Christian Aid annual report and accounts 2015/16

Cover: More than 80% of Malawians are farmers, like Philip Oneka. He goes to monthly sessions organised by ECRP (Enhancing Community Resilience Programme, which Christian Aid helps to manage) to learn about new farming techniques that will help him increase his harvest. As a lead farmer, he then passes on his skills and knowledge to others in his community; he has a small piece of land that he uses to teach people the new techniques like soil cover (mulching), crop rotation and complementary practices including making compost and good irrigation practices. In the first four years of this programme funded by UK aid, Irish Aid and the Norwegian Ministry of Foreign Affairs, the techniques have been used by almost 36,000 households. Philip also receives text messages as part of the programme with local weather forecasts which help him decide when to plant and tend his crops.
Christian Aid/Nicky Milne

Eng and Wales charity no. 1105851 Scot charity no. SC039150 UK company no. 5171525 Christian Aid Ireland: NI charity no. NIC101631 Company no. NI059154 and ROI charity no. 20014162 Company no. 426928.

Contents

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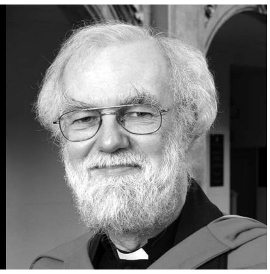
Letter from the Chair



Once again, this has been a year full of humanitarian crises – the earthquake in Nepal, drought and food shortages in Ethiopia, and the continuing effects of violent conflict in Syria, Iraq and South Sudan, to mention just a few. Our staff and partners have responded to these crises with the customary blend of professionalism and compassion they bring to all our work.

But for many of us in the global North, the headline issue has so often been the mass movement of people fleeing conflict and chaos in their home countries. The scale of this displacement is greater than anything we have seen in Europe since the end of the Second World War. It is poignant that in the 70th year of Christian Aid (which we marked in 2015) there's been a return to just the kind of problems of displacement and radical insecurity for large populations that prompted our foundation.

Response to this challenge has been mixed. The political reaction has been driven largely by fears, constantly stirred up by an unsympathetic press: there has been demand to close borders and intensify security. An unpleasant rhetoric of being 'swamped' by 'hordes' of needy foreigners has been all too common. But as so often, the response of many citizens has been more positive, with successful public pressure on the UK Parliament to allow a more humane policy in regard to refugee children. Churches have generally resisted very energetically the language of panic and prejudice, and our generous supporters have enabled us, together with our sister agencies in ACT Alliance, to play an important role in serving the needs of the displaced.

As the public debate reminds us starkly, the battle still has to be fought over the inalienable dignity of all our brothers and sisters. And that battle is made a good deal harder by the continuing problems with the public perception of charities. In many countries, there is a growing weight of regulation, intensifying our awareness of risk at precisely the time when we need to find more flexibility and courage for new solutions. Domestically, this has played out in ongoing scrutiny of methods of fundraising. Of course it is right that we should be held to the highest standards, and we have taken the opportunity to review our own practice thoroughly. But despite a media focus on bad news stories around aid and charities, we had a successful Christian Aid Week 2015, with an increase of support for the first time in several years. We are also strengthening our communications work, to help grow a deeper understanding of what it means to live in poverty and how Christian Aid helps people to transform their lives.

A key area of success over the last year has been in our policy and advocacy engagement, coalition building and campaigning around the Sustainable Development Goals, and in seeking strong global action on climate change. The spiralling global concern (in the light of the Panama Papers) about corruption and a lack of tax transparency also owes much to insistent and well informed lobbying by staff and supporters of Christian Aid. Major issues continue to concern us – not least the possible consequences for international development of the outcome of the EU referendum, a question that has so far received little attention. We are determined to deploy our skills and resources to keep these matters on the radar of the public and politicians alike.

As always, I must pay tribute to the exceptional quality of our staff and our operational leadership – to Loretta and the directors. Several trustees have retired from the board this year, and I want to add my profound thanks to Charlotte Seymour-Smith, Brian Ridsdale, Carolyn Gray, Bishop Alastair Redfern and Carla Stent for their wonderful contribution to the board's work and vision. Thanks, too, to all our supporters and volunteers; I hope they share my abiding sense of privilege in being involved with this work for God's Kingdom and God's justice.

Rowan Williams

Dr Rowan Williams
Chair of the Christian Aid Board of Trustees

Letter from the Chief Executive

In September 2015, I was privileged to be in the United Nations General Assembly Hall when the gavel came down on the new Sustainable Development Goals. These are 17 goals agreed by 193 countries, designed to eliminate extreme poverty by 2030, leaving no one behind.

Christian Aid can claim a real contribution to these goals, based on our leading role in ACT Alliance and as co-chair of the Beyond 2015 coalition. We pressed for a standalone goal for women and girls, for the interweaving of goals for people and planet, and for emphasis on good governance, transparency and tackling illicit financial flows. You can see our DNA in the goals that were agreed.

We also exerted influence on the strong outcome of the Paris conference on climate change in December 2015 when world leaders committed both to cutting carbon emissions and ensuring the shift to renewable energy. Thanks to our partners, staff, churches and campaigners around the world, the voices of the world's poorest people were brought to bear on decision making.

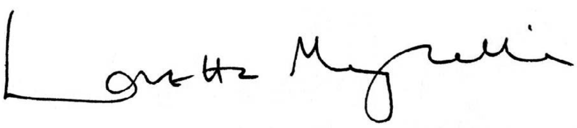
Now the hard work has really started – to hold governments to their words. We need to ensure that governments do not offload their responsibility to the private sector to deliver these commitments. Challenging those with power to turn these goals into action will demand our continued focus in the coming years.

When I travelled to Myanmar in October 2015, I saw that profound changes are bringing hope to many who have long lacked a political voice. In a remote part of the conflict-ridden state of Kachin, I met a woman who, with Christian Aid support, had progressed from being one of the very poorest to a highly successful pig farmer and rice trader, teaching business skills to others in her community. Support for such local entrepreneurship is vital, especially women's entrepreneurship in remote, unstable and rural areas where neither government nor big business is deeply invested.

My visit to a refugee reception centre on the Serbia-Macedonia border in April 2016 further highlighted for me the realities for people displaced by conflict and I was heartened to hear from UN representatives in the reception centre that they were impressed by the work we were doing with our partners. A 27-year-old Iraqi called Ivan told me that although he was fortunate to have enough money, he had neither hope nor peace. People like Ivan need to thrive, not just survive, and this is why we must not only respond to the practical needs of refugees in transit but to speak out on their behalf.

On the funding front, we have seen important developments – our income is higher than it has ever been. But the shift towards restricting funding to particular projects is also greater than ever. In response to this trend, geopolitical changes and technological developments, we have already begun a programme of work to make us the kind of agile and dynamic organisation we want to be by 2020. Our vision remains the same – an end to poverty – and we believe that vision can become a reality. But the way we are structured and how we work needs to change if we are to play our part most effectively.

In a year of increasing demands, less flexible funding and, as Rowan indicates, growing regulatory requirements, the pressures on our staff have been intense. But they have shown magnificent determination and resilience, and I am hugely proud of what they have achieved. I'm also thankful to our partners with whom we stand together to help end poverty. As one of our partners commented: 'With other organisations we work for donors, but with Christian Aid we're working together.' Our partners also enable us to achieve impact at scale. A programme led by Christian Aid in India has reached 9 million people between 2009 and 2016, supporting excluded groups to claim rights and entitlements. We also delivered 33 humanitarian responses in 25 countries last year, reaching an estimated 3 million people affected by disasters. Our board, under Rowan's visionary, committed and prayerful leadership, continues to challenge and support our current efforts and our thinking around the future. I thank God for all of them and the ever-faithful support of all of you.



Loretta Minghella
Chief Executive

Strategic report

Objectives and activities

International development had a momentous year in 2015, with world leaders agreeing the Sustainable Development Goals (SDGs), and committing to end poverty in all its forms by 2030. There are serious challenges to meeting this commitment – we live in a world with rising inequality, frequent conflict, intense natural disasters, and the impact of climate change being one of the greatest challenges of our time.

Christian Aid believes that it doesn't have to be this way. We believe that human action is responsible for the underlying causes of poverty, and that we can and must end poverty. If we are to meet the SDGs, we need to work together, in solidarity with people living in poverty. For when people work together, the world can be changed.

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 withstand disasters, to seize opportunities, to live with dignity and to thrive.
- Power for people to get a fair and sustainable share of the world's 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 support people to access services crucial for their health and wellbeing. We urge governments and businesses to make sure essential services and medicines are 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 support people to 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 seek to 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.

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 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.

Achievements and performance

Christian Aid and our partners around the world reached millions of people in 2015/16, working together tirelessly to support them to improve their lives, to influence the actions of government and other power holders, and to meet the needs of those caught up in conflict and disasters. Here's a snapshot of how we performed against our strategic change objectives.

Strategic change objective: Power to change institutions

Last year, we continued our work to enable people across the world to have a say in reforming the institutions that affect their lives, and to hold them to account. Our work covers campaigns and programmes at local, national and international levels.

In 2015, a historical year for international development, world leaders came together to agree on a set of Sustainable Development Goals (SDGs) for the next 15 years, a financing for development package and the crucial Paris agreement on climate change. Christian Aid continued to be at the forefront of these global processes, working with our partners and as part of broad-based coalitions around the world to push for strong and ambitious outcomes. In all of these events we emphasised the perspectives and concerns of those living in poverty, and sought to bring in their experiences from their different contexts to the negotiating table.

Climate change

The 21st Conference of the Parties (COP 21) to the United Nations Framework Convention on Climate Change (UNFCCC), held in Paris, represented a watershed moment as world leaders agreed to a low carbon future to ensure temperature rises are kept below 2°C as a minimum. Our concerted advocacy to the UK Government and many others internationally supported the delivery of this strong outcome. At COP 21 itself, we played a vital role in supporting ACT Alliance and working collaboratively with other NGOs, businesses and faith-based organisations to deliver a strong message to a range of government delegations. A key input was our collaboration within the Act Now! global campaign. With our campaign partners, we mobilised and delivered 1.7 million signatures to the UNFCCC, asking for an ambitious agreement to tackle climate change.

We also achieved high levels of supporter engagement in the run up to COP 21. In June 2015, as part of our contribution to the Climate Coalition, we organised a mass lobby of MPs. Around 1,350 Christian Aid supporters travelled to London to meet with their MPs to discuss climate commitments, with a further 6,500 supporters lobbying their MPs by other means. This meant climate messages went to MPs in 97% of UK constituencies. We mobilised faith communities to march for the climate across the UK, including as part of the largest climate march in UK history in London. We have also been campaigning on phasing out investment in coal and are heartened to see the UK Government committing to phase this out by 2020.

Sustainable Development Goals

After three years influencing at a range of levels, Christian Aid was present at the UN special summit in September 2015, where world leaders adopted the 17 Sustainable Development Goals (SDGs). We are delighted that these commitments include stand-alone goals on gender equality, addressing inequalities, climate change, and peace and governance. These were things that we fought for, along with the principle that the new 2030 agenda should 'leave no one behind'. The challenge now is implementation – with our partners we will work to ensure that governments are held accountable for delivering on these goals and provide sufficient finance, including through tax justice, to turn this vision into reality.

The SDGs also guided discussions at the Commission on the Status of Women (CSW) in March 2016. Christian Aid staff and partners from the UK, Brazil, and Sierra Leone worked to highlight the need for increased financing for gender justice work and for further efforts, including through faith communities, to address damaging social norms which can undermine women's and girls' rights and perpetuate poverty.

Tax

Momentum for reform on the tax justice front continued to build this year. Highlights included the UK becoming one of the first countries in the world to create regulation to ensure that information on the true ownership of companies is publicly available. We also saw steps forward on a global agreement to make companies report all their activities in every country in which they operate (although this information would not be public and would not reach many poorer countries). The Organisation for Economic Co-operation and Development (OECD) and

G20 agreed on the final outcomes of their plan to tackle tax dodging by global companies, but this fell short of the mark, especially for developing countries. Christian Aid has publicly challenged the OECD to tell us how the shortcomings will be addressed and how the needs of developing countries will be met.

At the UN's Financing for Development Conference in Addis Ababa, Christian Aid worked alongside colleagues from across the globe to support a coalition of developing countries in their call for a new 'Global Tax Body', which would make sure that the voice of the poorest countries are heard and given equal weight. Working with Oxfam and ActionAid, we jointly developed and published *Getting to Good*, which lays out what we believe responsible company tax behaviour looks like and sets the bar for businesses that want to become leaders in this area. This document has been very well received and discussed with businesses, civil society and politicians in a number of national and global forums.

National successes: some highlights
Shifting power relations in favour of poor and marginalised people is at the heart of everything we do. In most countries where we work, the link between governments and their citizens is key to shifting this power in a long term, sustainable way. Governments have the primary responsibility to provide services, uphold the rule of law and create sustainable livelihoods. That's why we have established projects in more than 20 countries that work explicitly to empower ordinary citizens to hold their governments to account.

The power to influence institutions is both about long-term community development to build the confidence and capacity of marginalised and excluded groups to speak out and be heard, and about influencing the structures and expectations of powerful institutions.

Here are a couple of examples that illustrate our work in this area. Also see the 'Health governance' section on page 9 for more.

Nigeria: Our Voice to the People programme helped increase women's representation and leadership. An evaluation of the programme was done with a representative sample of the communities we worked with, and around 90% of the respondents judged that there has been a positive change in the extent to which women are involved in decision making and leadership in the communities over the last two years. People living with disabilities were also found to have had an increase in representation and leadership within their communities.

Zambia: Our partner supported advocacy and relationship development with political parties, contributing to the election of new female MPs in 2015. Its work contributed to the ruling Patriotic Front party voluntarily adopting a 40% gender quota for candidates and it also worked with the Vice-President of Zambia (a long-term gender activist) to help push through the newly enacted Gender Equity and Equality Act of 2015.

Challenges and learning
As we reported last year there continues to be increasingly restricted space for civil society organisations to hold their governments accountable and many of our partners are coming under pressure as they do this kind of work. In many countries where we work, fulfilling the mission of 'exposing the scandal of poverty' means challenging powerful elites and creating spaces in which citizen actions can take place. We can also see in clear terms how a poorer country's ability to raise taxes and invest this revenue in effective essential services for their whole populations is as important as increasing citizen demand. This throws even greater emphasis on our tax justice work at global, regional and national levels.

Strategic change objective: The right to essential services

Our work in the area of rights to essential services has continued to grow in 2015. This is grounded in our three-pillared approach: strengthening health services, improving health governance, and tackling inequitable gender and social norms that are harmful to health and well-being.

We implemented health programmes in Myanmar, nine countries in Africa and a cross-country programme in Central America, covering themes such as maternal and child health, malaria prevention, HIV prevention, testing and treatment, and sexual and reproductive health (SRH). Health has also been part of our humanitarian work, such as in our response to Ebola and Zika. This year has seen evidence of women accessing a broader range of essential services, increased focus on gender issues within our work, greater acknowledgement of the role of faith leaders in changing social attitudes, and success in the use of digital technologies.

Here are some of the highlights of our work in 2015/16:

Maternal and child health
Our work on maternal and child health in Malawi and Nigeria has resulted in significant improvements in key indicators as defined by the World Health Organization (WHO). For example, the WHO recommends that women have four antenatal clinic visits during a pregnancy. In Malawi, where we have been working with close to 8,000 women in one area, the proportion of these women achieving this level of interaction with the clinic has increased from 48% at the start of the project to 97%. Those seeking skilled attendance at delivery increased from 44% to 90% over the past three years. In one programme in Nigeria, through which we've worked with approximately 11,200 women, the proportion of births attended by a skilled birth attendant has significantly increased – from 52.5% in 2011 to 75.1% in 2016 – while the use of traditional birth attendants (TBAs), who often have little or no formal training, dropped from 12.5% to 6.3% among the women targeted. Key to this success has been awareness raising and work with TBAs to give them a new role. Women have been made more aware of their health needs and TBAs often become pregnancy accompaniers, with a redefined role to support women with their antenatal visits, rather than being the primary birth attendant.

Our work in Kenya and Malawi included the use of digital technology in improving uptake of health services. Community health workers have been provided with mobile phones equipped with software to register pregnant women and to be in regular contact with them; now they are using SMS to send reminders for antenatal clinic visits and immunisations for children, and to encourage women to deliver in hospital. Local clinics have had systems installed that can send reminders for health visits, and also enable nurses to view dashboards that show attendance. Pregnant women are also able to get better response to emergencies from health workers by reporting them through mobile systems.

Health governance
A key part of our health governance work is to develop stronger relationships between citizens and government, so that communities we work with are able to hold the government to account. One way of strengthening the relationship is to unpack the role of tax in financing public services, recognising that individuals have a responsibility to pay the appropriate taxes and governments have a duty to provide a range of needed services. By establishing this contract it provides a channel through which community members begin to take interest in demanding accountability for how taxes are spent.

For example, in Ghana, tax education at the community level has led to citizens taking a keen interest in expressing their needs and pressing their officials to spend revenue collected from taxes on meeting those needs. In turn, public officials have become more responsive. Among other things, our partners have been tracking budget allocations on maternal health and making the information available. This has increased public interest on the state of the country's maternal health services, resulting in increased accountability for commitments made.

In one maternal health project, community engagement and high media coverage of the launch of budget tracking report led to the Savelugu Nanton Municipal Assembly making public commitments to construct 20 new health facilities, two of which have already been completed.

Equitable gender norms
Increasing work on wider gender and social norms has led to positive changes in gender relations at household and community level. Our programmes report women's voices being increasingly heard and their participation in decision-making growing. Men are also becoming more and more involved in the health of their families.

