

CHRISTIAN AID ANNUAL REPORT AND ACCOUNTS 2010/11

POVERTY



Poverty is an outrage against humanity.
It robs people of dignity, freedom and hope,
of power over their own lives.

Christian Aid has a vision – an end to
poverty – and we believe that vision can
become a reality. We urge you to join us.

christianaid.org.uk

Christian Aid is a member of the

actalliance

The ACT Alliance is a global coalition of churches
and agencies engaged in development,
humanitarian assistance and advocacy.

Front-cover photo: Christian Aid/Eleanor Bentall

Photo: March 2011. Christian Aid partner, DDS, runs social and agricultural programmes to enable 5,000 poor, excluded women in drought prone Medak district of Andhra Pradesh, India to gain control over food production and media. Chandramma Moligeri (56) has been helped by DDS and now has land to leave her family. She is photographed with her daughter-in-law Manjula (28) and granddaughter Sravanthi (8) on land that she has given her daughter-in-law, in Bidakanne village.

CONTENTS

Letter from the chair	2
Christian Aid's director	3
Trustees' report	4
Overview of Christian Aid in 2010/11	4
Where we work	6
Progressing our strategic focus areas	9
Secure livelihoods	10
Economic justice	18
Accountable governance	24
HIV	28
Strengthening the movement for global justice	34
Strengthening the organisation	40
Financial review	46
Structure, governance and management	51
Auditors' report	56
Financial statements	57
Reference and administrative details	78
Further information and contact details	79
Acknowledgements	80

LETTER FROM THE CHAIR



This has been the first year under our new director, Loretta Minghella. A lawyer by training, Loretta joined us in April 2010 after a career in financial regulation, most recently as the chief executive of the Financial Services Compensation Scheme. As those who have met her and worked with her will testify, Loretta has already established herself as a powerful and committed advocate for Christian Aid and its mission to eradicate poverty, across a huge range of audiences within and outside the churches. She is also committed to building real partnerships for change.

Christian Aid is an organisation built on partnership and relationships: a global movement for change. We have this year explored ways to deepen our existing relationships with our partners, supporters, sponsoring churches and others. I would like to thank all those who have supported our work in 2010/11, through giving, acting and praying. Without that, none of what we have been able to achieve would have been possible. It is to the great credit of our committed supporters that, even though so many in Britain and Ireland are experiencing tight financial times, this year we were able to exceed our income targets.

While the global financial crisis can certainly be felt at home, the impact in countries where we work has been devastating. The collapse of fragile markets, escalating food prices and currency fluctuations have all had the greatest impact on those who are already the most vulnerable. This has made the work of Christian Aid and our partners even more essential to people living in poverty.

As we develop a corporate strategy to succeed Turning Hope into Action, we have a valuable opportunity to reflect not only on what we have been able to achieve, but also on the new opportunities and challenges that are before us. Our understanding of poverty has been developing

over time, articulated in 2009's *Poverty Over*, and more recently in 2010's *We're all in this Together*. We have also seen a significant shift in the nature and dynamics of poverty. Twenty years ago, more than 90 per cent of people living in poverty lived in low income countries. This is no longer the case: a report published by the Institute of Development Studies in September 2010 estimated that approximately three-quarters of the world's poor people now live in middle income countries. This has brought new challenges, not least growing inequality. This shift also means that Christian Aid and the wider development community have big decisions to make about where we work, and how. A key element of our new strategy is to re-examine the ways in which we and our partners work, seizing new opportunities in these emerging economies, for example enterprise based development.

It has been a year of change and challenge, both externally and internally, and on behalf of the Board I would like to take this opportunity to thank all the staff at Christian Aid for their continuing work and commitment to the vision of ending poverty. I would also like to thank my fellow trustees for their work and support, and in particular those who stood down this year: Noel Davis, who was an extremely supportive vice chair, Roger Purce, who also chaired the Christian Aid Ireland Board, and Robert Beckford.

Dame Anne Owers DBE

Chair of the Christian Aid Board of Trustees

CHRISTIAN AID'S DIRECTOR



At the end of my first full year as director of Christian Aid, I can look back on what has been an eventful, challenging and rewarding 12 months. It has been, in some respects a difficult year, but it has also been a year of progress and achievements and we look forward to sharing some of these with you in this report.

I have felt privileged to lead such a committed organisation, where I am constantly learning, and where I am able to bring my faith to the centre of my work. Being new to the development sector, a priority for me has been to see first-hand the challenges that we face in realising our ambition of a world free from poverty. On visits to Kenya, India, the Dominican Republic, Israel and the occupied Palestinian territory, Haiti and Nicaragua I have seen poverty of a type and scale that I hope most of you will never see. Children too weak from hunger to walk to school, people dying for want of the few pounds they need for life saving treatment, families too poor to bury their own dead. I have also been overwhelmingly impressed by the expertise, diligence and vision of Christian Aid staff around the world. Understanding the scale and depth of the challenges that so many in the world face gives me immense pride not just in our staff, but also in our partners, volunteers, campaigners and supporters for their part in our collective achievements to address the scandal of 21st century poverty.

2010/11 has been a year of transition, not just for me but for the organisation as a whole. As we enter the final year of our corporate strategy Turning Hope into Action, work has already begun on its successor. This work has been an opportunity to affirm our beliefs and values, reconnect with churches in the global north and global south, and reiterate our commitment to partnership. It has been an opportunity to explore new areas of work and different ways of working to ensure that Christian Aid remains an effective and impactful organisation in the fight against poverty.

