches.

We would like to thank our specialist volunteers who have significantly extended the reach of our work by speaking, taking lessons and assemblies, writing media articles, helping in our offices, undertaking research and translation work, organising events and much more.

We would also like to extend a special thank you to a small group of supporters who have made an extraordinary commitment over five years to our In Their Lifetime appeal. The campaign will enable Christian Aid to respond in innovative ways to increase the scope of some of our most effective work.

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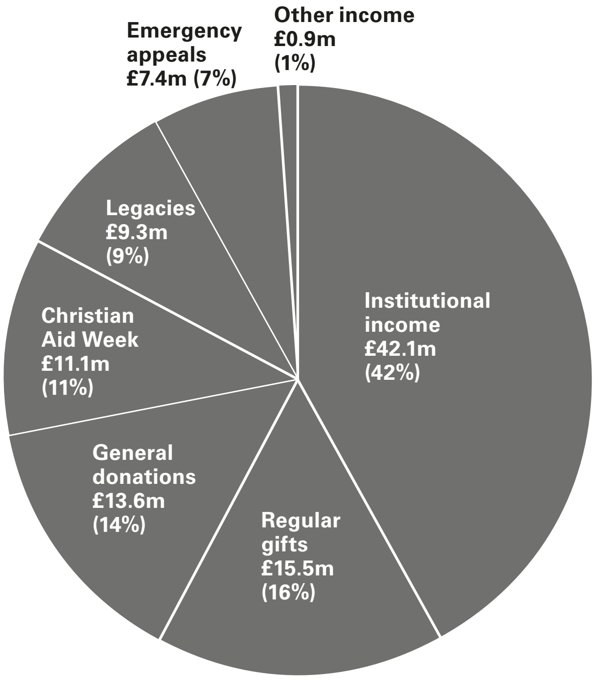
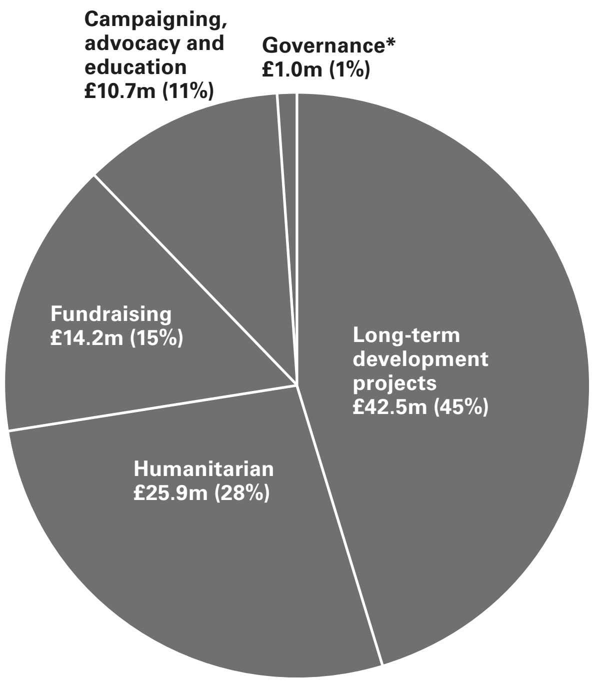
Divine
Ecclesiastical Insurance Group
Ecotricity
The Entertainer
Gilead Sciences
The Good Little Company
Herbert Smith Freehills
John Ayling Associates
Latham & Watkins
Monsoon Accessorize
Simmons & Simmons
Thomson Reuters
Traidcraft
Triodos

Total income: £99.9 million



Total expenditure: £94.3 million



*Governance costs are costs associated with the general running of the charity, as opposed to those costs associated with fundraising or charitable activity.