In Kenya, women in mother-to-mother groups that our partners set up say they've grown in confidence to make decisions relating to their own healthcare and to raise opinions at community meetings. Work with 177 members of the Maasai Council of elders (traditional leaders) and 150 women leaders on gender equality has also significantly changed attitudes and practices driving inequitable gender and social norms. For example, three women leaders have been invited to join the Maasai council of elders to advise them on gender and sexual and reproductive health. This is the first time ever that women have been included in the all-male council, which we believe is an important step in shifting power and gender relations.

Male involvement approaches such as father-to-father groups and community sensitisation programmes in Malawi and Ethiopia have improved the role of men in the health of their wives and children. In Ethiopia, more men are accompanying their wives for antenatal visits, and in Malawi, fewer men now demand that their spouses get their permission before seeking healthcare, suggesting improved gender relations and decision-making power in those households.

Challenges and learning

An evaluation of our work in Kenya showed that while we were good at working on the community empowerment side of strengthening health systems, we had focused less on building the capacity of government to deliver services. This is especially important in contexts of low government experience and capacity, and runs the risk of community members demanding service access that government fails to deliver. This means we need to look further at how we work with government and the supply side of service delivery, as well as creating demand from citizen engagement.

Going forward, we also need to build on our experience in delivering projects that integrate tackling diseases into wider health system strengthening. This is important now as we are taking on major single disease focused projects such as Global Fund projects in Nigeria (malaria) and Malawi (HIV and TB). The risk is that focusing on a single disease might create a system centred on that disease alone, and communities would need to access different services for different health issues. Our approach will be to ensure that the whole health system is strengthened.

There is also a growing recognition that issues of health and resilience are closely linked. Communities regularly identify health risks as a key vulnerability they face, and issues of health and nutrition are linked to livelihoods. In the future, we will look more at strengthening the links between health and resilience through systematically incorporating the identification and management of risks into health programmes.

Strategic change objective: Fair shares in a constrained world

In 2015/16 we continued our work to support people in poverty to get fairer access to markets and economies, and to enable them to better manage the risks and shocks that affect their lives.

Resilience

A key focus of our work is building individuals' and communities' resilience; improving their capacity to anticipate, organise and adapt to change. Resilience is important to both long-term sustainable development and effective short-term emergency response. Community-led processes are core to our approach.

Climate services work, such as connecting producers to weather forecasts and other information that assists in making choices regarding the planting of crops, has been important during the last year, increasing communities' capacity to anticipate risk and mitigate impacts on livelihood. With 2015/16 seeing the strongest El Niño since 1997/8, our initiatives to enable the provision of accurate weather forecasts to local farmers and support community contingency plans proved especially important in drought-affected countries from Nicaragua to Malawi, Zimbabwe and the Philippines. For example, in Malawi, increased access to early warning and climate forecasts, expansion of irrigation schemes and uptake of conservation agriculture are helping communities become less vulnerable to disaster. In Nicaragua, having information about expected rainfall has enabled producers to avoid crop loss and debt by not planting when insufficient rainfall was expected.

Community-led assessments increase our programme participants' awareness of the risks and uncertainties that affect their communities. It also enables them to explore root causes, and mitigation strategies to reduce these risks. For example, in Burkina Faso, our partners enabled communities to better understand their increasing vulnerability to an unstable climate and environmental degradation, and to identify solutions themselves. They identified that increased frequency of droughts led to food shortages for livestock, and realised the need to be better prepared. This led to the introduction of non-traditional practices such as collecting and storing fodder early. This has helped feed animals as well as generate additional revenue by selling the excess. Other solutions included constructing a dam to store water collected during the rainy season, planting crops suitable for the climate and using improved ovens, which use less wood, a scarce resource. The assessments are designed to include all community members, recognising that gender, age, and other factors impact on the risks people face and the strategies to mitigate these, as well as how people can participate in community discussions. By specifically targeting women in these processes they also impact gender relations more broadly, with participant women now reporting that they feel more involved in decision-making.

Addressing issues of gender and inclusion has also been important in our work. In Mali, women traditionally do not have access to land or only have access to poor quality land. This forms a barrier to women's livelihoods, preventing them from growing nutritious, profitable crops, and contributing to family income. Our partners have helped negotiate land titles for women, establish market gardens and form associations. They've also provided seeds, tools and training, for example, in crop cultivation and diversification appropriate to the climate. Land ownership means that women are able to access and work on the land without fear that it will be taken away from them. This means that they are able to invest more, leading to better crop yields. As a result, a survey confirmed that the majority of market garden producers (mostly women) in three distinct intervention areas have seen increased production and product diversity. An outcome assessment of our work also revealed that women's increased economic status and their ability to contribute to household expenses also means they now have greater influence in their homes and communities.

Inclusive markets development

Christian Aid's inclusive markets work, which is largely focused on the development of rural agricultural economies, has grown over the last four years. Our current work spans three continents, covering 13 country programmes and 26 different agricultural products/markets. In general, our approach has continued to move from standalone livelihoods projects, or ones focused on individual enterprises, to those that seek to bring people together to influence broader market systems. Our projects in this field are increasingly overlapping with resilience-focused programmes, most notably in the area of climate-resilient agriculture – for instance, in Nicaragua, as mentioned earlier, climate information supported communities to prepare for El Niño.

In Malawi, we have helped bolster the organisational capacity of pigeon pea producers by supporting them to form a farmers' association. This organisation, which has close to 5,000 registered members (3,000 women and 2,000 men), aims to improve farmers' marketing ability through joining together for economies of scale (ie, the efficiency gains and cost savings made by increasing overall production). This has resulted in the development of stronger links between local pigeon pea producers and private sector buyers. For example, the organisation is working with a company that facilitates the marketing of pigeon peas, giving producers a better negotiating position. As this company is able to compare differences in market prices, they can provide producers with vital information on the best ones available. This has resulted in farmers' average annual income more than doubling between 2014 and 2015.

In Central America, our inclusive markets work reached close to 20,000 people (60% women) in 2015/16, contributing to protect rural employment, increase small-scale farmers incomes and improve their market access. A key part of this work involved establishing a partnership with a Danish private company. This enabled us jointly to secure a £2.6m grant from the Inter-American Development Bank (IADB) for a four-year project in the cocoa and honey sectors, focused on increasing the resilience of small cooperatives to changes in climate and market conditions. Through this project, small-scale farmers are starting to incorporate climate risk assessments in cocoa and honey value chains, building a climate monitoring network and designing ways they can adapt to climatic changes to help them become more resilient. Our innovation fund 'In Their Lifetime' (ITL) was also critical as it provided the initial investment to test our approach, which is now being used on a larger scale and attracting external investment.

In Burundi, our programme is working with 18 coffee farmers' cooperatives targeting more than 11,000 farmers (around 8,000 men and 3,000 women). Through training on improved farming techniques, farmers have been able to double their production, resulting in increased annual household income. The project consortium has also brokered access to markets locally and internationally, having signed sales contracts with key international coffee buyers for markets in Europe and Asia.

Last year, we launched an initiative named ACRE (Access to Capital for Rural Enterprises) in collaboration with other NGO partners and private investors. This platform allows INGOs to provide technical support and access to capital for small and medium sized enterprises with potential for growth. In the first year of operation, we are already seeing the benefits of ACRE. Through supporting 15 enterprises with technical assistance to date, we are reaching close to 13,000 producers and consumers

Note to reader: Figures on this page are currently being reviewed by Christian Aid.

who are marginalised or living in poverty. For six of the enterprises that we have been able to verify figures for, revenue has also increased in the year.

Challenges and learning

A major feature of our resilience work going forward will be to further promote sustainability and scale-up as many of our current major projects are coming to an end. Providing evidence of impact is key, and so we have a number of assessments underway or planned, including a review of climate services in the Philippines, an evaluation of resilience impact across programmes and a long-term study to track resilience impact across several years.

Since our work tackles issues of climate change at various levels, from working to help communities adapt, to campaigning for a strong outcome in the Paris Agreement on climate change, strengthening the link between the two is important. Going forward, we will be looking for evidence to help us understand the connections in our work in countries and internationally, and look at how to ensure the Paris Agreement is being implemented in an effective way across signatory countries.

The World Humanitarian Summit also provided an opportunity for us to highlight the need to shift thinking in the sector to pre-crisis preparedness rather than post-crisis response. For example, the implications of a strong El Niño cycle were largely missed by the international community, and the impact was more severe than it would have been if more had been invested in early warning and disaster risk reduction work. We have seen some positive examples of communities being well prepared in areas where we are working, but we believe this approach needs to be taken more systematically across the sector.

There are challenges with increasing the scope of our inclusive markets development work. In many cases, particularly when we are in the early stages of projects, we are working with relatively small numbers of women and men. We need to reflect on whether it would be better to reduce the number of projects we are working on and instead focus on a smaller number of programmes that can be developed to reach more people overall. We seek to learn from instances of success, such as our use of our ITL fund, where we have been able to test approaches on a smaller scale before later increasing their scope by using external investment.

Another challenge with markets work is that it depends on the political environment as well, in addition to the economic. This means that lasting change can take a long time, and results can be unpredictable.

Strategic change objective: Equality for all

A key aspect of our strategy to end poverty is to reduce structural and gender-based inequality and create a more inclusive world. The diversity of work in our country programmes shows different aspects of inequality being addressed in different geographic and thematic areas. Whereas some country programmes are tackling gender-, race-, ethnicity-, caste- or religion-based exclusion, in others our work is focused on tackling exclusion on the basis of sexual orientation or health status. This is driven by analysis of the specific context, needs and opportunities for change.

Challenging HIV stigma

HIV-related stigma is one of the main barriers to HIV prevention, treatment, care and support. Concerns about facing discrimination or violence from families, communities and workplaces can prevent people from seeking information, getting tested, or adopting safer behaviours for fear of raising suspicions. We have been working with our partners to challenge stigma and discrimination, promote care and support, and challenge denial of HIV/AIDS across communities, through a variety of approaches.

In Ethiopia, we are working with the government and national partner NGOs. This work includes awareness raising and the use of trained advocates, to create spaces for discussions and HIV education, and enable people living with HIV/AIDS to live a fuller life by linking them to support groups and counselling. Our work also focuses on local police forces. We are supporting volunteer advocates to deliver testimonies regarding discrimination at community policing forums. This is aimed at building understanding of HIV, and encouraging police to actively address cases of violence against people living with HIV. Across these programmes, our efforts and those of our partners have helped to significantly reduce HIV stigma, denial, discrimination and inaction.

Disability

In Lebanon, we have particularly focused our inclusion work on those living with a disability and with specific health needs. Our partner is supporting Syrian refugees and the local host community with therapeutic support and assistive devices to enable them to live fuller lives. For the most vulnerable families and individuals, our partners gave specific support to help them through a harsh winter.

Gender

Faith plays an important role in shaping social norms, and so it is one of our key priorities to strengthen the global faith response to gender inequality. We recognise that Christian Aid can play a lead role in bringing together faith communities and leaders (locally and internationally) to work together to challenge social norms that deepen inequality. In 2015, we supported the establishment of Side by Side, an independent global faith movement for gender justice currently made up of 33 member organisations. The movement is now active through regional coalitions in Latin America and the Caribbean, East Africa and southern Africa. These coalitions have been supporting coordinated actions on gender justice at national and community level by member organisations.

We have seen faith leaders incorporate messages of gender equality in their sermons, using this space to challenge inequitable social norms in their communities. National coalitions have also begun to make an impact. For example, in Kenya a new constitution is being negotiated, and the commitment that one in three public representatives should be women is being threatened. The Kenya national chapter of Side by Side has been speaking out publicly to make sure that the commitment is upheld. This voice is particularly powerful and important because the faith leaders are not seen to be the 'usual suspects' when talking about issues of gender justice and their influence on national debates can be profound.

Social exclusion

We have been working with 85 civil society organisations and more than 14,000 community based organisations in India in our Poorest Areas Civil Society (PACS) programme. Since 2009 this programme has reached 9 million people, empowering traditionally excluded groups to claim their rights and entitlements and find employment through government schemes.

In addition to the benefit this work has bought to programme participants it has also benefited Christian Aid extensively, in deepening our understanding of exclusion, and therefore the strategies needed to tackle exclusion. We have learnt how different dimensions of exclusion interact to further disempower individuals and groups. For example a person might be excluded because she is a Dalit, disabled and a woman – the interaction of these different factors increases her level of exclusion and therefore her vulnerability. Working on exclusion therefore involves unpacking and understanding all these complex relationships of power and inequality, and shaping interventions appropriately. This learning has been influential in the development of this strategic change objective, as outlined below.

Challenges and learning

Gender justice has been at the heart of our work for many years, but there is growing realisation within Christian Aid that for programming to be truly transformative, it must also recognise the impact of other aspects of social vulnerability such as age, disability, ethnicity or sexual orientation. As outlined above in our learning from the PACS programme in India, where a person experiences more than one of these aspects, the result is increased risk and reduced voice and power. While we have already placed high importance on this, fought for inclusion of such elements in the SDGs, and have been good at identifying multiple aspects of inequality in our analysis, we have been less successful at building on our analysis and integrating it into our programme delivery. Given that the SDGs emphasise the need to focus on poverty, vulnerability and inequality in all its forms, there is a good opportunity for us to use this to shine a light on where and how we are working on inequality at programme level, what some of the gaps are and how we can make this central going forward.

Our existing strong links with faith-based organisations and networks provide a unique opportunity to engage with faith leaders and organisations on issues of gender and related social norms (such as gender-based violence and family planning). While we have already been doing so, amplifying their voices in policy and advocacy spaces at national and international level is a potentially powerful way in which change can begin to happen even where social norms are deep rooted. Going forward we will be strengthening our work in this area.

While the empowerment of women takes time and continued support, the confidence gained by the women, the role models they provide to their families and communities and the impact they can have are considerable. Although we have seen increased participation of women in community discussions in places we have worked in, the quality of women's participation and the diversity of women participating has not always been adequately evident. This learning has informed the development of new programmes that will look into women's empowerment more closely.

Strategic change objective: Tackling violence, building peace (TVBP)

Tackling violence and building peace means that we need to engage at the highest level in the countries where we work, supporting our partners as they contribute to fundamentally changing how violence is being viewed, as well as the possibilities to reduce it and ultimately promote peace. It also require us to work at local level to embed peace, through our work on resilience, empowerment and developing accountable governance. Violence, especially gender-based violence, affects people at the very local level and if peace processes are going to work it is important to engage with survivors of violence at every level.

Recognising that violence operates at many levels – from the personal to the local and national – our work focuses on all these levels. This includes development interventions that target root causes of violence, national peace and reconciliation processes, ensuring humanitarian interventions are sensitive to conflict, and work on gender-based violence.

Some highlights of 2015/16 include:

In Colombia, since November 2012, Christian Aid and partners have been working to support the peace talks in Havana, aiming to bring 50 years of armed conflict in Colombia to an end. Partners have ensured that victims (and women in particular) have had their say. For the first time, a special sub-commission on gender was established, with our partner acting as advisor. An agreement was reached between the Colombian government and rebel group FARC[1] to ensure that those responsible for sexual violence would not benefit from amnesty or pardon, unlike in other peace agreements.

The transitional justice agreement reflects suggestions made by our partner (a victims' collective) to provide for alternative sentences, which aim at restoring the damage caused by perpetrators rather than punishing them.

In Guatemala, our partner has supported youth groups to develop mechanisms for violence prevention through art and cultural workshops, and in alliance with the municipality has recovered several public spaces that were previously off limits, due to violence, for cultural activities for children, youth and families.

In El Salvador, young men and women are targeted for police brutality as suspected gang members, creating a vicious cycle where innocent targeted youth are pushed into gangs. Our partner has worked with communities affected by gang violence and the police to improve relations and reduce police abuse in three municipalities. Recognising the prevalence of gender-based violence (GBV), partners in El Salvador have started to incorporate work on this issue, developing GBV risk plans with local municipalities. The regular accompaniment that partners provide to the marginalised communities and survivors of GBV is very important in terms of solidarity and it gives a sense of security, strength and hope.

In Burundi, we have been working with faith leaders, training and supporting them to take a key role in tackling stigma, discrimination and violence through their daily work. They are integrating messages into their sermons around the need to tackle the prevalence and acceptability of GBV, challenge perpetrators and provide care, support and health referrals for survivors. As described earlier under the section on Equality for All, this is important as faith leaders have a strong voice in relation to expected behaviour, gender relations and social norms. Since some social norms cast certain roles and relationships for men and women and provide the context for ongoing GBV, we need to challenge this context.

Challenges and learning

Challenges stem from the contexts in which we are working as well as limitations in our own capacities, understandings and approaches.

Endemic violence threatens development and governance reforms in many of Christian Aid's programmes. For example, despite peace negotiations in Colombia, armed conflict remains a source of threats

[1] Fuerzas Armadas Revolucionarias de Colombia (Revolutionary Armed Forces of Colombia)

against communities. In El Salvador the work of partners is curtailed by violence and insecurity caused by gangs and organised crime. Entire neighbourhoods and communities have fallen under informal control of gangs, and during the course of 2015 El Salvador experienced one of the highest homicide rates in the world for a country not in armed conflict. The anti-gang law and Supreme Court declaration describing gangs as terrorist groups also hampered partners' work on violence prevention (if gangs are deemed terrorists, partners that work on rehabilitating former gang leaders or work with gangs on violence prevention would be taking actions considered illegal). In Guatemala, repressive policies and emergency measures increased levels of violence between communities and security forces, and in Israel and the occupied Palestinian territory (IoPt), repeated military actions targeting civilians pose major challenges in terms of the loss of life, psychological trauma, displacement and erosion of basic infrastructure.