To do this well, we have to maintain an understanding of the changing world around us. In the UK a change in government means building relationships with new MPs, and also refocusing our campaign and advocacy messages to respond to and influence a new government agenda, especially on issues of climate change and tax justice. The new government brought with it a new set of priorities and processes for funding international development work, and our ability to rise to their challenges and submit a successful application for government funding through

a Partnership Programme Arrangement (PPA) has been a major achievement of the year.

In a tough funding environment, our fundraisers have continued to excel, thereby ensuring that we have the resources we need to support our partners, respond to emergencies such as the devastating floods in Pakistan in 2010, and deliver on our existing commitments. We have also continued closely to monitor our costs, and have strengthened our organisational approach to risk management. We are committed to efficiency in all that we do, and were thrilled when a 2010 evaluation of our 2008-11 PPA concluded that 'Christian Aid in the view [of the] evaluators does provide extremely good value for money'.

When considering the scale of the challenges that we face, the importance of Christian Aid's commitment to partnership seems to me even more fundamental. Throughout this year and going into the next we have worked to deepen and strengthen our existing partnerships, for example through the ACT Alliance of churches, and church based relief and development organisations, and also to explore new relationships. We have also continued to focus on the unique contribution that we as a Christian organisation working with people of all faiths and none can bring to the partnerships and networks of which we are part, and where we are able to add value.

With this collective approach to development comes a responsibility to be accountable and transparent in our work. This year we have continued our commitment to evidence the change we are making by commissioning independent, external evaluations, which are available on our website. In undertaking these evaluations and sharing the results we seek not only to continually learn and improve as an organisation, but also to ensure that all supporters are fully informed of our work and progress, and to honour our commitments to accountability to those in poverty.

Thank you for your interest in our work. May I commend this report to you.

A handwritten signature in black ink that reads "Loretta Minghella". The signature is fluid and cursive, written in a professional but personal style.

Loretta Minghella
Director of Christian Aid

TRUSTEES' REPORT

OVERVIEW OF CHRISTIAN AID IN 2010/11

WHO WE ARE

At Christian Aid, we believe that poverty is an outrage against humanity. It robs people of dignity, freedom and hope, of power over their own lives. Christian Aid has a vision – an end to poverty – and we believe that vision can become a reality. The essential purpose of Christian Aid is to expose the scandal of poverty, to help in practical ways to root it out from the world, and to challenge and change the systems that favour the rich and powerful over the poor and marginalised.

Created by British and Irish churches in 1945, Christian Aid provides urgent, practical and effective assistance where need is great, tackling the effects of poverty as well as its root causes. Our work is based on our fundamental identification with the aspirations and rights of the poor and the oppressed. We act in situations of suffering and injustice because we believe that they violate God's standards, and devalue us all. For us, responding to what is wrong is not just an option: it is a mandate.

We have an obligation to speak with and for the poor. We are obliged to act if there is injustice.

For us, partnership is a matter of principle, not of convenience. All our work is built on mutually accountable relationships, with partners who have roots in the community in which they are working. We help to fund their work, facilitate their learning and develop their capacity, and in turn they enrich us with their wisdom, experience and vision.

We work with alliances of other faiths and with secular groups that share our passionate determination to end poverty. We are committed to working with governments and the private sector, and other actors of influence and impact on development and the lives of poor people, and to promoting dialogue between faiths and communities to help bring about peace and justice.

This report seeks to outline Christian Aid's 2010/11 work by illustrating how we and our partners have progressed and achieved impact in line with our strategic priorities, what challenges

we have faced along the way, and how we were able to add value to our work with others.

CHALLENGES FACED

New UK coalition government

In May 2010, the general election in the UK resulted in a change of government, a coalition between the Conservative and Liberal Democrat parties. Since the new government was formed, we have worked to establish strong constructive relations, both directly and with other NGOs and development agencies. At the parliamentary lobby organised by Christian Aid and attended by thousands of supporters, we thanked the government for protecting the aid budget, and for keeping the commitment to reach 0.7 per cent spending on overseas assistance. We also continue to engage with, and where necessary challenge, DFID on various reviews, such as the Humanitarian Emergency Response Review (HERR) and bilateral and multilateral reviews.

Key events in Christian Aid's Year 2010/11

April



April 2010: we held 'Ask the Climate Question' events around the country to coincide with the general election. Thousands of supporters used these events to quiz candidates and MPs in 50 key seats on how they were going to tackle climate change in the new government.

May



May 2010: with the support of over 100,000 volunteers, Christian Aid Week 2010 raised £13.4m.

July



July 2010: heavy monsoon rains triggered the worst flooding in 80 years in Pakistan. By September 2010, it was estimated that more than 20 million people in 78 districts across the country had been affected. With the ACT Alliance, we are responding.

Aug



August 2010: we launched our Trace the Tax campaign at the Greenbelt festival, calling on four leading companies to support our calls for greater transparency to tackle tax dodging. Thousands of supporters sent postcards, emails and texts to the companies.

Global financial downturn

While the UK aid budget has been ring fenced, cuts in other sectors have meant that UK citizens are facing tough economic times. Despite such difficulties, we are enormously grateful to our supporters, who have helped us to achieve our second highest fundraising year.

Fundamental to our work has been the impact that the global financial crisis has had on our partners, and on the countries in which we work. Increasing fluctuations in the global food market have had perhaps the most visible impact, with prices for staple foods rising beyond the means of many ordinary people. In Niger, for example, communities whose crops have failed are forced to import staple foods, causing food prices to rise by approximately 25 per cent in the past year. The impact of escalating food prices is perhaps most keenly felt by people already living in poverty: those who are already most vulnerable due to factors such as conflict, climate change and disease, have been particularly affected, as have women.