We have also seen increased restrictions and repression against civil society groups in many countries. This has manifested in different ways in different places, but it includes legislation restricting partners' activities and funding, criminalisation, stigmatisation, restrictions on the right to assembly and protest, arrests and arbitrary detention. In many programme contexts this has culminated in political environments that are openly hostile or dangerous for partners.

All of this shows that violent contexts operate at many levels – from within households, to specific groups in a community, to public spaces, to the national sphere – and so we need to strengthen our analysis as well as our strategies in prevention and response at different levels.

For Christian Aid, TVBP is still a relatively new area of work for us, and our capacity to work on issues of TVBP varies across geographies. We need to do more to develop an approach that puts our resources to the best use in this area of work. Responding to gender-based violence is a particular area of weakness in terms of Christian Aid's capacity, so we're looking at how to develop in this area. We are now creating a 'centre of excellence' on TVBP in Ireland that will strengthen our ability to understand and respond to many of these issues, led by Christian Aid Ireland. Through Ireland's own history and the experience of working there, Christian Aid Ireland has a strong understanding of the context of violence. Expertise developed through an Irish Aid-funded programme and good links with academia working on peace building are key strengths.

Another challenge stems from our faith based identify. Though it is often seen as an added value, and gives us access into some areas and creates opportunities for dialogue and influence that may otherwise not have existed, in some contexts it can work against us and this needs to be properly understood and assessed.

Our humanitarian work

Our humanitarian work contributes to several of our strategic change objectives. Last year we responded to several major humanitarian disasters across the world, including providing support for vulnerable communities affected by the Nepal earthquake, the Syria conflict, and refugees fleeing to Greece and Serbia. In all we delivered 33 emergency responses in 25 countries, reaching an estimated 3 million people affected by disasters.

Nepal

The earthquake last year was the biggest natural disaster Nepal has experienced in recent history. It was an unprecedented event that set back decades of development. Our response was very rapid – assessments in the affected zone within the first day and a half, a mobile health post set up in two days, and our partners started providing food and medical support by the end of the third day in Gorkha (the epicentre). In the first two months we reached about 22,000 households (around 110,000 people) with food, shelter (high quality tarpaulins) and WASH (water, sanitation and hygiene). Over the course of our response since then, we have now reached more than 400,000 people (see the case study on page 21 for additional details). Through local partners, we were able to rapidly deliver high quality goods and services to remote areas. Working with local partners and suppliers also meant that we were able to deliver key relief support needs, such as shelter and winter materials, even in the peak of a border blockade between India and Nepal. This experience reaffirms our firm belief that local organisations are best placed to respond in emergencies. Our approach to humanitarian response is to ensure that local organisations are well supported to be able to respond. As part of this work we challenge the dominance of large international agencies and work to protect the space for local involvement.

Middle East region
Christian Aid has continued to respond to humanitarian crises in the Middle East region this year, reaching affected communities in Gaza, Lebanon and Iraq. Our partners provided psychological and social support to communities displaced by conflict, offering essential health services and specialist medical assistance to people living with disabilities. Our cash-for-work and vocational training schemes also ensured that displaced people were able to secure a livelihood. We supported early recovery where possible with the provision of interventions such as agricultural inputs and rehabilitation of land. This was alongside continued life-saving humanitarian assistance in the form of food, non-food items and cash where it makes a difference. Our Syria Appeal programme has so far reached over 50,000 people, mostly in the neighbouring countries of Iraq and Lebanon.

The Start Network
Christian Aid has been an active member of the growing Start Network, an alliance of 27 leading humanitarian NGOs who are committed to working together to find the best solutions for vulnerable people in disaster related contexts. Among other things, Start has established the pioneering Start Fund, which ensures that money is available as soon as a disaster occurs. We have raised £2.8m through the fund, enabling us to respond successfully to 10 smaller under-funded emergencies, covering issues from disease, droughts and floods to internally displaced people, refugees, and violence related to elections.

In general, these were very rapid responses completed within 45 days, and included immediate relief. The main focus of this type of response is on emergency water and sanitation, shelter, food and other non-food items – but at times we have also included cash transfers and information campaigns (for example, hygiene awareness campaigns that often go with the distribution of hygiene kits and other emergency items) when relevant.

World Humanitarian Summit
Much of our humanitarian policy and advocacy work this year looked towards the World Humanitarian Summit, which took place in May 2016. Based on our 70 years of experience, we know that good humanitarian response depends on good understanding of the local context. Poorly designed response can contribute to worsening power relations, provisions not being distributed fairly or reaching those most in need. Our belief is that local and national organisations have a better understanding of needs on the ground, they are in the communities before and after crises, and so are able to ensure a smooth transition from relief to long-term development. This is why partnership is the cornerstone of our approach, and this is why we engaged proactively with the World Humanitarian Summit called by the UN Secretary General – a once in a generation opportunity to reform the humanitarian sector. Ahead of the summit, we lobbied 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.

In particular we argued that it is unacceptable that national and local civil society only directly receives 0.2%[2] of total humanitarian funding (based on figures available at the time). We advocated, in collaboration with like-minded ACT Alliance peer agencies, for a target of 20% of humanitarian funding to go to local actors by 2020. At the Summit, the 15 largest donors and 15 largest UN agencies made a promise to channel 25% of funding to local and national front-line responders by 2020 – a huge increase on current levels, and a major success for our coalition humanitarian advocacy efforts.

Challenges and learning
Challenges we have faced include identifying legal and acceptable routes to transfer humanitarian funds to partners operating in areas not held by the government of Syria. We need to reach people in desperate need, but official concerns about terrorism and sanctions make banks nervous to be involved. We are working hard to take every possible measure to ensure due diligence and manage risk, while being driven by the humanitarian imperative to assist people in dire need. See case study on page 26 for more details.

[2] *Global Humanitarian Assistance Report 2015*, p74, globalhumanitarianassistance.org/wp-content/uploads/2015/06/GHA-Report-2015_-Interactive_Online.pdf

Resilience: We are making a concerted organisational effort to focus on how our knowledge of resilience can inform our long-term development, as well as humanitarian work. We want communities to be better prepared to withstand disaster, but equally we want to expand our understanding of what a resilient society means, and use that understanding to help support the building of thriving communities. We know that our programmes have the most impact, and are more sustainable and inclusive when we integrate our long-term development and humanitarian programming experience. This is not always straightforward, but our approach to resilience offers a useful framework to enable us to better integrate across the two parts of our work.

Accountability: The CHS (Core Humanitarian Standard) has replaced HAP (Humanitarian Accountability Partnership) and People in Aid as one of our main accountability tools. It is structured around nine commitments that aid communities and people affected by crisis. As we start work on these new standards and how we can use them in our daily work with partners and communities, it is important to use learning from our work on HAP. We found that HAP mechanisms are most effective when integrated with our other development interventions – such as a focus on group formation, capacity development around gender and power, and training on rights. We also found that while HAP mechanisms did enable partners to develop stronger more accountable relationships with communities, these relationships were not systematically impacting on wider accountable relationships (for example between communities and local government). We will be looking at how we can draw on a range of experiences from across our programme interventions to deepen accountability in the future.

Inclusion: As described earlier, our work on inclusion and gender means we must recognise how different factors interact to create more profound exclusion and inequality. This is evident in emergency situations: gender is one factor that affects people's vulnerability to emergencies, and ethnicity, age and disability can further compound the inequality of impact. The humanitarian system is currently designed to deliver a 'one size fits all' response, which is leaving people behind. Our new inclusive programming approach tackles these intersecting dimensions of vulnerability. A series of trainings, tools, resources and guidance has been designed and is being piloted to ensure safe, dignified and accessible programmes for diverse groups. Our challenge now is in rolling out and embedding inclusive practice throughout our programme design, implementation, monitoring and evaluation.

Plans for the future

Partnership for Change is our overarching strategy and the strategic change objectives within it guide all our work – but what we focus on in specific years depends on the opportunities or challenges that arise. Here are some of our current priorities:

A new policy and advocacy framework for 2016-2020
Christian Aid believes that economic policy should work for the people and the planet, which means putting poverty eradication and sustainability at its heart. Economic growth is important, but only when it supports human well being and development.

In 2015, we consulted on and defined our corporate policy and advocacy priorities for the next four years, responding to changing external dynamics as well as drawing on our existing expertise. We now have a new framework that sets out four broad goals that we want to see achieved by 2020:

- Structural inequalities are changed to promote gender justice, social inclusion and greater economic equality for all.
- Policy and practice at all levels works to deliver on a sustainable economy.
- The transition to a zero-carbon economy has tangibly accelerated with ambitious national policies agreed to tackle climate change and build the resilience of vulnerable communities.
- There is a revitalised and effective humanitarian response system in place with an approach to building peaceful societies based on the fulfilment of rights and the respect of international humanitarian law.

These priorities, which stem from our core theological beliefs, will shift the emphasis and bring greater focus to both new and existing policy areas. They will especially make an impact where our policy expertise and our programming experience work closely together.

For instance, in situations of humanitarian crisis there are opportunities to engage political actors and faith leaders to create a more dynamic policy environment. Our work on the refugee crisis has opened space for discussions on sharing the responsibility for refugee resettlement. The new framework offers opportunities to highlight issues that might first emerge in emergencies during conflict, displacement or epidemics but which need longer term policy and advocacy to tackle their root causes.

The new framework is influenced by the introduction of the new Sustainable Development Goals (SDGs). For example, the SDGs highlight women's right to resources, and we are developing our international gender advocacy work on the impact of fiscal policies on women in different settings. The universality of the SDGs strengthens our calls for collective action and accountability, recognising that policies which hinder poverty eradication often stem from developed countries.

The policy and advocacy framework will influence how we shape work on key priority areas that have been and will continue to be important for Christian Aid, such as climate change, gender and inequality, humanitarian and resilience. The following paragraphs provide more details on these specific areas of work that were identified as organisational priorities last year, and continue into 2016/17:

Climate change
We saw momentous agreements on climate change in 2015, such as the important resilience and low-carbon targets that were included in the SDGs, and in particular the global Paris Climate Change Agreement. This coming year it is essential that we maintain the momentum to ensure that the ambitious commitments are delivered on, in a way that ensures the best outcome possible for the poorest and most vulnerable. Our advocacy work will also focus on emphasising the importance of local community involvement in developing adaptation and climate disaster response strategies.

In 2016, we will be scaling up the Big Shift campaign for energy transition to a low-carbon future. We are also intending to develop the campaign globally. We are seeking to influence and change the discourse about energy in the private sector, government and civil society. We want to see greater transparency from UK public and private institutions on their fossil fuel investments, and hope to see businesses and our sponsoring churches both campaign for and implement their own low-carbon policies and investments – their voices should be heard as part of the wider climate campaigning in the UK and beyond.

We also know that as we seek change from others, we have to model the change ourselves by continuing to reduce our own dependence on carbon. To 'put our own house in order', we're moving towards divestment from fossil fuels and a reduction in the organisation's carbon footprint.

Gender and inequality

We are working for an inclusive world where identity – gender, ethnicity, caste, religion, class or sexual orientation – is no longer a barrier to equal treatment. The new SDGs, and their commitment to 'leave no one behind', provide an opportunity for us in the coming year to shine a light on persistent identity-based exclusion and how certain economic models can exacerbate inequality and disparities in power. As mentioned previously in learnings from our programme work, our policy work will also need to evolve to take on a deeper understanding of how different factors, such as ethnicity, age and disability, interact with gender to deepen inequality.

We have a particular role to play in advocating for ambitious implementation of the SDGs, we will be ensuring that the most excluded communities are at the heart of our work. We will also build on our emerging experience of mobilising faith communities and faith institutions to play a much more distinctive role in securing gender justice.

Resilience and humanitarian work

In 2016/17, we will focus on delivering on the commitments that we made at the World Humanitarian Summit (WHS) to reform Christian Aid's own humanitarian practice in line with the WHS reform agenda. This will mean delivering on the Charter for Change (an initiative led by national and international NGOs to enable more locally led humanitarian response), and working with allies to monitor and hold governments to account for the commitments they made at the WHS, especially in our priority areas of strengthening the role of national actors, empowering affected communities, and investing in resilience and preparedness.

We will also roll out our new resilience framework to our country teams, making sure that power, partnership and community led processes are central to our resilience programming work.

Vision 2020

Vision 2020 is our articulation of the future of our organisation. Our current ways of working and approaches to confronting the scandal of poverty have been effective, but the world is changing rapidly around us. To continue to be as or more effective in the future we need to change our operating model. The world is globally networked and digitally connected and we need to reflect this in our own systems and structures. More importantly, we know that civil society in many of the contexts we work in has become stronger, we need to respond to this, to move away from being the type of organisation that holds power at the centre, to being one which shares power more equally and is better able to drive decision making locally. We believe there is a real opportunity to build on our learning from how we work on shifting power relations in our programmes and apply it to our internal ways of working.

There is also a financial imperative for change. Our overall operational size has grown, but there has been a shift towards a greater proportion of our funds being restricted rather than unrestricted. We need to respond effectively to this changing mix of resources.

Overall, we have identified three key areas for change: Christian Aid will aim to become a 'globally networked', 'digitally enabled' and 'financially resilient' organisation. As a part of this, we have now entered a year of review and reflection, reaffirming our essential purpose and vision of a world without poverty, but asking questions about how we best meet this vision and acting on it to change our ways of working. This means we are exploring what it means to be Christian Aid, our identity and brand, our organisational architecture, what we will look like as a global network, how we manage financially, how we communicate and interact in a digital age and what sort of systems and processes we need to put in place to work as a dynamic and agile organisation.

Additionally, we need to strengthen our ability to evidence and communicate our impact. This has been a priority for us over the last year as well, and it is of crucial importance to our future globally networked organisation. The role of research, evidence and learning is central to ensure that different parts of the network are able to learn from each other, work collectively and design interventions that enable Christian Aid to be greater than the sum of its parts.

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 management 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 three 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 corporate, departmental, country and major-project levels. 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 2015/16, these included the business continuity group; the health, safety and security committee; the public policy group; the large programmes oversight committee; the data protection working group and the anti-diversion 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 directorate, 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 in these gaps 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 support to country and nations teams in the development and regular review of risk management strategies relevant to their operations. Online risk training is a component of the core learning and development framework for all staff.

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.

Management

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

Case study: The earthquake in Nepal

The situation

On 25 April 2015 a devastating earthquake killed 8,000 people and injured a further 21,000 people in Nepal. Thousands of homes were destroyed and, in some areas near the epicentre of the earthquake, whole villages were flattened.

The risk

Christian Aid did not have an in-country presence in Nepal although we did have partnerships with some local organisations. The risk was that we could not respond quickly enough to support those in most need, when and where that need was greatest. There was also a risk that after-shocks could cause further devastation.

How we dealt with it

By mobilising a rapid response team of staff and partners from north India, we were one of the first organisations to respond to the disaster and were able to start provision of emergency supplies within the first two days. Our head of humanitarian division also flew to Nepal within days of the disaster. An emergency response team was created to develop an initial plan of work and fundraising for the appeal. With our partners on the ground, we quickly established the most pressing needs in the immediate aftermath of the earthquake, such as shelter for those that had lost their homes. We provided initial funding for the appeal using our core funds and then very quickly launched our emergency appeal. We sought out local organisations that could help us to determine local needs and to implement our humanitarian work, with a focus on the poorest and most vulnerable in the most hard to reach locations.

We now have a dedicated team of Christian Aid staff working in Nepal to support our partners to respond to this emergency.

In the early part of 2016, we converted an old truck into a makeshift studio and toured it across 500km of Nepal's remote mountain terrain. Going from village to village, we asked local people to step inside and tell the camera what they thought about the aid they had received from Christian Aid and others. This was a new initiative to support our learning and to make sure that we collected authentic information directly from those we were committed to helping. This also fed into Christian Aid's global agenda of localisation of aid and listening directly to communities.

The result

We are in the second year of our emergency response. With the tremendous generosity of our supporters and other donors – including institutional – we have raised £6.7m for the emergency. We have used this in a variety of ways: for example through our partners we have provided 22,000 high quality tarpaulins in the immediate relief phase and later shelter toolkits to provide temporary housing to more than 28,000 people. In the course of the response our partners have so far provided shelter, water, food and sanitation to more than 400,000 people in the most vulnerable communities. We continue to learn and adapt our response and are now using a digital data gathering system to geo map what aid has been delivered and where, to prioritise gaps and avoid duplication. We took our learnings to the World Humanitarian Summit in Istanbul.

through country offices in many of the countries in which we work, 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.

Advocacy and popular campaigning

Risk
Christian Aid speaks out against the causes of poverty. 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 reputations 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 to supporters, the general public, donors and other stakeholders can be challenging.

Management
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 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

Management
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 funded projects 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 CHS Alliance member, we invite feedback from beneficiaries. The alliance provides core humanitarian standards that are designed to promote the rights and dignity of vulnerable people and communities, and enhance the effectiveness and impact of assistance provided to them.

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. During the year we improved our enhanced due diligence process for counterterrorism risk management. We also updated our policy on vulnerable beneficiaries. 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 as well as ensuring other relevant compliance.

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 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. During the year, while overall income increased, the level of unrestricted income has reduced. In response to this, we are refreshing our business plan through to 2020 to further strengthen our financial resilience.

The UK's vote to leave the EU and the impact of this on the political and economic environment is likely to have repercussions for our sector in both the short and long term, as the process for following up on the EU Referendum outcome is developed.

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

Management
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. In response to the reduction in unrestricted income, we are developing strategies that ensure we continue to maximise our impact with the poorest and most vulnerable, while rebalancing activities with likely future funding. In doing this we will be cognisant of the impact on government priorities, and the economy more generally, as the process for the UK's exit from the EU gets underway. Christian Aid has an established presence outside of the UK in EU member states, Spain and Ireland. This will enable us to retain our voice in Europe irrespective of the UK's membership status. We also have a strategy of working in networks and coalitions including with ACT in Europe.

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. We continue to develop a model of working that seeks to identify in-country fundraising opportunities, which came from a review of our operational model in India in 2013. If this model proves successful, it may be replicated elsewhere.

Case study: Data protection

The situation
The Information Commissioner's Office (ICO), in carrying out a review of the charity sector's data protection compliance in telephone fundraising, contacted Christian Aid in May 2015. This followed complaints raised by 22 people over a 10-month period between May 2014 and March 2015 that fundraising calls made to them by an agency on our behalf had not been made with permission of the people who were called.

The risk
There was a risk that Christian Aid had inadvertently breached data protection legislation and in doing so would be subject to enforcement action. There was also a risk of reputational damage with our supporters at a time when fundraising practices were being called into question by the media and other stakeholders.

How we dealt with it
We took a decision immediately to suspend all telephone fundraising while we performed a thorough internal investigation into the circumstances of the complaints.

We explained to the ICO that we do not make cold calls, but had only sought to contact people by telephone who have already supported our work. However, a misunderstanding had arisen about whether we could telephone those supporters who had previously indicated they were happy to be contacted by Christian Aid, but who had at some point separately registered with the Telephone Preference Service that they did not wish to receive cold calls. In a few instances, we found that information had been incorrectly entered into our supporter records . We took immediate steps to make changes to our approach to telephone fundraising to avoid these issues arising in the future. We also corrected the relevant supporter records.

The result
We were informed by the ICO that while they deem our policies and procedures to be broadly compliant and deserving of a 'green' rating, they temporarily listed us in the 'amber' category on their website because of the complaints that were made. Following a three-month monitoring period, this listing was upgraded to green and has now been removed.

We will continue to update our fundraising procedures and data protection management in light of changes to fundraising practice, regulation including Charity Commission guidelines, and data protection requirements as they emerge, to ensure that we are fully legally compliant at all times. We will also continue to ensure that we fundraise in a manner that is consistent with our ethics and values and respectful of both our supporters and the communities we serve.

We take data protection very seriously and make every effort to treat our supporters as they wish, consistent with our commitment to all those who have faith in our mission and who want to be part of the fight to eradicate poverty worldwide.

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. We keep abreast of changes to fundraising regulation and data protection law and work hard to ensure that our interaction with supporters is compliant.

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 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.

Management
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.

During the year the charity sector was challenged by a number of events that were widely reported in the media. We work in an increasingly demanding regulatory environment. Failure to demonstrate compliance with the regulatory framework, as it evolves, could damage our reputation and result in fines and other penalties. Regulatory pressure can also restrict our ability to respond quickly to the most vulnerable in times of conflict. The unintended consequences of the counterterrorism legislation, which quite rightly, seeks to reduce the risk of organisations and individuals inadvertently funding terrorism, is making it increasingly difficult to get funds to places where the need is greatest. This could translate into negative public perception as well as a failure on Christian Aid's part to provide impartial support wherever there is suffering. Conversely if Christian Aid funds were to be diverted into terrorist hands we would be inadvertently funding activities to which we are entirely opposed. This would also carry significant reputational, legal and financial risk.

Management
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 regulation, and review our response with our advisers and trustees as appropriate. We provide induction and training to new trustees and have processes in place to keep the board apprised of relevant changes in regulation. During the year 'statutory and regulatory updates' became a regular part of the audit and risk committee agenda. 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 the year we established an anti-diversion oversight committee, also chaired by the Director of Finance and Operations, adopted a new anti-diversion and abuse policy and recruited a new role of anti-diversion and corruption manager. This followed recommendations to the board from a project group created to review our policies and procedures around counterterrorism and sanctions risks. A key part of this role is to assist us in navigating our way effectively through the regulatory requirements, to ensure that we continue to highlight the plight of, and provide much needed support to, those most in need while ensuring we remain compliant. For defined high risk locations we have enhanced due diligence procedures that have been approved by the audit and risk committee.

Case study: Working in Syria

The situation

During 2015 the plight of civilians who continue to live in war-torn Syria became ever more desperate. Christian Aid's work up to June 2015 had been in government-held areas and in neighbouring countries hosting large numbers of refugees. In addition to providing essential food and sanitary items, we have worked with partners to provide psycho-social support to traumatised people and physiotherapy to people with disabilities. Our Middle East team recognised, however, that we were not reaching the most vulnerable communities in areas outside of government control. A proposal for working within these areas was developed and taken to the anti-diversion oversight committee.

The risk

Working in non-regime-held areas of Syria presents challenges due to the very insecure nature of those areas and the personal risks taken by our partners and others, including targeted beneficiaries, involved in the implementation of humanitarian activities.

It also presents an exceptionally challenging legal and regulatory environment. Syria is subject to some of the most extensive and complex economic sanctions currently in operation globally, with wide-ranging measures having been put in place by both the EU and the US. The presence in the country of a number of groups appearing on UK, EU and US counter-terrorism lists means that counter-terrorism legislation is also highly relevant in the Syria context.

We therefore faced a number of risks. First and foremost, of failing to deliver our humanitarian imperative of supporting those in need, wherever they are, and that this could result in us being seen as not impartial to the conflict. Given the heightened security risks, we are not able to fully implement all of our anti-diversion policy requirements without putting lives at risk. We also recognised that our bank's own risk management procedures around counter-terrorism might prevent them from making the fund transfers.

How we dealt with it

From the outset our approach was to find a way to fulfil our humanitarian mandate, while at the same time ensuring that we were taking all reasonable steps to manage the substantial risks associated with the work.

It was important to ensure that the risks of working inside non-regime areas of Syria were fully understood by our trustees and that the proposed work plan was appropriately approved. The proposal, which included a full risk assessment and risk mitigation plan, was provided to the audit and risk committee for this purpose. We consulted with the Charity Commission about our plans, and we also sought advice from other thought leaders on working in Syria. We met with our bank and discussed our plans.

The results

More than 50,000 of the most vulnerable Syrians have been helped by Christian Aid in Lebanon and Iraq but, while we have also helped vulnerable Syrians in regime-held areas, we have struggled to reach some of those most in need inside Syria. We have committed extensive resources to investigating transfer options into those areas in Syria and to finding a viable payment routing. Our main bank was not able to process the proposed transfers as these were above the bank's internal risk threshold. However, we identified a routing with an alternative bank that allows us to get funds to our partners in non-regime areas. Systems were put in place to ensure appropriate verification of the fund transfers and safeguards were identified to assist in the monitoring of the programme implementation in the context of an extremely uncertain security situation. Our first relief project is now underway inside non-regime Syria.

The reality of the ever-changing world in which we live is that we need to develop an approach to delivering our much needed humanitarian aid in high risk locations such as Syria or risk abandoning the very people who need us most. This includes the ability to meet complex legal and regulatory compliance requirements in very difficult operating environments. However, this experience also clearly demonstrates the risk that aid delivery is severely delayed or prevented entirely as a result of those requirements. We therefore also need to continue to work with governments, banks and other INGOs to ensure that delivery of humanitarian aid in high risk locations such as Syria does not continue to be disrupted as an unintended consequence of legal and regulatory measures.

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.

Management
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 human resources 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. In line with our practice in the global South, we have increased the opportunities for staff in the UK to give anonymous suggestions and feedback.

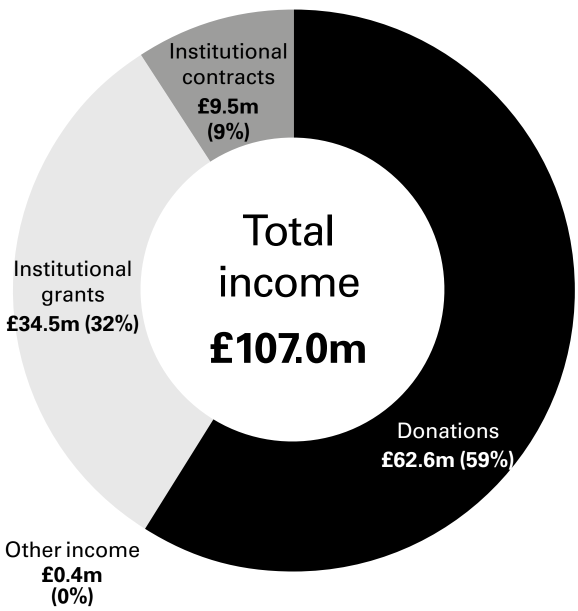
Information systems and cyber security

Risk
We live in an increasingly digitally connected world. Failure to keep pace with new technologies and ways of reaching our supporters and the communities we serve, in the way that they prefer, could reduce our impact and effectiveness. Failure to secure our information systems from malicious attacks could lead to loss of service, loss of sensitive or confidential data and even present a security risk to staff and partners working in challenging locations. This could damage our reputation, result in regulatory breaches and fines or put people at risk.

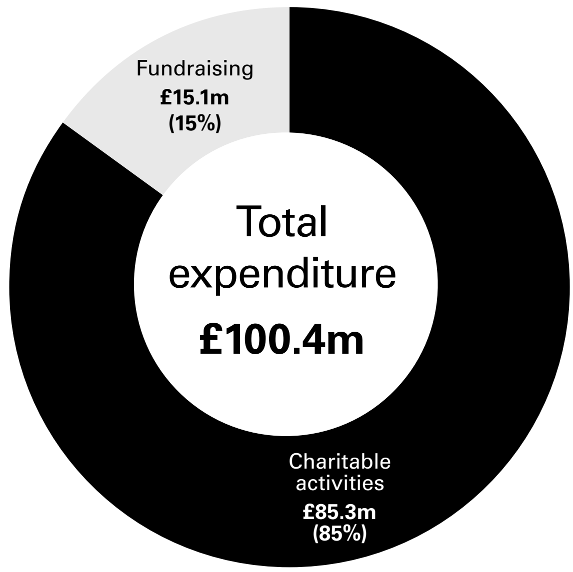
Management
We have developed a 'digital transformation' initiative, which is designed to ensure that we use technology more effectively in all aspects of our work. We have structured information systems policies and procedures that are embedded throughout the organisation and supported by training where appropriate. Our information technology security measures are regularly tested and staff are reminded of the risks of so called 'social engineering', whereby data is provided to unauthorised users pretending to be legitimate. Staff are also reminded of the risks of using social media and all staff complete online data protection training on an annual basis.

Financial review

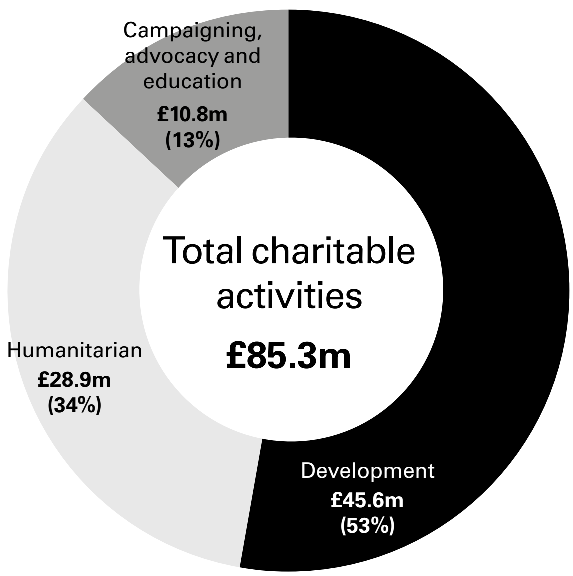
This year we raised £107.0m from...

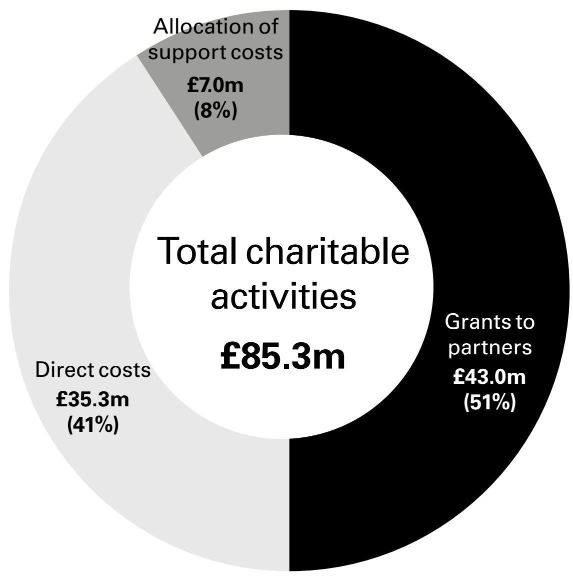


And we spent £100.4m on...



We worked with 576 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

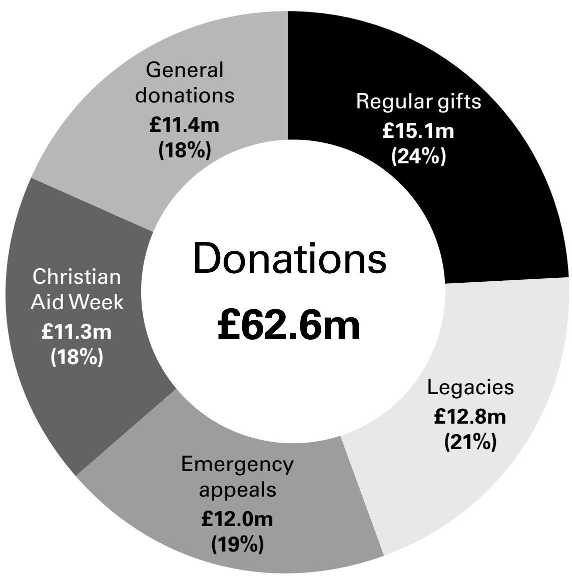
Total income for 2015/16 was £107.0m, up £7.6m or 8% on the previous year and our highest level of income ever.

As highlighted in the table below, both donations and institutional grants increased significantly, while institutional contracts decreased and other income remained static.

Total income by type	2011/12	2012/13	2013/14	2014/15	2015/16	2015/16 Change
Donations	£57.7m	£55.6m	£59.5m	£56.9m	£62.6m	10%
Institutional grants	£31.1m	£27.4m	£31.5m	£31.6m	£34.5m	9%
Institutional contracts	£5.7m	£11.6m	£12.0m	£10.5m	£9.5m	(10%)
Other income	£1.0m	£0.8m	£0.6m	£0.4m	£0.4m	0%
Total income	**£95.5m**	**£95.4m**	**£103.6m**	**£99.4m**	**£107.0m**	**8%**

Donations

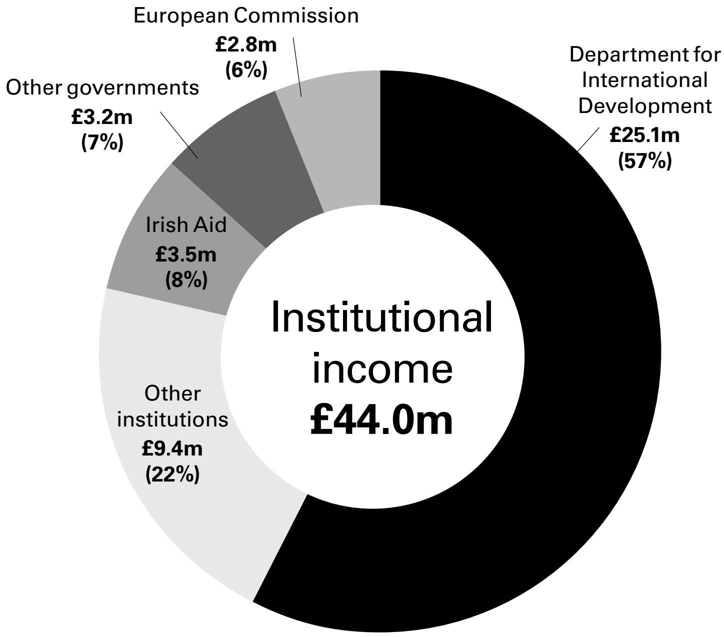
Voluntary donations increased by £5.7m or 10%– from £56.9m in 2014/15 to £62.6m in 2015/16 – reflecting high levels of giving to emergency appeals and legacies.



- Legacies income increased by £3.5m. This was mainly the result of one exceptionally high legacy of £2.8m. Our legacy pipeline remains healthy at £8.1m, although marginally lower than last year.
- The £12.0m we raised through emergency appeals was £4.6m higher than in the previous year. Donations were mainly in response to the Nepal earthquake (£6.3m) and the refugee crisis (£1.9m) appeals, but also included appeals responding to the crises in Gaza and Syria and the Ebola epidemic in Sierra Leone.
- Our income from Christian Aid Week in 2015 was £11.3m, a small increase of £0.2m or 2% compared with 2014.
- Regular gifts raised £15.1m, £0.4m less than the previous year. Our fundraising campaign aimed at recruiting 60,000 new committed givers over the next five years was put on hold while Christian Aid investigated a number of matters raised by the Information Commissioner's Office (ICO). More information on this matter is given in the 'Principal risks' section on p20.
- As in the previous year, our Christmas appeal was very successful, raising £3.4m, a slight decrease compared to the previous year but an increase of £1.9m on the year before. It was boosted by the fact that almost all of this income was matched by the UK Government's Department for International Development (DFID) to fund malaria health projects in Nigeria.

Institutional income (grants and contracts)

Institutional income increased by 5%, from £42.1m in 2014/15 to £44.0m in 2015/16.