This makes our international presence and support even more essential than ever.

As governments continue to struggle with tough economic times in their home countries, the questioning of foreign aid commitments continues. Christian Aid has an obligation to challenge critics, making it clear that government aid monies are a moral and practical necessity.

Partnership Programme Arrangement (PPA)

A strong relationship with DFID has always been a particular priority for Christian Aid, with the unrestricted funds from our PPA enabling us to respond quickly to emerging events, seize new opportunities, and leverage additional funds. With our 2008 arrangement coming to an end in March 2011, submitting a successful bid for a 2011-14 PPA was a major corporate priority this year. Following a rigorous and competitive process we were thrilled to be one of only 39 successful applicants, and also to secure an increase in funding

from 2008-11 levels. However, the nature of this latest round of PPAs is significantly different to previous years, and developing the internal systems to meet new requirements and successfully deliver on the priorities we have identified has been a challenge that we will continue to address.

New corporate strategy

Since 2005 our work has been steered by our corporate strategy, Turning Hope into Action. Both organisationally and operationally this has been an extremely successful strategy for us, enabling us to bring greater focus to our work, and bringing together the organisation behind common goals. With this strategy coming to an end in March 2012, work has already begun to develop a successor that will not only build on this success, but also ensure that Christian Aid remains a relevant and impactful organisation, ready to meet new and emerging challenges.

Sept



September 2010: we published *Poverty Over: We're All in this Together*, which looks at the progress that has been made towards the Millennium Development Goals (MDGs).

Oct



October 2010: we held a lobby of Parliament in London with 1,500 supporters lobbying 176 MPs on aid, tax and climate change.

October 2010: Christian Aid worked with the Body Shop to highlight problems with one of their main suppliers who unjustly evicted 123 farmers off their land in Colombia.

Dec



December 2010: a series of civil uprisings across the Middle East and north Africa, referred to as the Arab spring, began. While these events brought achievements in accountable governance, such as the deposing of President Hosni Mubarak in Egypt, for many they also brought economic collapse. Christian Aid with the ACT Alliance is working with partners in Egypt to mitigate this impact.

Jan



January 2011: we started campaigning for the World Bank to stop funding fossil fuels, with 30,000 supporters taking action. We also launched a campaign for the G20 to end tax haven secrecy, in coalition with 52 partners worldwide.

WHERE WE WORK

Partners and country programmes financially supported by Christian Aid in 2010/11

We gave grants to 507 partner organisations in 47 countries and have offices in 27 of these.

Africa

(£'000s)

- 1 **Angola** £695
- 2 **Burkina Faso** £2,318 (office in Ouagadougou)
- 3 **Burundi** £301 (office in Bujumbura)
- 4 **Democratic Republic of Congo** £1,807 (offices in Kinshasa, Bukavu and Kindu)
- 5 **Ethiopia** £1,495 (office in Addis Ababa)
- 6 **Ghana** £869 (office in Accra)
- 7 **Kenya** £972 (office in Nairobi)
- 8 **Malawi** £990 (office in Lilongwe)
- 9 **Mali** £852 (office in Bamako)
- 10 **Niger** £137
- 11 **Nigeria** £2,311 (office in Abuja)
- 12 **Rwanda** £275 (office in Kigali)
- 13 **Senegal** £165
- 14 **Sierra Leone** £1,552 (office in Freetown)
- 15 **South Africa** £337
- 16 **Sudan** £782 (offices in Khartoum and Juba)
- 17 **Tanzania** £44
- 18 **Uganda** £264
- 19 **Zambia** £452 (office in Lusaka, closed February 2011)
- 20 **Zimbabwe** £1,160 (office in Harare)

We also gave grants to Africa regional programmes of **£211,000**

Asia and the Middle East

(£'000s)

- 21 **Afghanistan** £669 (offices in Herat and Kabul)
- 22 **Bangladesh** £781 (office in Dhaka)
- 23 **Burma** £2,099
- 24 **Cambodia** £273
- 25 **China** £20
- 26 **Egypt** £176
- 27 **India** £2,926 (office in Delhi)
- 28 **Iraq** £211
- 29 **Israel/occupied Palestinian territory** £1,094
- 30 **Kyrgyzstan** £168
- 31 **Lebanon** £407
- 32 **Moldova** £27
- 33 **Pakistan** £765
- 34 **Philippines** £1,219 (office in Manila)
- 35 **Sri Lanka** £518 (office in Colombo)
- 36 **Tajikistan** £610 (office in Dushanbe)