The lifetime value of grants and contracts awarded during the year was £43.5m. Here are some of the highlights from the year:

- We were awarded £28m of grants and service contracts from UK aid via DFID. This included a new phase of the Strengthening Transparency Accountability and Responsiveness (STAR) programme in Ghana, which aims to improve citizen and civil society engagement with government, and an extension to our successful ECRP programme in Malawi supporting 78,000 households (430,000 people) to reduce hunger, strengthen their resilience to disasters and become more food secure.
- The START Network, a consortium of humanitarian agencies, awarded funding to our rapid humanitarian response and longer term risk reduction programmes worth £5.8m.
- The European Commission awarded €3.4m (£2.7m) of funding. This included new grants through EuropeAid for long-term development programmes such as a local governance programme in the DRC. The European Commission Humanitarian Office (ECHO) approved grants for our emergency work for our partners' response to the Nepal earthquake, Malawi floods and tropical storms in Bangladesh.
- Christian Aid Ireland secured new funding from Irish Aid for €1.6m (£1.3m) towards humanitarian programmes in the DRC, South Sudan, Iraq, Afghanistan and Nepal, alongside our existing development agreements in West and southern Africa, Latin America and the Middle East.

	2011/12	2012/13	2013/14	2014/15	2015/16	2015/16 change
Number of grants and contracts submitted	119	136	173	119	143	20%
Number of grants and contracts awarded	71	74	83	71	77	8%
Value of grants and contracts awarded	£48.5m(*)	£16.1m	£28.7m	£47.4m	£43.5m	(8%)
Income receivable in the year	£36.7m	£38.0m	£43.5m	£42.1m	£44.0m	5%

* 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.

- We celebrated a decade of funding from the Scottish Government's international development programme last year, with £3.5m of development and humanitarian work so far. This was focused on Malawi and South Asia. An exciting new programme for access to maternal health started in Malawi.
- We agreed our first grant with the United Nations Global Fund for HIV, Malaria and TB for a $3.8m (£2.6m) comprehensive malaria prevention programme in Benue State, Nigeria.
- Other key partners include Comic Relief supporting work in Zimbabwe, Kenya, Nigeria and Sierra Leone.

Expenditure

Our total expenditure increased by £6.2m or 7% in 2015/16, from £94.2m in the previous year to £100.4m in 2015/16.

Direct charitable expenditure at £85.3m represented 85% of our total spending.

In 2015/16 we spent £45.6m on **long-term development**, £2.9m more than the previous year. The breadth and depth of our development work is described on p7 to p15.

We spent £28.9m on our **humanitarian work**, up £2.8m from the previous year as we responded to the earthquake in Nepal while continuing our work in Syria, Iraq and Gaza with war-affected communities. We also continued to help people recover from Typhoon Haiyan in the Philippines and the outbreak of Ebola in Sierra Leone. We supported low-profile emergencies in Malawi, Burkina Faso and Mali, and Pakistan.

Our expenditure on **campaigning, advocacy and education** was £10.8m, which is in line with the previous 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. Our 'Big Shift' campaign was a key part of our climate change campaigning. We organised workshops for supporters who wanted to know more about the role of disinvestment in fossil fuels and they went on to play a crucial role in the successful campaign to secure the UK Government's commitment to phase out the country's reliance on coal. A further highlight was a series of six regional campaigns roadshows in which supporters explored the theological basis for campaigning and developed their skills and expertise in working for social and policy changes.

We also worked with our ACT Alliance allies to influence the development and agreement of the new Sustainable Development Goals, ensuring that important issues like gender equality and tackling climate change were fully integrated into the goals. We have now begun the task of working with and urging governments to ensure that these goals are actually delivered.

We have been advocating on the root causes of the conflict and huge displacement of people in the Middle East and campaigning for the UK to host a greater share of refugees fleeing places of danger.

We have continued to encourage and thank MPs for retaining the UK's commitment to spending 0.7% of national income on overseas aid – ensuring that vital support reaches those who need it most.

Fundraising costs as a percentage of total expenditure is in line with last year at 15%. Spend on fundraising increased by £0.7m as we invested in a new product, Big Brekkie, aimed at recruiting new churches and volunteers in churches to raise money during our Christian Aid Week campaign. We also invested in the Christmas appeal to ensure we maximised the benefit of DFID's UK Aid Match funding.

Expenditure on salaries increased by £1m or 3% during 2015/16. Headcount (full-time equivalent) increased by 8 posts or 1% in the period in light of the scale up in emergency responses, especially in Nepal.

The increase in salaries is slightly higher than the increase in headcount as a pay rise of 1.3% from April 2015 was awarded to employees on UK, Ireland and Spain contracts. Increases of up to 13% were awarded to overseas staff based on inflation indices and legal obligations in the countries where we work.

Grant expenditure has increased by £4.7m, a 12% increase from the £38.3m in the previous year. Most of the increased grant-making was in Africa where a number of new larger programmes (BRACED in Ethiopia and Burkina Faso, UK Aid Match in Kenya and Malawi, and STAR in Ghana) came online in 2015/16.

Total expenditure	**2011/12 restated**	**2012/13 restated**	**2013/14 restated**	**2014/15 restated**	**2015/16**	**2015/16 change**
Direct charitable activity	£82.0m	£84.2m	£86.6m	£79.7m	£85.3m	7%
Fundraising	£12.8m	£12.4m	£13.8m	£14.5m	£15.1m	4%
Total expenditure	**£94.8m**	**£96.6m**	**£100.4m**	**£94.2m**	**£100.4m**	**7%**
Fundraising costs as a percentage of total expenditure	13%	13%	14%	15%	15%	-

Reserves

The charity's operational reserve decreased from £13.9m to £11.6m due to the annual contribution to our final salary pension scheme of £3.1m and the cost of withdrawing from the Growth Plan being higher than the net income. As part of its pension de-risking strategy, Christian Aid withdrew from the Growth Plan, a multi-employer defined benefit pension scheme managed by the Pensions Trust and settled all debts (present and future) related to its participation in the scheme for a value of £755k. During the year we further reduced unrestricted expenditure to mitigate the impact of reduced unrestricted income on the operational reserve. Based on our reserves policy, our target operational reserve for 2015/16 was £19.5m. The trustees are in the process of reviewing the operational reserve policy and target level, meanwhile the trustees anticipate that the level of this reserve will remain below target for at least three years as we implement changes to our business model to strengthen our financial resilience.

Following substantial exchange gains this year, we have created a foreign exchange stabilisation fund to mitigate the risk of future sterling fluctuation.

The final salary pension scheme deficit (under FRS 102 valuation) of £5.9m in 2014/15 has turned into a surplus of £0.7m. This follows both changes in the economic assumptions, principally the discount rate, which have decreased the liabilities in the scheme substantially and an increase in the scheme assets as we continue to contribute to the pension deficit in line with the recovery plan agreed with the Pensions Trust. The surplus in the scheme cannot be recognised in the balance sheet under FRS 102 as it is not recoverable.

Restricted reserves have increased by £5m or 28% as we received large amounts of restricted income in the last month of the year including an exceptionally high legacy of £2.8m.

	2013/14 restated	**2014/15 restated**	**2015/16**	**2015/16 change**
Operational reserve	£14.0m	£13.9m	£11.6m	(17%)
Foreign exchange stabilisation fund	£0m	£0.3m	£1.2m	300%
Fixed asset reserves	£8.2m	£7.9m	£7.7m	(3%)
Other unrestricted reserves	£0.6m	£0.6m	£0.8m	33%
FRS 102 calculated pension deficits	(£2.7m)	(£6.5m)	£0m	100%
Unrestricted reserves, net of pension benefit	£20.1m	£16.2m	£21.3m	31%
Restricted reserves	£15.3m	£17.9m	£22.9m	28%
Total reserves, net of pension deficit	**£35.4m**	**£34.1m**	**£44.2m**	**30%**

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 key management personnel, consisting 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 79.

During 2015 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 wholly owned 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	3	1
Jennifer Cormack[2]	7	6	3	3
John Davies	7	3		
Robert Fyffe[4]	7	6	1	1
Bala Gnanapragasam[1]	7	6	3	3
Carolyn Gray[3,5]	3	0	1	1
Pippa Greenslade[3,5]	6	6	4	3
Victoria Hardman[1]	7	6	3	3
Tom Hinton[2]	7	4	3	3
Mervyn McCullagh[3]	7	7	3	2
Alan D McDonald	7	7		
Andrew Morley	2	2		
Amanda Mukwashi	4	4		
Morag Mylne	7	7		
Wilton Powell	7	4		
Alastair Redfern	3	1		
Brian Ridsdale[1,2,5]	3	3	3	3
Charlotte Seymour-Smith[1,4,5]	3	3	3	3
Paul Spray	7	6		
Carla Stent[1,2]	6	6	5	3
Valerie Traore	4	4		
Rowan Williams[*1,2,3,4]	7	7		
Trevor Williams	7	7		

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 576 partner organisations 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 Charities (Accounts and Reports) Regulations 2008 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 2016.

At 31 March 2016, restricted funds totalled £22.9m.

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 2016 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 £11.6m, a deterioration of £2.3m on the restated previous year and £7.9m below the target set by the trustees. The reserve policy is currently under review by the trustees. The trustees anticipate that the level of this reserve will remain below the current policy's target for at least the next three years as Christian Aid invests in the development and implementation of Vision 2020. Vision 2020 seeks to articulate the future shape of our organisation in response to a changing environment and sets out three key areas of change by which Christian Aid will become globally networked, digitally connected and financially resilient.

General funds represent other unrestricted reserves held separately from the operational reserve in connected charities and subsidiary undertakings.

At 31 March 2016, general funds held by these entities was £0.8m.

The revaluation of bank accounts holding foreign currencies generated significant exchange gains in the last quarter of the year as sterling weakened amid uncertainties around the EU referendum. As a result, a foreign exchange stabilisation fund was created to cover the risk of future currency fluctuations. At 31 March 2016 the level of this reserve was £1.2m.

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 2016, the level of this reserve was £7.7m 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 £6.5m last year has turned into a surplus of £0.7m in the final salary pension scheme as valued under FRS 102 as at 31 March 2016. Surpluses linked to closed defined benefit pension schemes are not recoverable and therefore cannot be recognised in the balance sheets under FRS 102. More details can be found in the 'Christian Aid pension schemes' section on p38 and in note 22 to the financial statements.

At 31 March 2016, unrestricted funds totaled £21.3m, an increase of £5.1m over the year. This is linked primarily to the elimination of the pension scheme deficit. The 'Reserves' section in the financial review gives more information.

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 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 2016, Christian Aid had a foreign exchange forward contract covering risks against US 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 Ghana and India. The selection, monitoring and evaluation of the performance of these grantees are subject to contract-specific performance measures.

Christian Aid pension schemes

Final salary pension scheme: 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.

Contributions to the closed final salary scheme during 2015/16 were based on the triennial valuation at September 2011 and the recovery plan put forward and agreed by the pension trustees from April 2013.

An updated triennial valuation of the scheme as at September 2014 has since been undertaken. The calculated deficit in the scheme was £10.6m and has led to a review of the recovery plan from April 2016 onwards.

In addition, the scheme actuary carries out a separate annual valuation in line with the accounting standard FRS 102. This is calculated using different assumptions and may result in a different funding position. The 31 March 2016 valuation under this method showed a surplus of £0.7m compared with a deficit of £5.9m in the previous year. This resulted from a significant increase in the discount rate assumption, which decreased the estimated present value of the scheme liabilities. As mentioned above the surplus cannot be recognised in the balance sheet. 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.

The Growth Plan: Until March 2016, Christian Aid has participated in the Growth Plan, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. In March 2016, Christian Aid withdrew from the Growth Plan and settled all debts (present and future) related to its participation in the Growth Plan for a value of £755k.

Remuneration policy

Christian Aid's remuneration policy is publicly available to view on our website and is overseen by the remuneration committee of the board. Specifically, the committee has delegated authority to provide governance oversight and input into principles and policies governing the pay and benefits of Christian Aid staff. Our remuneration policy looks to set salaries at the median quartile of comparators. An uplift of 1.3% salary increase was applied to UK staff salaries in April 2015, in line with the average of earnings and consumer price inflation. Internationally, cost of living uplifts are determined and applied using latest available IMF figures, local inflation, relevant exchange rates and local legislation.

The Chief Executive's remuneration level is reviewed and decided by the remuneration committee and approved by the full board in line with Christian Aid's remuneration policy. The remuneration of our directors is decided by the remuneration committee in line with our remuneration policy and in agreement with the Chief Executive. The following guiding principles are used in determining Chief Executive and senior management remuneration: transparency, benchmarking against external comparators, expertise and experience, and competitive recruitment and talent retention.

Communicating with staff and volunteers

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

Discussion and information sharing also take place at quarterly all-staff meetings and lunchtime talks which are also broadcast on internet radio to all Christian Aid offices. Staff also receive *Majority World News*, a daily information bulletin.

Christian Aid is committed to open and accountable management of our employees, where development and recognition is acknowledged. Employees can also raise concerns through their manager or through senior management, including the Chief Executive or anonymously through the whistleblowing policy. All staff are regularly informed and consulted about changes and developments within the organisation.

UK-based staff are encouraged to join trade unions and there is a staff association to represent the views of overseas staff. For formal engagement on staff-related issues we have two recognised unions we engage with in the UK. Internationally, we engage with our staff in three main ways: directly, via regional human resources teams and through locally elected (geographically dispersed) staff representatives collectively known as the international staff association. 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. 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. We have recently launched a volunteers' extranet site and volunteers are able to comment or add items to the newsfeed.

Volunteers

Volunteers continue to make an important contribution to Christian Aid's work and we are currently seeking to expand their involvement. In the last financial year, In addition to the thousands of people who raise funds for Christian Aid in their churches and local communities, we also benefit from the contribution of a team of specialist volunteers. In the last financial year a total of 440 people offered their time and skills in roles such as speaking, teaching, helping with administration and fundraising, undertaking projects as well as carrying out a range of roles at our head office. They contributed around 10,000 hours. Our full-time youth interns contributed an additional 20,000 hours.

Staff health, safety and security

This year has again seen violence against aid workers, as well as high profile terrorist attacks in venues and public places. According to the Aid Worker Security database (aidworkersecurity.org), in 2015 a total of 287 aid workers were killed (109), kidnapped (68) or wounded (110) in 25 countries. Many of these incidents have taken place in a number of highly insecure countries – Afghanistan, Somalia, Pakistan, Central African Republic, Burundi, DRC, South Sudan, Iraq and Syria – all places where Christian Aid and ACT members work.

There have been no major incidents that have overtly affected Christian Aid's staff, offices or reputation this year. However, there have been a number of 'near misses'. For example, a terrorist attack took place on the Radisson Blu hotel in Bamako, Mali, in November, where staff were due to attend a workshop later in the morning. On a number of occasions we have had to temporarily stop programme work or close an office because of the prevailing security situation, for example in Burundi or South Sudan (which is a major source of concern and now has a higher level of incidents than Afghanistan).

This year Christian Aid has recorded a total of 40 security and health and safety incidents – a reduction of 6 from the previous year. Of these, 10 were health and safety incidents, 19 were security, and a further 11 incidents were categorised as 'other' because they do not fall ideally into either category.

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, over 425 Christian Aid staff/interns, ACT members and partners were trained in security and first aid, either on courses in the UK or in 11 overseas countries where we work.

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 the more serious cases, incidents are investigated and lessons learned for the future. New protocols have been put in place to help counter the increased threat from global terrorism.

Christian Aid continues to host the European Interagency Security Forum (EISF) Secretariat. We work closely with the ACT security coordinator and the ACT Safety and Security Community of Practice (SSCP) so that we can efficiently share commonality in security policies.

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 certified – by the Humanitarian Quality Assurance Initiative (HQAI) – against the Core Humanitarian Standards (CHS), which has accountability to beneficiaries at its heart.

Staff matters

The skills, experience and capacity of our staff and their interaction with new and emerging operating models, structures, systems and process are all critical to successfully delivering our new business model. In this regard, we have continued to strengthen and consolidate key people-related initiatives to ensure these are properly embedded across Christian Aid. Full details can be found in the *2015/16 annual people and development report*. Initiatives include:

- enhancing and expanding our management development programme
- nurturing and developing learner engagement and social, collaborative elements of our learning and development strategy
- review and streamlining of HR policies and procedures
- completing our global employee benefits review
- introducing workforce planning concepts and disciplines
- deepening awareness and understanding of Christian Aid's gender strategy and work
- coordinating impact assessments around our policy and programme work to support wider workforce learning
- developing and rolling out our digital transformation programme.

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.

Christian Aid believes that the unequal distribution of power and unfair abuses of power are at the heart of poverty. Furthermore, we believe that the greatest, most pervasive inequality in the world remains the one between women and men. Our corporate gender strategy 'Gender justice for all' sets out our aims, objectives and programmes in this area.

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 applicable law and FRS 102, the Financial Reporting Standards applicable in UK and Republic of Ireland.

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 19 September 2016 and signed on its behalf by the Chair of the Board:

Dr Rowan Williams
Chair of the Christian Aid Board of Trustees
19 September 2016

Auditor's report

We have audited the financial statements of Christian Aid for the year ended 31 March 2016, 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 23.

The financial reporting framework that has been applied in their preparation is applicable law and applicable law and FRS 102, the Financial Reporting Standards applicable in UK and Republic of Ireland.

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.