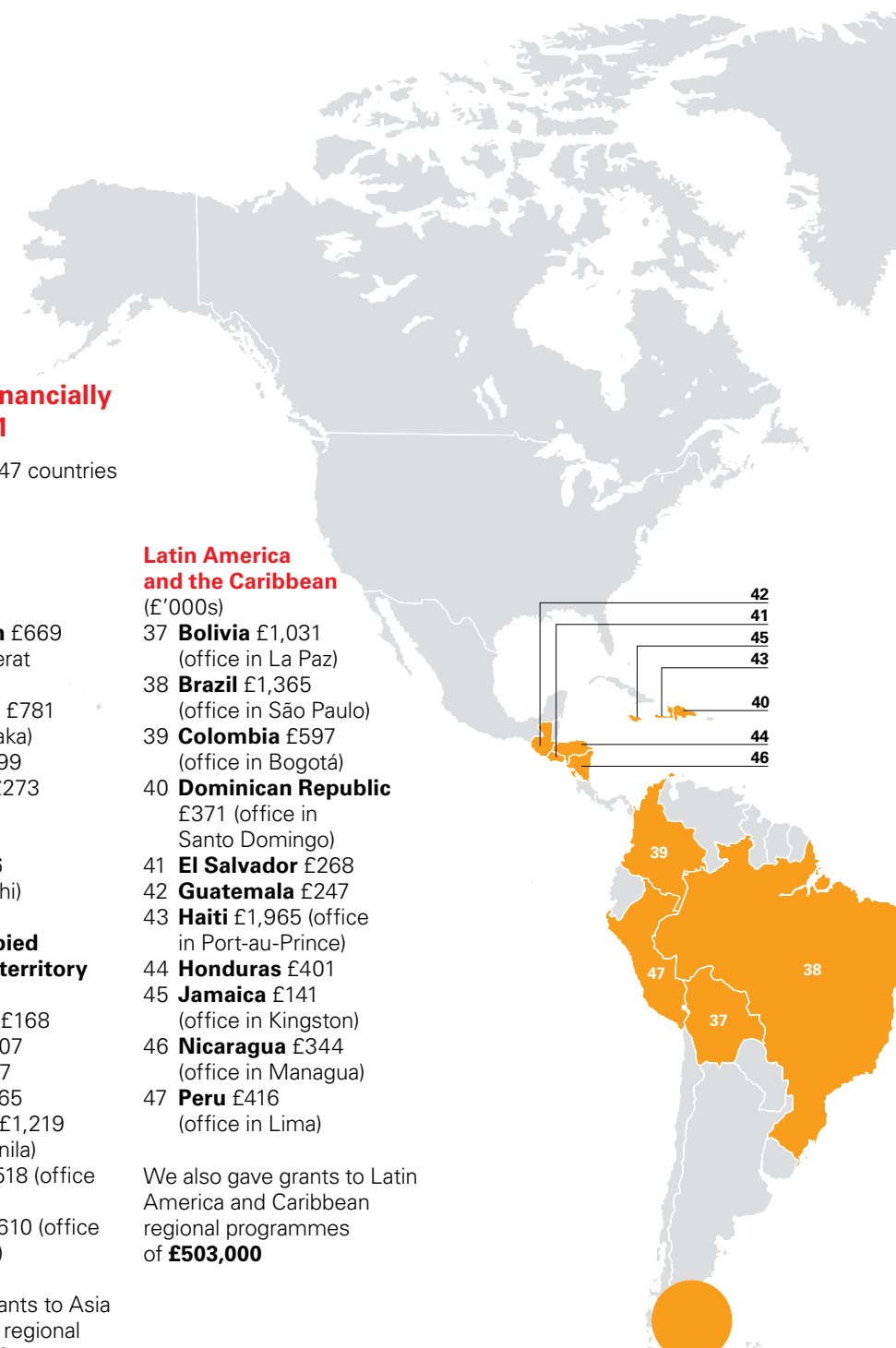
We also gave grants to Asia and Middle East regional programmes of **£161,000**

Latin America and the Caribbean

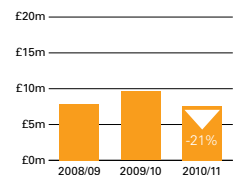
(£'000s)

- 37 **Bolivia** £1,031 (office in La Paz)
- 38 **Brazil** £1,365 (office in São Paulo)
- 39 **Colombia** £597 (office in Bogotá)
- 40 **Dominican Republic** £371 (office in Santo Domingo)
- 41 **El Salvador** £268
- 42 **Guatemala** £247
- 43 **Haiti** £1,965 (office in Port-au-Prince)
- 44 **Honduras** £401
- 45 **Jamaica** £141 (office in Kingston)
- 46 **Nicaragua** £344 (office in Managua)
- 47 **Peru** £416 (office in Lima)