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

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 2016 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 applicable law and FRS 102, the Financial Reporting Standards applicable in UK and Republic of Ireland; 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
27 September 2016

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 2016

	Notes	2016 Unrestricted funds £'000	2016 Restricted funds £'000	**2016 Total funds £'000**	2015 restated Unrestricted funds £'000	2015 restated Restricted funds £'000	2015 restated Total funds £'000
Incoming resources							
Donations and legacies							
Donations from individuals	2	44,290	18,359	**62,649**	45,346	11,520	56,866
Institutional grants	3, 19-21	1,559	32,922	**34,481**	1,017	30,585	31,602
Charitable activities	4	9,505	-	**9,505**	10,527	-	10,527
Other trading activities		237	-	**237**	258	-	258
Investments		50	41	**91**	74	35	109
Other		13	-	**13**	7	-	7
Total income		**55,654**	**51,322**	**106,976**	**57,229**	**42,140**	**99,369**
Expenditure							
Raising funds		14,828	337	**15,165**	14,028	419	14,447
Charitable activities							
Development	5	24,419	21,192	**45,611**	24,799	17,874	42,673
Humanitarian	5	4,653	24,255	**28,908**	5,521	20,579	26,100
Campaigning, advocacy and education	5	9,986	774	**10,760**	10,371	593	10,964
Total expenditure		**53,886**	**46,558**	**100,444**	**54,719**	**39,465**	**94,184**
Net gains on investment		209	-	**209**	225	-	225
Net gains on currency forward purchase	18	120	-	**120**	392	-	392
Net income		**2,097**	**4,764**	**6,861**	**3,127**	**2,675**	**5,802**
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension scheme	22	3,705	-	**3,705**	(6,813)	-	(6,813)
Removal of pension surplus	22	(696)	-	**(696)**	-	-	-
Exchange translation difference arising on consolidation		34	214	**248**	(266)	(95)	(361)
Net movement in funds		**5,140**	**4,978**	**10,118**	**(3,952)**	**2,580**	**(1,372)**
Reconciliation of funds							
Total funds brought forward at 1 April		16,150	17,910	**34,060**	20,102	15,330	35,432
Total funds carried forward at 31 March	**14,15**	**21,290**	**22,888**	**44,178**	**16,150**	**17,910**	**34,060**

There are no recognised gains or losses, or movements in funds, other than those disclosed above. The notes on p47 to p76 form a full part of these financial statements.

Balance sheets

as at 31 March 2016

	Notes	Consolidated group 2016 £'000	Consolidated group 2015 restated £'000	Parent charity 2016 £'000	Parent charity 2015 restated £'000
Fixed assets					
Intangible assets	8	**79**	360	**79**	360
Tangible assets	8	**7,620**	7,528	**7,599**	7,501
Investments	9	**15,782**	16,460	**15,816**	16,492
		23,481	24,348	**23,494**	24,353
Current assets					
Stocks		**-**	1	**-**	-
Debtors	10	**15,005**	10,700	**14,173**	10,229
Short-term cash deposits		**2,298**	3,229	**2,298**	2,316
Cash at bank and in hand		**9,078**	7,673	**5,739**	4,961
		26,381	21,603	**22,210**	17,506
Liabilities					
Creditors: amounts falling due within one year	11	**(4,392)**	(4,120)	**(4,348)**	(4,029)
Net current assets or liabilities		**21,989**	**17,483**	**17,862**	**13,477**
Total assets less current liabilities		**45,470**	41,831	**41,356**	37,830
Creditors: amounts falling due after more than one year	11	**(525)**	(491)	**(525)**	(491)
Provision for liabilities	11	**(767)**	(794)	**(765)**	(766)
Net assets excluding pension liability		**44,178**	**40,546**	**40,066**	**36,573**
Defined benefit pension scheme liability	22	**-**	(6,486)	-	(6,486)
Net assets including pension liability		**44,178**	**34,060**	**40,066**	**30,087**
Restricted funds					
Appeals and other donations	15	**16,104**	11,314	**15,332**	10,455
Institutional grants	15	**6,784**	6,596	**4,269**	4,061
Total restricted funds		**22,888**	**17,910**	**19,601**	**14,516**
Unrestricted funds					
Unrestricted funds excluding pension reserve		**21,290**	22,636	**20,465**	22,057
Pension reserve	22	**-**	(6,486)	**-**	(6,486)
Total unrestricted funds	14	**21,290**	16,150	**20,465**	15,571
Total funds		**44,178**	**34,060**	**40,066**	**30,087**

The notes on p47 to p76 form a full part of these financial statements. 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
19 September 2016

Consolidated statement of cash flows

for the year ended 31 March 2016

	Notes	**2016 £'000**	2015 £'000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities		**(523)**	2,161
Cash flows from investing activities			
Interest from investments		**91**	109
Proceeds from the sale of fixed assets		**13**	7
Purchase of fixed assets		**(362)**	(486)
Proceeds from sale of investments	9	**2,402**	10,373
Purchase of investments	9	**(1,515)**	(9,655)
Net cash provided by investing activities		**629**	**348**
Change in cash and cash equivalents in the reporting period		**106**	2,509
Cash and cash equivalents at the beginning of the reporting period		**10,902**	8,362
Change in cash and cash equivalents due to exchange rate movements		**368**	31
Cash and cash equivalents at the end of the reporting period		**11,376**	**10,902**
Reconciliation of net income to net cash flow from operating activities			
Net income		**6,861**	5,802
Net gains on investment		**(209)**	(225)
Net gains on currency forward purchase		**(120)**	(392)
Depreciation charges and amortisation of intangible fixed assets	8	**647**	890
Investment income		**(91)**	(109)
Profit on the sale of fixed assets		**(13)**	(7)
(Increase)/decrease in debtors	10	**(4,305)**	914
Increase/(decrease) in creditors		**279**	(1,663)
FRS 102 defined benefit pension contributions	22	**(3,183)**	(3,183)
Growth plan sale	22	**(755)**	-
Amounts related to the defined benefit pension schemes included within the statement of financial activities	22	**366**	134
Net cash inflow from operating activities		**(523)**	**2,161**

Analysis of cash and cash equivalents

Cash at bank and in hand	**9,078**	7,673
Short-term cash deposits	**2,298**	3,229
Total cash and cash equivalents	**11,376**	**10,902**

The notes on p47 to p76 form a full part of these financial statements.

Notes to the Financial statements

for the year ended 31 March 2016

1. Accounting policies

Christian Aid is a charitable company limited by guarantee, incorporated in England and Wales (charity no. 1105851, company no. 5171525) and registered as a charity in Scotland (charity no. SC039150). Its registered address is: Interchurch House, 35 Lower Marsh, London SE1 7RL London. A description of the nature of the entity's operations and its principal activities is disclosed in the annual report accompanying the financial statements.

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 accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. Christian Aid has given due regard to the public benefit guidance issued by the Charity Commission.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

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 15.11 of the SORP. The gross income of the charity for the year was £102.8m (2015: £94.8m) and its gross expenditure was £96.2m (2015: £91.3m).

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. Reconciliation with previous Generally Accepted Accounting Practice

Christian Aid has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. An explanation and reconciliation of how the transition to FRS 102 has affected the reported financial position and financial performance is provided in note 23.

c. Fund accounting

Reserve policies are given on page 36 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.

d. Income

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, probable 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 probable 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 fair value at the date of receipt by Christian Aid.

Legacy income is included where there is sufficient evidence of entitlement, probability 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.

e. Expenditure

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 fundraising and charitable activities based on the proportion of time spent on each of these areas of work.

Expenditure on raising funds include all expenditure incurred by a charity to raise funds for its charitable purposes. It comprises the costs of advertising, profile-raising, digital fundraising, producing publications and digital materials, printing and mailing fundraising material as well as costs incurred in commercial trading activities and investment management costs, the staff in these areas and an appropriate allocation of support costs.

Costs of charitable activities includes 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.

Support costs include the central or regional office functions such as facilities management, finance, human resources and information systems as well as governance costs. Governance costs represent the costs associated with the governance arrangements of the charity as opposed to those costs associated with fundraising or charitable activities.

f. Intangible fixed assets

Intangible fixed assets costing more than £5,000 are capitalised at cost. Intangible fixed assets include software costs. They are amortised over four years, their estimated useful lives.

g. Tangible fixed assets and depreciation

Tangible fixed assets costing more than £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.

As per the option given by the new financial standards, a one-off revaluation of Inter Church House, Christian Aid's principal place of business in the UK, based on a valuation of the property at 1 April 2014, has been included as an adjustment to fixed assets.

h. Stocks

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

i. 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 FRS 102.

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.

j. 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 year. A tax charge of £637 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 (2015: £1.0m).

k. 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.

l. 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.

m. Operating leases

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

n. Critical accounting judgements and key source of estimation uncertainties

In the application of the charity's accounting policies, trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – The charity recognises its liability to its defined benefit pension scheme, which involves a number of estimations as disclosed in note 22.

o. Financial instruments

Christian Aid has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, short-term cash deposits (as defined in the investment and foreign exchange policy on p.37) and the group's debtors excluding prepayments and accrued income. Financial liabilities held at amortised cost comprise the group's short- and long-term creditors excluding deferred income and accrued expenditure. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial. The values of basic financial instruments are given in note 18a.

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.

Details of derivative financial instruments are given in note 18b.

p. Provisions

Provisions are recognised when Christian Aid has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense. No discounting has been applied on the basis that the amounts involved and the periods over which amounts will be settled are such that any discounting would be immaterial.

q. Preparation of the accounts on a going concern basis

Trustees have considered Christian Aid's expectations and intentions for the next twelve months and the availability of working capital and confirm that the charity is a going concern. Trustees are unaware of any events, conditions, or related business risks beyond the period of assessment that may cast significant doubt on the charity's ability to continue as a going concern.

2. Donations from individuals

	2016 Unrestricted £'000	2016 Restricted £'000	**2016 Total £'000**	2015 Unrestricted £'000	2015 Restricted £'000	2015 Total £'000
Christian Aid Week	11,322	-	**11,322**	11,103	-	11,103
In Their Lifetime	162	921	**1,083**	176	1,001	1,177
Denominational appeals	160	998	**1,158**	118	1,375	1,493
Christian Aid humanitarian appeals	-	6,586	**6,586**	-	4,679	4,679
Disasters Emergency Committee appeals	-	5,400	**5,400**	-	2,680	2,680
Legacies	9,989	2,834	**12,823**	9,232	90	9,322
Regular gifts	15,125	17	**15,142**	15,511	7	15,518
Other donations	7,532	1,603	**9,135**	9,206	1,688	10,894
Total donations	**44,290**	**18,359**	**62,649**	**45,346**	**11,520**	**56,866**

Total donations of £62.6m (2015: £56.9m) includes £5.2m of tax recovered through tax efficient giving (2015: £4.9m).
Legacies of which we have been notified, but not recognised as income, are valued at £8.1m (2015: £8.6m).
Total donations include gifts in kind valued at £496,269 (2015: £720,861).
Donations received from the public in the Isle of Man (excluding Government grants) during 2015/16, included above, were £26,242 (2015: £35,812).

3. Institutional grants

	Notes	2016 Unrestricted £'000	2016 Restricted £'000	**2016 Total £'000**	2015 Unrestricted £'000	2015 Restricted £'000	2015 Total £'000
Department for International Development	19	144	15,465	**15,609**	171	14,380	14,551
European Commission		281	2,482	**2,763**	387	3,428	3,815
Irish Aid		-	3,531	**3,531**	-	3,610	3,610
United States Agency for International Development (USAID)		249	429	**678**	-	205	205
Scottish Government		-	581	**581**	-	455	455
Isle of Man Overseas Aid Committee		-	132	**132**	-	77	77
Guernsey Overseas Aid Commission		1	74	**75**	-	55	55
Jersey Overseas Aid Commission		-	60	**60**	-	120	120
Other governments and public authorities		38	1,572	**1,610**	1	95	96
Total government and public authorities		**713**	**24,326**	**25,039**	**559**	**22,425**	**22,984**
Start Network		250	2,625	**2,875**	53	697	750
ACT Alliance		-	707	**707**	2	672	674
Comic Relief	20	-	625	**625**	-	797	797
ICCO*	21	23	438	**461**	3	587	590
Bread for the World		-	29	**29**	-	626	626
Other institutions		573	4,172	**4,745**	400	4,781	5,181
Total institutions		**846**	**8,596**	**9,442**	**458**	**8,160**	**8,618**
Total institutional grants		**1,559**	**32,922**	**34,481**	**1,017**	**30,585**	**31,602**

Total institutional grants of £34.5m (2015: £31.6m) includes gifts in kind valued at £341,246 (2015: £603,656).

Funding of £70,373 was contributed by ACT members in 2015/16 towards the ACT security coordinator (Finn Church Aid £3,044 (€4,000), Norwegian Church Aid £10,000, ICCO £10,843 (€15,000), LWF £7,413 ($10,750), ACT £29,760 ($43,384), DanChurchAid £7,023 ($10,000), Church of Sweden £2,290 ($3,526). Expenditure amounted to £59,003 (2015: £50,993).

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

4. Charitable activities

	2016 Unrestricted £'000	2016 Restricted £'000	**2016 Total £'000**	2015 Unrestricted £'000	2015 Restricted £'000	2015 Total £'000
UK Government – Department for International Development						
PACS2 civil society programme in India	6,693	-	**6,693**	5,906	-	5,906
CSF civil society programme in DRC	-	-	**-**	2,792	-	2,792
Action2020 multi-country accountability programme	1,393	-	**1,393**	-	-	-
STAR accountability programme in Ghana	1,265	-	**1,265**	-	-	-
ENCISS civil society programme in Sierra Leone	19	-	**19**	1,661	-	1,661
Other organisations	135	-	**135**	168	-	168
Total incoming resources from charitable activities	**9,505**	**-**	**9,505**	**10,527**	**-**	**10,527**

5. Total expenditure

		Grants to partner organisations	**Other direct costs**		**Allocation of support costs**			
		£'000	Staff costs £'000	Non staff costs £'000	Staff costs £'000	Non staff costs £'000	**2016 Total £'000**	2015 Total £'000
	Notes	5.1			5.2	5.2		
Raising funds		-	6,867	6,697	1,039	562	**15,165**	14,447
Charitable activities:								
Development		22,199	10,239	9,608	2,481	1,084	**45,611**	42,673
Humanitarian		19,821	4,410	2,630	630	1,417	**28,908**	26,100
Campaigning, advocacy and education		949	5,846	2,603	914	448	**10,760**	10,964
Total charitable activities		42,969	20,495	14,841	4,025	2,949	**85,279**	79,737
Total expenditure		**42,969**	**27,362**	**21,538**	**5,064**	**3,511**	**100,444**	**94,184**

Expenditure on raising funds includes all expenditure incurred by a charity to raise funds for its charitable purposes. It comprises the costs of advertising, profile-raising, digital fundraising, producing publications and printing and mailing fundraising material, costs incurred in commercial trading activities and investment management costs, the staff in these areas and an appropriate allocation of support costs.

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

5.1 Grant expenditure analysed by region

	2016 £'000	2015 £'000	**2016 %**	2015 %
Africa	**19,866**	16,548	**46%**	43%
Asia and the Middle East	**16,513**	15,764	**39%**	41%
Latin America and the Caribbean	**5,082**	5,155	**12%**	14%
Europe	**1,013**	-	**2%**	0%
Global	**495**	838	**1%**	2%
Total grants to partner organisations	**42,969**	**38,305**	**100%**	**100%**

5.2 Allocation of support costs

	Basis of allocation	2016 £'000 Staff cost	2016 £'000 Other costs	**2016 £'000 Total**	2015 £'000 Total
Facilities management	Headcount	125	1,421	**1,546**	1,941
Finance teams	Headcount	1,275	242	**1,517**	1,499
Human resources	Headcount	1,564	505	**2,069**	1,856
Information systems	Headcount	935	1,065	**2,000**	2,053
Pension scheme and financial management	Headcount	541	19	**560**	265
Governance costs	Headcount	624	259	**883**	923
		5,064	**3,511**	**8,575**	**8,537**

6. Staff and trustee costs

Staff costs of Britain-, Ireland- and Spain-based staff	**2016 £'000**	2015 £'000
Salaries	**19,072**	18,841
Pension contributions	**1,435**	1,276
National Insurance contributions	**1,836**	1,854
Benefits in kind	**27**	143
Total staff costs (Britain-, Ireland- and Spain-based)	**22,370**	22,114
Staff cost of overseas based staff	**10,064**	9,362
Total staff costs	**32,434**	**31,476**

Total staff costs include £354,781 of redundancy and termination payments (2015: £255,805). Benefits in kind include £8,000 of company car benefits, the corresponding costs (leasing costs mostly) are reported in non-staff costs in note 5.

Headcount by location	**2016**	2015
Britain-, Ireland- and Spain-based staff	**556**	546
Overseas-based staff	**402**	401
Total headcount	**958**	**947**

Full-time equivalent (FTE) by location	**2016 FTE**	2015 FTE
Britain-, Ireland- and Spain-based staff	**507**	502
Overseas-based staff	**400**	397
Total staff FTE	**907**	**899**

The key management of the charity comprises the Chief Executive and the five directors of the organisation (Policy and Public Affairs, Finance and Operations, Strategy and People Management, Supporter and Community Partnerships and International). The total employee pay and benefits including pension of the key management personnel of the charity were £622,450 (2015: £610,986).

The emoluments of the Chief Executive, the highest paid employee, were £127,711 (2015: £126,206). They increased by 1.3% in 2016, in line with the salary increase awarded by the remuneration committee to all staff in the UK. The Chief Executive's expenses were £7,317 (2015: £6,640) mainly in respect of overseas travel as a representative of Christian Aid and visiting partners.

The number of higher-paid staff with emoluments falling in the following ranges were:		
	2016	2015
£120,000 to £129,999	**1**	1
£110,000 to £119,999	**-**	-
£100,000 to £109,999	**-**	-
£90,000 to £99,999	**1**	2
£80,000 to £89,999	**5**	4
£70,000 to £79,999	**-**	1
£60,000 to £69,999	**9**	8

Contributions in the year for the provision of defined contribution pension schemes to higher-paid staff were £113,352 (2015: £108,965).

Trustees expenses and number of trustees who claimed expenses during the year				
	2016 Number of trustees	**2016 £'000**	2015 Number of trustees	2015 £'000
Trustees' expenses – parent	**16**	**12**	19	10
Trustees' expenses – other group charities	**16**	**6**	14	6

No emoluments are paid to trustees. Trustees are reimbursed for their incidental expenses in attending board, executive and other meetings. Additionally, trustees may occasionally visit Christian Aid partners and programmes overseas with costs of such trips being met by the charity. Two trustees made such visits during the year incurring total expenses of £4,000. Other than this, no individual trustee claimed more than £1,200 in expenses during the year; the total expenses paid to trustees in the year was £18,000 (2015: £16,000).

Donations received from trustees during the year amount to £5,085 (2015: £5,766).

7. Statement of financial activities

Net movement in funds is stated after the following charges:

	Consolidated group		Parent charity	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Auditors' remuneration (exclusive of VAT)				
Fees payable to parent charity's auditors for the audit of the charity's annual accounts	**54**	53	**54**	53
Fees payable to parent charity's auditors for the audit of the charity's subsidiaries pursuant to legislation	**4**	4	-	-
Total audit fees	**58**	57	**54**	53
Other services	**6**	-	**6**	-
Total fees payable to parent charity's auditors	**64**	57	**60**	53
Rental costs in relation to operating leases – land and buildings	**62**	81	**205**	205
Investment manager's fee	**25**	26	**25**	26

8. Fixed assets

a. Intangible fixed assets

	Computer software £'000	**Total £'000**
Cost		
At 1 April 2015	2,521	**2,521**
Additions	48	**48**
Disposals	-	**-**
At 31 March 2016	**2,569**	**2,569**
Amortisation		
At 1 April 2015	2,161	**2,161**
Charge in year	329	**329**
Disposals	-	**-**
At 31 March 2016	**2,490**	**2,490**
Net book value		
At 31 March 2016	**79**	**79**
At 1 April 2015	360	360
Held by parent charity	**79**	**79**
Held by subsidiaries	**-**	**-**

b. 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 2015	6,498	272	2,918	2,104	804	1,097	**13,693**
Additions	-	-	-	103	149	158	**410**
Disposals	-	-	-	-	(122)	(14)	**(136)**
At 31 March 2016	**6,498**	**272**	**2,918**	**2,207**	**831**	**1,241**	**13,967**
Depreciation							
At 1 April 2015	26	90	2,666	1,986	651	746	**6,165**
Charge in year	26	3	60	40	67	122	**318**
Disposals	-	-	-	-	(122)	(14)	**(136)**
At 31 March 2016	**52**	**93**	**2,726**	**2,026**	**596**	**854**	**6,347**
Net book value							
At 31 March 2016	**6,446**	**179**	**192**	**181**	**235**	**387**	**7,620**
At 1 April 2015	6,472	182	252	118	153	351	7,528
Held by parent charity	**6,446**	**179**	**178**	**180**	**235**	**381**	**7,599**
Held by subsidiaries	**-**	**-**	**14**	**1**	**-**	**6**	**21**

Christian Aid has taken the one-off option to revalue its central office property at the beginning of the transition period. Christian Aid owns 71.25% of its building located at 35 Lower Marsh, SE1 7RL. The value of £5.5m as at 1 April 2014 has been established by an independent valuer.

9. Investments

	Consolidated group		Parent charity	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
As at 31 March				
Gilts – UK	**7,435**	4,711	**7,435**	4,711
Fixed-interest securities	**2,703**	5,196	**2,703**	5,196
Floating-rates notes	**199**	526	**199**	526
Sterling deposits	**5,173**	5,745	**5,173**	5,745
Unlisted investments	**151**	151	**151**	151
Investments in subsidiary undertakings	-	-	**34**	32
Programme-related investments	**121**	131	**121**	131
Total investments	**15,782**	**16,460**	**15,816**	**16,492**
Movements during the year				
At the beginning of the year	**16,460**	16,953	**16,492**	16,988
Cost of acquisitions	**1,515**	9,655	**1,515**	9,656
Disposals	**(2,402)**	(10,373)	**(2,402)**	(10,373)
Unrealised gain/(loss)	**209**	225	**211**	221
Total investments	**15,782**	**16,460**	**15,816**	**16,492**

Programme-related investments consist of a social investment loan to a cooperative 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:

	2016 £'000	**2016 %**	2015 £'000	2015 %
UK Treasury Government Bond 4% 07/09/2016	**3,784**	**35.7**	4,024	38.6
Network Rail 1% 07/12/2017	**1,008**	**9.5**	1,005	9.6
UK Treasury 1.25% 22/07/2018	**654**	**6.2**	-	-
KFW 5.625% 25/08/2017	**605**	**5.7**	613	5.9

The historic cost of investments at 31 March 2016 was £16.0m (2015: £16.5m).

10. Debtors

	Consolidated group		Parent charity	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Prepayments	**1,301**	911	**1,277**	903
Accrued income	**10,070**	3,712	**7,766**	2,394
Other debtors	**3,634**	6,077	**3,398**	5,909
Amounts due from subsidiary undertakings	**-**	-	**191**	79
Amounts due from connected charities	**-**	-	**1,541**	944
Total debtors	**15,005**	**10,700**	**14,173**	**10,229**

2016 accrued income has increased significantly since last year. It includes an exceptionally high legacy notified in March (£2.8m), income related to large institutional grants, which met the recognition criteria but had not been received at the end of March 2016 (£5.4m) and an accrual for Gift Aid income claimed but not received from HRMC (£1.1m) at the end of March 2016.

11. Liabilities

11.1 Creditors: amounts falling due within one year

	Consolidated group		Parent charity	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Interest-free loans from supporters	**117**	117	**117**	117
Trade creditors	**1,642**	1,652	**1,630**	1,646
Deferred income	**415**	539	**415**	539
Tax and social security	**571**	568	**563**	564
Other creditors	**844**	764	**757**	677
Accruals	**803**	480	**714**	424
Amounts due to subsidiary undertakings	**-**	-	**147**	-
Amounts due to connected charities	**-**	-	**5**	62
Total creditors	**4,392**	**4,120**	**4,348**	**4,029**

Income is deferred when it is received ahead of income recognition criteria being met.

Movement on deferred income during the year:

	Consolidated group		Parent charity	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Balance brought forward	**539**	1,505	**539**	1,505
Released to income	**(539)**	(1,505)	**(539)**	(1,505)
Received in year	**415**	539	**415**	539
Balance carried forward	**415**	**539**	**415**	**539**

11.2 Creditors: amounts falling due after more than one year

Christian Aid has recognised £525,000 (2015: £491,000) of creditors: amount falling due after more than one year. This amount relates to pension benefits due to overseas staff.

11.3 Provision for liabilities

Christian Aid has recognised a liability of £767,000 (2015: £794,000) for the cost of all benefits to which employees are entitled at the end of the reporting period that have yet to be paid. Provision for liabilities includes a liability for paid annual leave, paid sick leave and termination benefits.

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 2016/17.

	Consolidated group		**Parent charity**	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Commitments	**3,719**	796	**3,719**	796

13. Leasing commitments

As at 31 March 2016, the group had the following lease commitments:

	Consolidated group		**Parent charity**	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Building leases – within one year	**65**	65	**205**	205
Building leases – 2-5 years	**65**	130	**410**	615
Operating leases on equipment – within one year	**3**	4	**-**	-
Operating leases on equipment – 2-5 years	**7**	9	**-**	-
	140	**208**	**615**	**820**

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)	13,939	53,999	(52,295)	209	(4,230)	**11,622**
General funds – Christian Aid Trading Ltd and BICT Ltd	39	26	(26)	-	-	**39**
General funds – Christian Aid Ireland	378	1,457	(1,317)	30	-	**548**
General funds – InspirAction	76	165	(203)	6	-	**44**
General funds – Change Alliance	59	7	-	-	108	**174**
Foreign exchange stabilisation fund	257	-	789	118	-	**1,164**
Fixed asset fund	7,888	-	(647)	-	458	**7,699**
Pension reserves*	(6,486)	-	(187)	3,009	3,664	**-**
Consolidated group total unrestricted funds	**16,150**	**55,654**	**(53,886)**	**3,372**	**-**	**21,290**
Parent charity						
Unrestricted funds excluding pension reserve	22,057	53,999	(52,254)	327	(3,664)	**20,465**
Pension reserves	(6,486)	-	(187)	3,009	3,664	**-**
Parent charity total unrestricted funds	**15,571**	**53,999**	**(52,441)**	**3,336**	**-**	**20,465**

* The pension actuarial gain of £3.0m gains is disclosed net of the removal of the pension surplus of £696,000.

15. Restricted funds

Consolidated group	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Currency translation £'000	**Closing balance £'000**
In Their Lifetime	2,109	921	(1,715)	-	**1,315**
Denominational appeals	390	998	(1,095)	5	**298**
Christian Aid humanitarian appeals:					
Ebola	774	35	(242)	-	**567**
East Africa food crisis	94	-	(94)	-	**-**
Indian Cyclone Phailin	20	-	(20)	-	**-**
India floods 2013	16	-	(16)	-	**-**
Iraq crisis	932	38	(629)	16	**357**
Philippines Typhoon Haiyan 2013	2,099	25	(609)	80	**1,595**
Refugee crisis	-	1,889	(681)	-	**1,208**
Nepal earthquake	-	4,173	(1,011)	-	**3,162**
Middle East (Gaza)	1,347	20	(465)	19	**921**
South Sudan appeal	-	33	(6)	-	**27**
Syria	1,909	414	(694)	18	**1,647**
Disasters Emergency Committee appeals:					
Ebola	132	911	(801)	-	**242**
Gaza crisis	42	575	(357)	-	**260**
Nepal earthquake	-	2,117	(1,826)	-	**291**
Philippines Typhoon Haiyan 2013	(92)	1,797	(999)	-	**706**
Syria crisis	31	-	(31)	-	**-**
Legacies	1,021	2,834	(587)	-	**3,268**
Other donations	485	1,620	(1,854)	(11)	**240**
Appeals and other donations	11,309	18,400	(13,732)	127	**16,104**
Institutional grants	6,601	32,922	(32,826)	87	**6,784**
Total restricted funds	**17,910**	**51,322**	**(46,558)**	**214**	**22,888**

At 31 March 2016 institutional grants funds in deficit amounted to £1.3m (£1.2m at 31 March 2015). Funds are in deficit when, at the end of the reporting period, spends have occurred on a fund but the related income does not meet the recognition criteria.

Parent charity	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Currency translation £'000	**Closing balance £'000**
Appeals and other donations	10,442	17,062	(12,172)	-	**15,332**
Institutional grants	4,074	31,701	(31,506)	-	**4,269**
Total restricted funds	**14,516**	**48,763**	**(43,678)**	**-**	**19,601**

16. Analysis of net assets

Fund balances as at 31 March 2016 are represented by:

	Unrestricted funds		Restricted funds	**Total**
	Designated £'000	Other £'000	£'000	**£'000**
Consolidated group				
Fixed assets	7,699	-	-	**7,699**
Investments	-	15,782	-	**15,782**
Current assets	-	3,493	22,888	**26,381**
Current liabilities	-	(4,392)	-	**(4,392)**
Long-term liabilities	-	(525)	-	**(525)**
Provision for liabilities	-	(767)	-	**(767)**
Pension liability	-	-	-	**-**
Total net assets	**7,699**	**13,591**	**22,888**	**44,178**
Parent charity				
Fixed assets	7,678	-	-	**7,678**
Investments	-	15,816	-	**15,816**
Current assets	-	2,609	19,601	**22,210**
Current liabilities	-	(4,348)	-	**(4,348)**
Long-term liabilities	-	(525)	-	**(525)**
Provision for liabilities	-	(765)	-	**(765)**
Pension liability	-	-	-	**-**
Total net assets	**7,678**	**12,787**	**19,601**	**40,066**

17. Subsidiary undertakings and related party transactions

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 (charity no. NIC101631, company no NI059154). 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 102. The Christian Aid Ireland (Northern Ireland) year end was 31 March 2016.

Christian Aid Ireland Ltd (Republic of Ireland) (CA ROI)
A charitable company limited by guarantee, incorporated in 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 (charity no. 20014162, company no. 426928). 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 102. The Christian Aid Ireland (Republic of Ireland) year end was 31 March 2016.

Christian Aid International (CA INT)
A charitable foundation registered in Spain (no de registro: 08-0383), 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 102. The Christian Aid International year end was 31 March 2016.

The British and Irish Churches Trust Ltd (BICT)
A charitable company limited by guarantee, incorporated in England and Wales (charity no. 213148, company no. 472409), 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 2015, 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 (company no.1001742). 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 2016.

Change Alliance (CHA)
A company limited by share capital, incorporated in India. Change Alliance Private Limited is a company registered in the National Capital Territory of Delhi, India, under number U74120DL2013FTC259624. Its shares are held by employees of Christian Aid as nominees. Change Alliance is a for profit organisation that provides consultancy and advisory services for inclusive, sustainable development, seeking to tackle development challenges with innovative and scalable solutions. It is currently contracted to manage Christian Aid's India programme. The Change Alliance year end was 31 March 2016.

17.1 Subsidiary undertakings

	2016 CA NI £'000	2016 CA ROI £'000	2016 CA INT £'000	2016 BICT £'000	2016 CAT £'000	2016 CH A £'000	2015 CA NI £'000	2015 CA ROI £'000	2015 CA INT £'000	2015 BICT £'000	2015 CAT £'000	2015 CH A £'000
Total incoming resources	2,560	4,615	263	513	193	989	2,739	5,070	265	516	243	577
Total resources expended	(2,591)	(4,772)	(301)	(513)	(26)	(874)	(2,706)	(4,711)	(275)	(516)	(57)	(510)
Net incoming resources	**(31)**	**(157)**	**(38)**	-	**167**	**115**	**33**	**359**	**(10)**	**-**	**186**	**67**
Revaluation on translation	10	234	8	-	-	-	-	-	(14)	-	-	-
Gift Aided to Christian Aid	-	-	-	-	(167)	-	-	-	-	-	(186)	-
Retained surplus/ (deficit) for the year	**(21)**	**77**	**(30)**	**-**	**-**	**115**	**33**	**359**	**(24)**	**-**	**-**	**67**
Total assets	1,808	3,676	92	52	220	234	1,975	2,878	108	51	138	81
Total liabilities	(914)	(714)	(24)	(38)	(195)	(48)	(1,050)	(19)	(10)	(37)	(113)	(14)
Total funds	**894**	**2,962**	**68**	**14**	**25**	**186**	**925**	**2,859**	**98**	**14**	**25**	**67**

17.2 Related party transactions

There have been no related party transactions that require disclosure other than transactions with subsidiary and associated companies, as follows:

	2016 £'000	2015 £'000
1. Grants received from subsidiary undertakings		
Christian Aid Ireland (Northern Ireland)	1,435	1,872
Christian Aid Ireland (Republic of Ireland)	1,239	857
InspirAction	16	9
Total	**2,690**	**2,738**
2. Grants made to subsidiary undertakings		
Christian Aid Ireland (Northern Ireland)	57	225
Christian Aid Ireland (Republic of Ireland)	203	274
InspirAction	-	13
Total	**260**	**512**
3. Donations received under Gift Aid from subsidiary undertakings		
Profit donated by Christian Aid Trading Ltd	**167**	**186**
4. Payments made to subsidiary undertakings for services rendered in connection with Christian Aid's programme in India		
Christian Aid Intercompany Consultancy Fees	**982**	**572**
5. Payments made to subsidiary undertakings for rental of Inter Church House		
The British and Irish Churches Trust Ltd	**205**	**205**
6. Payments received from subsidiary undertakings for licence fees		
Christian Aid Trading Limited	**1**	**1**
7. Payments made by subsidiary undertakings under Deed of Gift for support services		
Christian Aid Ireland (Northern Ireland)	58	56
Christian Aid Ireland (Republic of Ireland)	57	60
Total	**115**	**116**

18. Financial instruments

a. Basic financial instruments

At the balance sheet date the charity held financial assets at amortised cost of £15.0m (2015: £17.0m). Financial assets at fair value through income or expenditure of £15.8m (2015: £16.5m) and Financial liabilities at amortised cost of £3.2m (2015: £3.1m).

b. Other financial instruments – forward contracts

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 2016, Christian Aid had commitments to buy $9m in foreign exchange forward contracts, with an unrealised gain of £376,186 recognised in the statement of financial activities (2015: commitments to buy $7m in foreign exchange forward contracts, with an unrealised gain of £244,390 – fair value calculated as at 31 March 2015).

At 31 March 2016, Christian Aid had no commitments to buy Indian rupees. (At 31 March 2015, Christian Aid had commitments to buy 37m Indian rupees in foreign exchange forward contracts with an unrealised gain of £12,200).