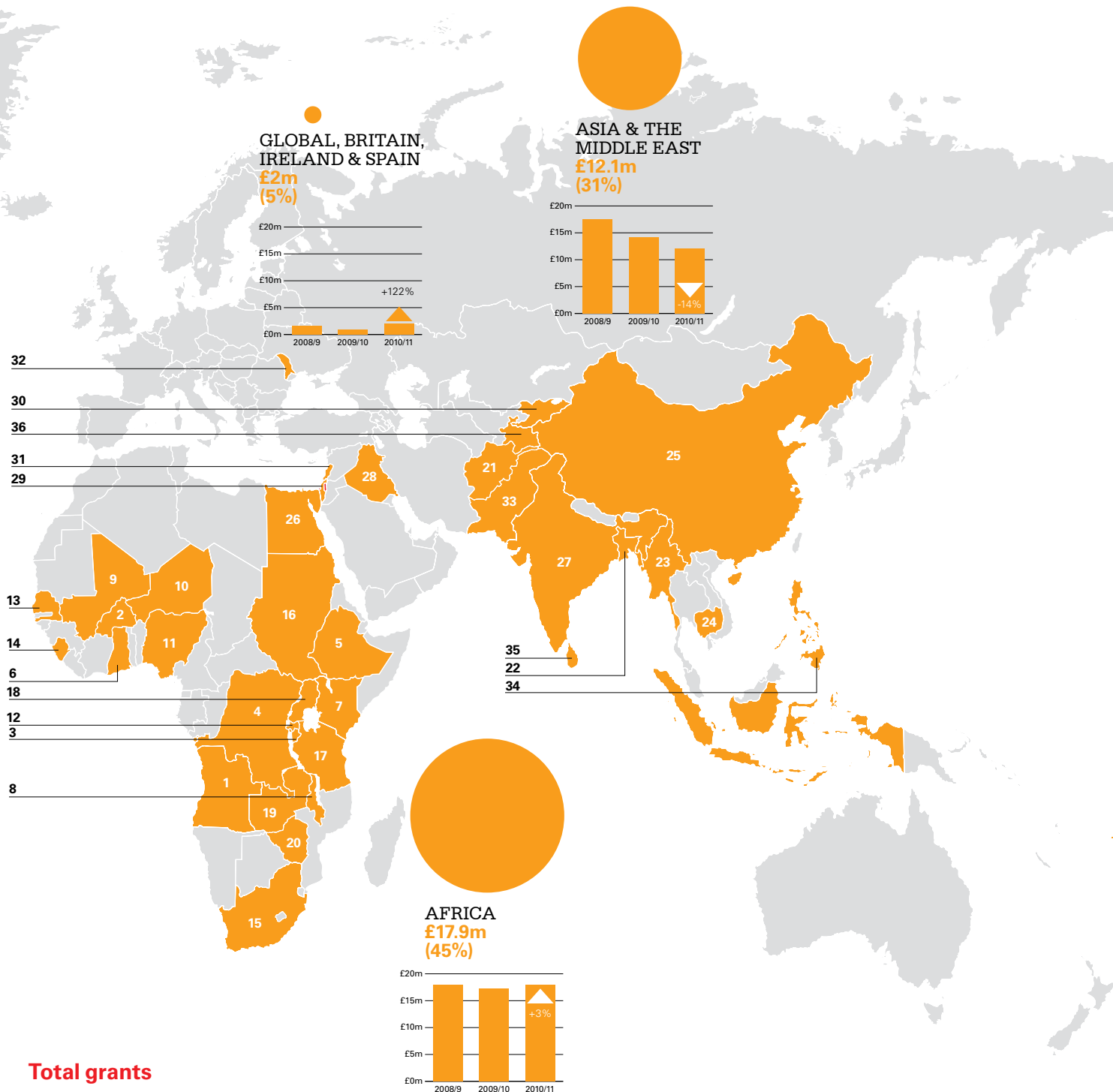
We also gave grants to Latin America and Caribbean regional programmes of **£503,000**



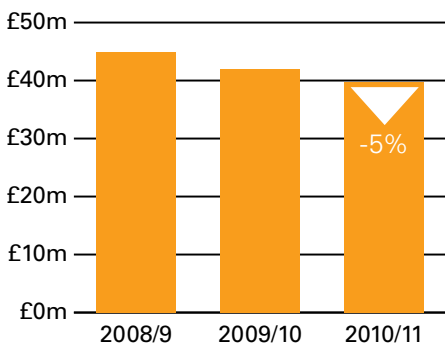
LATIN AMERICA & CARIBBEAN
£7.6m
(19%)



Grants across regions and to partners in the UK and Europe that cover more than one country **£2,026,000**



Total grants



Staff

In 2010/11, Christian Aid had 806 staff (average 769 full-time equivalents) – 48 more than in 2009/10. The number based overseas was 327 (40.6 per cent), compared to 326 in 2009/10. Of these, 107 staff were based in Asia and the Middle East, 163 in Africa, and 57 in Latin America and the Caribbean.

In Britain, Ireland and Spain, we had 479 staff based in 24 offices (in 2009/10, we had 432 in 24 offices).

See page 46 for a full overview of our income and expenditure.



PROGRESSING OUR STRATEGIC FOCUS AREAS

In 2010/11 we worked towards goals across six strategic focus areas.

Secure livelihoods: helping poor and marginalised people protect and improve the quality of their lives, adapt and respond to climate change and rebuild after emergencies.

Economic justice: challenging and changing the unjust systems that create poverty; and helping people claim their economic rights.

Accountable governance: working with communities across the world to participate in decision-making that affects their lives; and holding those who control resources and wield power to account for their actions.

HIV: providing support and care for people living with the effects of HIV; and challenging the stigma and discrimination associated with it.

Strengthening the movement for global justice: engaging and serving churches, supporters, volunteers and partners in the fight to eradicate poverty and injustice.

Strengthening the organisation: striving to make the best possible use of our human, financial and material resources; learning from our experience; and being open and accountable in all our actions.

In this section of the report, under each strategic focus area we reiterate our priorities for 2010/11, update you on the progress we have made during the year, highlight some of the challenges we faced, inform you of our plans for 2011/12, and give a case-study example of our work.

Photo: Meri-Zakarie with Zahara (far left). Meri was chosen by Christian Aid partner SEND in Ghana to be on the debt monitoring committee. She lobbied for debt relief to be spent on disabled access in the school so that children like Zahara could go to school



Integrated rural development for resilient communities

Seven years ago widow Sar Ren, in her 40s, never imagined that she could be an active member of her community, let alone be chosen as village leader. Today, she has achieved that and much more through Christian Aid partner Life With Dignity's (LWD) integrated rural development project in Cambodia.

Around three-quarters of Cambodia's population depend on agriculture for survival. However, each year the consequences of increasingly unpredictable rains, pests, high levels of debt, and poor health mean that millions cannot grow or afford enough food to feed their families.

But with training in new skills and loans from a village-bank initiative, Sar Ren has gone from weaving mats for a pittance to running six small profitable business activities, including pig rearing, vegetable cultivation and rice farming. By making a living from a range of activities and not being reliant on just one business, she is better able to cope when her village is affected by drought, floods or animal diseases.