19. UK Government Department for International Development funding

In the year ended 31 March 2016, grants totalling £15.6m (2015: £14.6m) were received by Christian Aid from the Department for International Development, as follows:

	2016 Unrestricted £'000	2016 Restricted £'000	**2016 Total £'000**	2015 Total £'000
Programme Partnership Arrangement	-	7,256	**7,256**	7,256
UK Aid Match	-	802	**802**	1,576
European Interagency Security Forum	2	32	**34**	116
Power to the People	-	-	**-**	(18)
For specific programmes in:				
Burkina Faso	42	2,334	**2,376**	261
Ethiopia	31	1,218	**1,249**	346
India	-	-	**-**	66
Malawi	-	3,307	**3,307**	2,487
Myanmar	-	-	**-**	252
Nepal	-	15	**15**	-
Nigeria	69	501	**570**	639
Philippines	-	-	**-**	1,570
	144	15,465	**15,609**	14,551

Expenditure for the Governance and Transparency Fund (GTF301) 'Power to the People', in the year ended 31 March 2016 was nil (2015: £9,558).

20. Comic Relief funding

In the year ended 31 March 2016, grants totalling £0.6m (2015: £0.8m) were received by Christian Aid from Comic Relief, as follows:

	2016 Unrestricted £'000	2016 Restricted £'000	**2016 Total £'000**	2015 Total £'000
People Living Positively	-	20	**20**	138
For specific programmes in:				
Angola	-	8	**8**	5
Kenya	-	409	**409**	598
Sudan*	-	-	**-**	(131)
Zimbabwe	-	188	**188**	187
	-	625	**625**	797

*£131,000 was returned to Comic Relief in 2015 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	31	2	-	-	(33)	**-**
Civil society organisations (CSOs) capacity strengthening	19	-	-	(7)	-	**12**
Ebola crisis West Africa 2014	50	293	-	(64)	(300)	**(21)**
Philippines Typhoon Haiyan (Yolanda) 2013	226	-	(6)	(18)	(194)	**8**
Humanitarian response to internally displaced people in northeast Nigeria	-	70	-	(10)	(36)	**24**
Una Generation para la Paz	-	96	-	-	(92)	**4**
Total ICCO funding	**326**	**461**	**(6)**	**(99)**	**(655)**	**27**

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

22. Pensions

At the end of March 2016, Christian Aid operates a defined benefit scheme. Until March 2016, Christian Aid also participated into the Growth Plan, a multi-employer defined benefit scheme. Details of both plans are given in note 22a and 22c.

	Notes	**2016 £'000**	2015 £'000
Net liability, defined benefit funded pension scheme	22a	-	(5,911)
Net liability, Growth Plan	22b	-	(575)
Total net liability		**-**	**(6,486)**

a. Defined benefit (final salary) funded pension scheme

The employer 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 was carried out at 30 September 2014 and updated to 31 March 2016 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

This most recent scheme funding valuation showed a deficit of £10.6m. The employer has agreed with the trustee that it will aim to eliminate the deficit over a period of two years and eleven months from 1 April 2015 by the payment of annual contributions of £3.1m in respect of the deficit. Also, in accordance with the actuarial valuation, the employer has agreed with the trustee that it will pay £93,000 per annum to cover expenses of the scheme. In addition, levies to the Pension Protection Fund will be paid separately by the employer.

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

	2016 £'000	2015 £'000
Present value of funded obligations	**(58,861)**	(63,359)
Fair value of plan assets	**59,557**	57,448
Surplus*/(deficit)	**696**	(5,911)

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

*Surpluses linked to closed defined benefit pension schemes are not recoverable and therefore can not be recognised in the balance sheets under FRS102.

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

	2016 £'000	2015 £'000
Opening defined benefit obligation	**63,359**	48,694
Current service cost*	**145**	138
Interest on obligation	**1,950**	2,119
Actuarial losses/(gains)	**(5,548)**	13,607
Benefits paid	**(1,045)**	(1,199)
Defined benefit obligation at end of year	**58,861**	63,359

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

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

	2016 £'000	2015 £'000
Opening fair value of scheme assets	**57,448**	46,577
Expected return	**1,814**	2,093
Actuarial gain/(loss)	**(1,843)**	6,794
Employer contributions	**3,183**	3,183
Benefits paid	**(1,045)**	(1,199)
Fair value of scheme assets at the year end	**59,557**	57,448

The actual return on the scheme assets over the period ended 31 March 2016 was (£29,000). The best estimate of contributions to be paid by the employer for the period commencing 1 April 2016 is £3.2m. 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 17 December 2015.

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

	2016 £'000	2015 £'000
Current service cost	**(145)**	(138)
Expected return on scheme assets	**1,814**	2,093
Interest on obligation	**(1,950)**	(2,119)
Total amount charged within net incoming/(outgoing) resources	**(281)**	**(164)**
Actuarial gain/(loss)	**3,705**	(6,813)
Total amount charged to the statement of financial activities	**3,424**	**(6,977)**

	2016 £'000	2015 £'000
Net cumulative actuarial losses since 1 April 2002	**15,700**	19,405

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

	Value at 31 March 2016 £'000	**Proportion %**	Value at 31 March 2015 £'000	Proportion %
Equities	**28,927**	**49%**	28,094	49%
Bonds	**29,340**	**49%**	28,658	50%
Cash	**1,290**	**2%**	696	1%
	59,557	**100%**	57,448	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.

	2016 £'000	2015 £'000
The actual return on the scheme assets in the year	**(29)**	8,887

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

	2016	2015
Discount rate	**3.50%**	3.10%
Rate of increase in salaries	**4.00%**	4.00%
Rate of increase of pensions: LPI 5%	**2.10%**	2.10%
Rate of revaluation of deferred pensions in excess of the Guaranteed Minimum Pension	**3.00%**	3.00%
Inflation assumption – Retail Price Index	**3.00%**	3.00%
Inflation assumption – Consumer Price Index	**2.00%**	2.00%

The mortality assumptions adopted at 31 March 2016 imply the following life expectancies:	**2016 Years**	2015 Years
Male retiring at age 65 in 2016	**23.1**	23.3
Female retiring at age 65 in 2016	**24.8**	25.0
Male retiring at age 65 in 2036	**24.8**	25.1
Female retiring at age 65 in 2036	**26.3**	26.5

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

	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Defined benefit obligation	**(58,861)**	(63,359)	(48,694)	(48,068)	(43,850)
Scheme assets	**59,557**	57,448	46,577	40,098	33,761
Surplus/(deficit)	**696**	(5,911)	(2,117)	(7,970)	(10,089)
Experience gain/(loss) on scheme liabilities	**310**	(2,699)	226	340	1,661
Actual return less expected return on scheme assets	**(1,843)**	6,794	2,047	2,825	(189)

b. Defined contribution pension scheme

The total cost of the defined contribution pension scheme to the charity was £1.2m (2015: £1.2m). There were no outstanding or prepaid contributions at 31 March 2016.

c. The Pensions Trust Growth Plan

Until March 2016, Christian Aid participated in the Growth Plan scheme, a multi-employer scheme that provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. As per FRS 102 requirements, the scheme has been added to the pension liabilities at the end of March 2015. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme. The scheme net liability as at March 2015 was £575,000.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004, which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

In March 2016, Christian Aid withdrew from the Growth Plan and settled all debts (present and future) related to its participation in the Growth Plan for a value of £755,000.

23. Transition to FRS 102, prior year adjustment notes

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. The transition date was 1 April 2014. In accordance with the requirements of FRS 102, a reconciliation of opening balances and 2014/15 movements in funds is given below.

a. Reconciliation of funds

	Notes	2015 Unrestricted £'000	2015 Restricted £'000	**2015 Total £'000**	2014 Unrestricted £'000	2014 Restricted £'000	**2014 Total £'000**
Funds as previously stated		**12,040**	**17,974**	**30,014**	**16,606**	**15,344**	**31,950**
Employees' benefits	1						
a Holiday pay accrual		(508)	(26)	**(534)**	(530)	(14)	**(544)**
b Termination benefits accrual		(227)	(38)	**(265)**	(317)	-	**(317)**
Expenditure related to Christian Aid Week occurring in the financial year before the event	2	(318)	-	**(318)**	(388)	-	**(388)**
Multi-employer defined benefit scheme (Growth Plan)	3	(575)	-	**(575)**	(603)	-	**(603)**
Unrealised gains (losses) on derivatives	4	257	-	**257**	(135)	-	**(135)**
Building revaluation	5	5,481	-	**5,481**	5,469	-	**5,469**
Funds as restated		**16,150**	**17,910**	**34,060**	**20,102**	**15,330**	**35,432**

1 Christian Aid has recognised a liability for the cost of all benefits to which employees are entitled at the reporting date that have yet to be paid. Liabilities which have been recognised for the first time are:

a. A liability for paid annual leave and paid sick leave.
b. Termination benefits measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

2 In previous years, expenditure occurring in preparation for Christian Aid Week in the following year has been treated as a prepayment. FRS 102 moves away from matching expenditure to the income it generates and therefore expenditure is now recognised in the financial year it occurred.

3 In accordance with FRS 102, Christian Aid has accounted for its participation in the Growth Plan scheme, a multi-employer defined benefit pension scheme. See Note 22c to the financial statements for more details.

4 Christian Aid uses derivative financial instruments to manage its exposure to foreign currency exchange risks. As per FRS 102, they have been initially recognised and then subsequently measured at fair value. See Note 18 to the financial statements for more details.

5 Christian Aid has taken the one-off option to revalue its central office property at the beginning of the transition period. Christian Aid owns 71.25% of its building located at 35 Lower Marsh, SE1 7RL. The value of £5.5m as at 1 April 2014 has been established by an independent valuer.

b. Reconciliation of movements in funds

	Notes	Unrestricted £'000	Restricted £'000	**Total £'000**
2014/15 net movement in funds for the year as previously stated		**(4,566)**	**2,630**	**(1,936)**
Income				
Difference in valuation of expected return/interest on defined benefit pension scheme assets	1	(527)	-	**(527)**
Unwinding of the discount factor (Growth Plan)		(16)	-	**(16)**
Impact on total income		**(543)**	**-**	**(543)**
Expenditure				
Employees' benefits				
Holiday accrual		22	(12)	**10**
Termination benefits accrual		92	(38)	**54**
Expenditure related to Christian Aid Week occurring in the financial year before the event		68	-	**68**
Depreciation of fixed assets (revalued building)		12	-	**12**
Remeasurements impact of any change in assumptions (Defined benefit pension scheme and Growth Plan)		18	-	**18**
Impact on total expenditure		**212**	**(50)**	**162**
Impact on net income (expenditure) for the year		**(331)**	**(50)**	**(381)**
Other recognised gains				
Unrealised gains on derivatives		392	-	392
Actuarial gains on defined benefit pension scheme	1	553	-	553
2014/2015 net movement in funds restated		**(3,952)**	**2,580**	**(1,372)**

1 Under FRS 17, the expected return on the scheme assets was determined by reference to returns on asset classes. Under FRS 102, it is determined using the discount rate. This change has an impact on investment income but no impact on the pension scheme deficit.

Reference and administrative details

Board of Trustees

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Vice Chair
Victoria Hardman[1]

Other trustees
Alexis Chapman[2]
Jennifer Cormack[2]
John Davies
Robert Fyffe[4]
Pippa Greenslade[3,5] (from May 2015)
Bala Gnanapragasam[1]
Carolyn Gray[3,5] (until October 2015)
Tom Hinton[2]
Mervyn McCullagh[3]
Alan McDonald
Andrew Morley (October to December 2015)
Amanda Mukwashi (from October 2015)
Morag Mylne
Wilton Powell
Alastair Redfern (until November 2015)
Brian Ridsdale[1,2,5] (until October 2015)
Charlotte Seymour-Smith[1] (until October 2015)
Paul Spray
Carla Stent[1,2] (until October 2015)
Valerie Traore (from October 2015)
Trevor Williams

Committee advisers
Duncan Brown[3,5]
Mark Currie[1]
Phil Hodkinson[2]
Linda Holbeche[3]
Mick Howard[5]
Jenine Langrish[2]
Graham O'Connell[3]
Steve Thomas[2]

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

Executive officers

Chief Executive
Loretta Minghella

Directors
Policy and Public Affairs – Christine Allen

Finance and Operations – Martin Birch

Strategy and People Management – Martin Kyndt

Supporter and Community Partnerships – David Pain

International – Paul Valentin

Professional advisers

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To find out more about our work, please visit our websites

christianaid.org.uk

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or email us at: info@christian-aid.org

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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Robin Greenwood

Head of Programme Funding
Dominic Brain

Head of Programme Performance and Learning
Kate Bingley

Head of Africa
Karimi Kinoti

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Ray Hasan

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Nick Guttman

Head of Large and Complex Programmes
Sarah Moss

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Andrew Croggon

Corporate Gender Champion
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Director of Finance and Operations
Martin Birch

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Josie Oppong

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John Ward

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Gaynor Miller

Head of Supporter Relations
Helen Campbell

Head of Facilities Management
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Head of Advocacy
Laura Taylor

Head of Church Advocacy
Dionne Gravesande

Head of Policy
Alison Kelly

Chief Development Economist
Priya Lukka

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Director of Supporter and Community Partnerships
David Pain

Head of Christian Aid, Wales
Huw Thomas

Chief Executive, Christian Aid Ireland
Rosamond Bennett

Head of Christian Aid Scotland
Kathy Galloway

Head of Performance and Development
Esther Stevenson/Libby Gordon (jobshare)

Head of South East
Jenny Ayres/Katie Roberts (jobshare)

Head of Westside
Georgia Boon

Head of Eastside
Lucy Connell

Head of London
Mark Sturge

Head of Southwest
Nigel Quarrell

Head of Strategic Communications
Claire Aston

Head of Supporter Engagement
Ian Livett

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Frances McConnell

Head of Private Sector Participation
Katie Hill

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Director of Strategy and People Management
Martin Kyndt

Head of Global HR Services
Ola Fajobi

Head of Strategy Implementation and Internal Communications
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Acknowledgements

Sponsoring churches

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
Church of Ireland
Church of Scotland
Congregational Federation
Council of African and Afro-Caribbean Churches
Council of Oriental Orthodox Christian Churches
Countess of Huntingdon's Connexion
Fellowship of the Churches of Christ
Free Church of England
Greek Orthodox Church
Independent Methodist Churches
International Ministerial Council of Great Britain
Joint Council for Anglo-Caribbean Churches
Lutheran Council of Great Britain
Methodist Church
Methodist Church in Ireland
Moravian Church of Great Britain and Ireland
New Assembly of Churches
New Testament Assembly
New Testament Church of God
Non-Subscribing Presbyterian Church of Ireland
Old Baptist Union
Presbyterian Church in Ireland
Presbyterian Church of Wales
Religious Society of Friends in Britain
Religious Society of Friends in Ireland
Russian Orthodox Church
Salvation Army (UK Territory)
Scottish Episcopal Church
Seventh Day Adventist Church
Union of Welsh Independents
Unitarian and Free Christian Churches
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.

Institutions and trusts

ACBAR
ACT Alliance
ACT EU (formerly APRODEV)
Action Aid
AMREF
Bread for the World
British Council
Centre for Research on Multinational Corporations (SOMO)
Comic Relief
DanChurchAid
Department for International Development (DFID)
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
Disasters Emergency Committee (DEC)
Electric Aid
Episcopal Relief and Development
Eurodad
European Commission
European Commission Humanitarian Aid (ECHO)
Fondation Ensemble
Global Fund to Fight AIDS, Tuberculosis and Malaria
Health Poverty Action
HEKS
Helpage International
ICCO
International Institute for Environment and Development (IIED)
International Orthodox Christian Charities
Irish Aid
Isle of Man International Development Committee
JC Flowers Foundation
Latin American Children's Trust
Maurice and Hilda Laing Charitable Trust
MIF – Multilateral Investment Fund (IDB group)
Muslim Aid
Norwegian Church Aid
Open Society Foundations
Oxfam GB
Oxfam Intermon
Save the Children UK
Scottish Government
START Network
State of Guernsey Overseas Aid Commission
States of Jersey Overseas Aid Commission
Swiss Federal Department of Foreign Affairs (FDFA)
The Ashden Trust
The Band Aid Charitable Trust
The Blandford Lake Trust
The Coca Cola Foundation for Africa
The Faroe Islands Ministry of Foreign Affairs
The Ford Foundation
The J A Clark Trust
The Kadoorie Foundation
The Latin America Children's Trust
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The Turing Foundation
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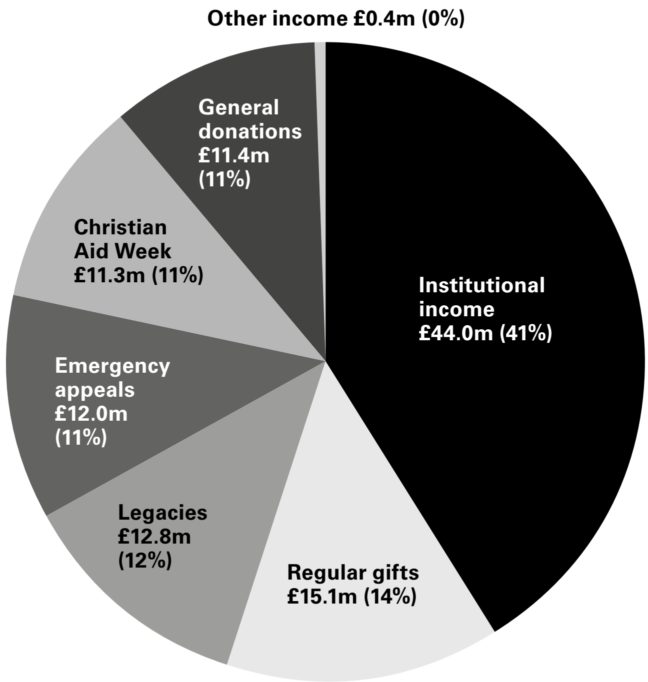
White & Case LLP

Total income: £107.0 million



Total expenditure: £100.4 million