Sar Ren has also worked tirelessly for her village development committee, set up with LWD's support. Last year, she became Krang Beng village's first-ever female leader. Through the development committee's work, the villagers are increasing their resilience to drought and floods. They have set up a rice bank, installed wells, dug ponds to conserve water, improved drainage and irrigation, and started to use water carts and pumps.

Seven of our partners in Cambodia are helping women and men farmers adopt climate-resilient farming techniques and methods. Training farmers to become trainers themselves means the techniques reach more people. Our partners' community development approach is also helping women and men take charge of their own development and solve community problems together, for example, LWD has piloted a biogas project to help farmers generate their own energy using animal dung.

SECURE LIVELIHOODS

OUR PRIORITIES IN 2010/11

- To develop and implement programmes that make a stronger contribution to resilience and the protection of poor people's livelihoods.
- To develop a more strategic approach to livelihoods fundraising.
- To increase programme and policy engagement with the impact of climate change and other systems and structures that threaten people's livelihoods.
- To push for an equitable, transparent and binding climate agreement.
- To respond to emergencies.

To develop and implement programmes that make a stronger contribution to resilience and the protection of poor people's livelihoods.

For Christian Aid, there are six key aspects to resilient livelihoods.

- **Sustainability:** the ways that women and men make a living are dignified and safe, and build up, rather than use up, natural and physical resources.
- **Profit:** poor women and men gain more of the value of their production and labour, and have more predictable levels of income.
- **Resource management:** poor women and men have more control over natural and other resources, and manage them sustainably and fairly.
- **Risk reduction:** poor women and men are better able to cope with risks such as climate change, conflict, disasters or pressure on natural resources.
- **Voice:** poor women and men have more say in decisions that affect their livelihoods.

- **Adaptability:** women and men adapt the ways they make a living to respond to threats and opportunities – they are able to navigate the future as it changes.

These aspects are completely inter-related – a farmer's livelihood isn't resilient if it is profitable but depends on chemical pesticides that make her ill; livelihoods also aren't resilient if a community manages a forest sustainably, but can't reach any markets to sell its produce.

In 2010/11, Christian Aid's programmes around the world made significant progress in bringing together these different aspects into one integrated resilient-livelihoods approach.

In Bangladesh, Christian Aid partners have directly helped more than 10,000 people to develop more sustainable, better protected and more productive livelihoods. The cyclones and floods to which the country is extremely vulnerable cause immediate casualties and damage to property, and also have a devastating impact on water supplies, as wells and ponds can become flooded with

saltwater. Alongside flood prevention activities, such as building raised cement platforms for wells to protect them from seawater during floods, Christian Aid partners are supporting communities to make the best use of their existing water resources through collecting and storing rainwater, and to form community groups to maintain freshwater ponds. Christian Aid is also working with partners to provide training and materials that will enable communities to adapt to the ongoing reality of floods, for example by exploring new crop varieties and livestock that can cope with exposure to seawater.

Partners have also encouraged the creation of community adaptation groups to keep the activities going and adapt to new threats and opportunities. These groups have established close links with local and national government, lobbying successfully for their priorities. For example, the authorities in Manikganj district are now building river embankments to protect villages from flooding. The Bangladesh Water Development Board has also started a series of flood defence and drainage projects in Gopalganj

district. These successes take the impact of the work far beyond the scale that Christian Aid can achieve alone, potentially benefiting hundreds of thousands of vulnerable people.

The **Strengthening Climate Resilience programme** is an innovative project, designed to integrate the new impacts of climate change into our disaster risk management work. Over the past 18 months, Christian Aid and our partners in east Africa, south Asia and southeast Asia have been working with Plan International and the Institute of Development Studies to develop and implement the Climate Smart Disaster Risk Management approach. Drawing on expertise from the field in more than 10 countries, NGOs, governments and academia, this new tool for planning and strengthening disaster work across the globe is changing the way Christian Aid and partners are working to safeguard our development work for the future. For more information please go to csdrm.org

Christian Aid managed the **Building Disaster Resilient Communities (BDRC) programme** which, combines research and policy work with practical pilot projects in seven countries to generate innovative ideas on strengthening community resilience. A key strength of this five-year programme was that we worked at the local level, with our partners, to support communities to understand and be aware of the risks that they faced and how they could reduce their vulnerability.

In Machemba village, Malawi, communities identified numerous risks, including droughts, floods, HIV/AIDS and pests. The community also identified their strengths and found that they had good local leadership at the village level, land for cultivation, manpower and local springs to provide water. The community were then supported to develop a strategy that drew on their strengths to mitigate their risks. They developed a project that used savings and credit schemes to set up grain banks, and also installed an irrigation and water-collection system to support cultivation of crops when rains failed. As a result, the community are now able to grow crops in the dry season, and people are no longer forced to sell off their assets or go without food.

The programme was primarily funded by the Department for International Development (DFID). It began in 2005 and came to a close in December 2010.

To develop a more strategic approach to livelihoods fundraising.

All charities face increasing competition for funding, while those who support us are experiencing a squeeze on their own pockets. Given this challenging environment for fundraising, we are pleased with our progress and grateful for the generosity and engagement of those who fund our livelihoods work.

Christian Aid's **Partnership Scheme** allows churches, schools and businesses to multiply their donations by 'matching' them to European

Commission funding. Every £1 donated enables Christian Aid to raise a further £4 from the European Commission (EC). The scheme funded a conservation agriculture programme in Zimbabwe as well as similar projects in Burkina Faso, which together have supported more than 135,000 people to increase the amount of food they grow by introducing new crops and livestock, and improving soil fertility.

In 2010/11, we saw a major advance in our approach to funding 'enterprise-based' projects – activities that take a more commercial- or market-oriented approach. Christian Aid's **In Their Lifetime campaign** aims to raise £25m to support innovative programmes that can make a difference at a really large scale, by the end of March 2011 more than £3.9m had been pledged. Enterprise-based approaches are a key part of this. By supporting people to find new markets and to get fair prices and conditions, and by generating regular profits that poor people and sometimes partners can plough into new and bigger activities, this way of working has the potential to unlock big and long-term changes.

Towards the end of the year, the British government announced that it would not only continue to provide 'strategic funding' to Christian Aid, but would actually increase the funding level to more than £7m in 2011/12. Under our renewed **Partnership Programme Arrangement (PPA)** with DFID, this money will primarily go towards strengthening and rolling out the resilient livelihoods approach described above. The PPA represents



Christian Aid / Sarah Moss

Community Risk and Hazard Mapping undertaken by Christian Aid's partner CASA in Bikandi village, West Bengal in India

a major injection of resources as well as a significant vote of confidence in the strategic direction of Christian Aid's livelihoods work.

To increase programme and policy engagement with the impact of climate change and other systems and structures that threaten people's livelihoods.

In the past few years, Christian Aid has developed a distinctive portfolio of work promoting resilience to

climate change. Much of this is at the technical cutting edge, such as linking farmers with climate scientists and the latest scientific knowledge, or piloting clean-energy solutions with the poorest communities.

For example, farmers in Tanzania were trained to carry out climate monitoring and analysis, and developed their own responses such as planting drought-resistant maize and using manure for fertiliser, which has the potential to triple their harvests. In Kenya and elsewhere,

our partners are working with government meteorological services to develop systems that use radio or mobile phone networks to provide early warning of floods and storms, alongside weather forecasts and longer-term seasonal projections: helping communities to get the short-, medium- and long-term weather forecasts.

Partners in the Philippines have developed an integrated process for assessing climate and disaster risks, drawing on both community and scientific knowledge. These assessments provide a firm evidence base to make policy recommendations and proposals for action to both local and national government. This rooted approach has achieved successes at all levels – most strikingly, the significant increase in spending on social services and (for the first time) specific allocations for disaster and climate resilience in the 2011 national budget. Christian Aid partners Marinduque Council for Environmental Concerns (MACEC) and Fellowship for Organising Endeavours (FORGE) have successfully lobbied for the integration of risk assessments and allocation of resources for community resilience in regional and municipal development plans and budgets, covering nearly 300 communities, and reaching a population of more than 3 million.

To push for an equitable, transparent and binding climate agreement.

In the aftermath of 2009's disappointing global climate change meeting (COP15) in Copenhagen, it was extremely difficult to keep climate change on the political agenda. Despite this, Christian Aid continued to work with our partners and other development, environmental and ecumenical organisations to maintain pressure on governments and international bodies such as the European Union (EU) and the World Bank.

Christian Aid worked with Climate Action Network Europe and the Association of Protestant Development Agencies (Aprodev) to monitor the delivery of the short-term funding commitments made by the EU in Copenhagen, and to keep up media and political pressure on the EU to contribute to a workable long-term climate finance deal. Our reports and comments on the EU were widely featured in European and global media in and around the COP16 climate summit in Cancun, Mexico, in November 2010.

Supporting partners to influence their own national governments as well as regional and international bodies is a central aspect of our climate change campaign. We work with national campaign groups and networks in Bangladesh, Ethiopia, the Philippines, and South Africa, as well as regional networks such as the Pan-African Climate Justice Alliance and Climate Action Network South Asia. In the run-up to the COP16 in Mexico, national and regional networks

across Central and South America played a critical role in galvanising public opinion and influencing their governments' negotiating positions. They have direct access to the voices of communities most affected by climate change, and can influence how their own governments approach the issue.

Alongside the climate agreement process, the World Bank is currently developing a new strategy for funding energy projects. In the past, the Bank has been a major funder of new coal-fired power stations, which are a significant contributor to climate change. A shift in its approach towards low-carbon technologies would be a major step in reversing the rise in global greenhouse gas emissions. Christian Aid has supported partners in India, Peru and South Africa to gather evidence of the impact of large-scale energy projects on communities, and to lobby the World Bank directly. Partners in India also used Christian Aid-funded research into rural energy access to influence the Indian government's policies on coal and clean energy.

Responding to emergencies.

Christian Aid's humanitarian work in 2010/11 included long-term work in areas such as Israel and the occupied Palestinian territory, and responses to new emergencies.

Pakistan floods

In July 2010, heavy monsoon rains led to the worst flooding in 80 years in Pakistan. The floods, triggered by torrential monsoon rains in the northwest, moved south through

the country, submerging towns and farmland. By September 2010, it was estimated more than 20 million people in 78 districts across the country had been affected. The death toll reached more than 1,600 and around 11 million people were made homeless. While the severe rainfall was the trigger for this extensive flooding, the situation has been exacerbated by a number of issues in Pakistan's development and governance, including deforestation upstream and poor watershed management.

The immediate impact on the affected population has been displacement, loss of homes and assets, and damage to crops and livelihoods. The destruction of fields means that there will also be future problems with growing food. The planting season for wheat and barley is between September and November, but during this time many fields were still either submerged in water or covered in debris and sludge from the floodwaters.

£5.1m has been raised to support our response to the floods in Pakistan, largely from Christian Aid and DEC appeals. Christian Aid collaborated with the ACT Alliance, and the first six months of the response focused on immediate relief such as food, shelter, water, and early recovery, including land clearing and the re-establishing of livelihoods. Accountability standards from Humanitarian Accountability Partnership (HAP) and Sphere were integrated into our project design. Since the beginning of 2011, our focus has moved to developing recovery and rehabilitation



Christian Aid/Brian Martin

The floods of 2010 caused devastation across Pakistan, affecting the lives, homes and livelihoods of over 20 million people

projects. This work has encompassed housing repair and reconstruction, livelihoods support, including cash grants and possible access to credit; support in accessing healthcare; disaster risk reduction; and advocacy.

West Africa food crisis

A delay in the 2009 rainy season, followed by inadequate rainfall the following year, resulted in poor harvests and high food prices, leaving the Sahel facing a severe food crisis in 2010. The nature of the crisis is similar to that of 2005, but it is now coupled with a pastoral crisis, with up to 67 per cent of the livestock herd having been lost in Niger.

As a result, the World Food Programme (WFP) estimates that 10 million people across Niger, Chad, eastern Mali and northern Cameroon are at risk from food shortages. Niger is by far the worst-affected country: at the peak of the crisis almost half the population were at risk from malnutrition or starvation. UNICEF estimates that approximately 1.6 million children were facing malnutrition in Niger, of which 400,000 are severe cases.

Funds totalling £1.7m from a Christian Aid appeal and institutional donors have been given for the emergency response, with early projects including the establishment of

nutrition centres for children, animal feed distribution for pastoralists in Niger and Burkina Faso, and cash-for-work programmes in Mali.

The provision of emergency relief for the worst affected communities has improved the situation, but people are still going hungry and the risk of future food shortages remains high, with some predicting that 2011 could prove to be worse for the most vulnerable communities than 2010.

An additional challenge in responding to this emergency has been the volatile security situation, making access to Niger and Mali complicated.

Egypt

Egypt is facing a difficult period economically and politically. The revolution in January 2011, the second uprising of the so-called Arab spring, deposed former President Mubarak, but also resulted in the collapse of key sectors of the Egyptian economy. Tourism in particular was very badly hit. More than 2 million Egyptians work in the tourist industry and with tourists staying away, losses in the industry are expected to top US\$825m. The outbreak of conflict in neighbouring Libya then added to these woes. More than 1.5 million Egyptians were employed as migrant labourers in Libya but up to 300,000 have already fled, losing incomes and livelihoods in the process.

Christian Aid is working with two of our partners in Egypt, the Coptic Orthodox Church BLESS (Bishopric for Public, Ecumenical and Social Services) and the Coptic Evangelical Organisation for Social Services (CEOSS), to support their work with communities throughout Egypt in response to this economic crisis. An ACT Alliance appeal is raising funds from member organisations to address some key needs identified by communities in an assessment in March 2011. These include providing cash payments for public works programmes to provide short-term employment opportunities for people who have lost their livelihoods and incomes. Partners are also providing psychosocial support to the many individuals and families traumatised by these events to help them cope and recover more quickly. Christian Aid has provided or accessed specialist training for partners in these areas

to build their skills. Presently about 1,800 households are being supported through this programme, but this may grow if more funding is donated under the ongoing appeal process.

Haiti

In January 2010, a devastating earthquake hit the Caribbean country of Haiti. Given the scale and challenges of the disaster, Christian Aid and our partners achieved a huge amount in our response to the earthquake during 2010/11. The initial focus was on meeting immediate humanitarian needs, while later in the period the transition was made to more long-term development programmes. Our emergency relief work focused on provision of temporary shelters and food as well as the regeneration of livelihoods.

We also successfully implemented a number of cash-transfer programmes, helping partners to respond very quickly and allowing beneficiaries to prioritise their own needs. More than 6,700 households received cash to meet their basic needs or start or regenerate small businesses. While Christian Aid has implemented cash-based programmes before, the scale and speed of our partners' work in Haiti took our experience and learning to a whole new level. The result of this has been a significant piece of research to document the programme learning for use within Christian Aid's future emergency responses and wider non-governmental (NGO) fora. The emphasis then shifted to more long-term programming, with a focus on providing permanent shelter, increasing communities' resilience, and regenerating livelihoods in the rural areas.

Our geographical focus on the rural areas complements the government's policy of decentralisation, and in all our work we aim to ensure that Haitian participation and involvement is central to the recovery.

See page 49 for full details of expenditure from emergency appeal funds in 2010/11.

As well as working with the ACT Alliance and being a member of the Disasters Emergency Committee (DEC), Christian Aid also took a leading role in the Consortium of British Humanitarian Agencies, a DFID-funded inter-agency initiative for strengthening the coordination and capacity of the NGO sector to deliver appropriate, high-quality, and faster humanitarian assistance to populations affected by disaster (see thebha.org)

CHALLENGES FACED IN 2010/11

- Climate change is happening, and it is hitting the poorest and most vulnerable people hard. The science of climate change is complex. Future projections always involve a degree of uncertainty, and may be substantially revised as new information is collected and analysed. This rapidly evolving picture makes it challenging to identify the best ways for communities to respond and adapt to the impacts of climate change. Even well-designed projects may have to change drastically as the science becomes clearer.

- The failure of ambition at the Copenhagen summit in November 2009, and the lack of any evident progress in the climate negotiations since then, represents a tragic missed opportunity to tackle climate change. It has also made it much harder to sustain the level of public and political pressure on European governments that we and other agencies and networks were able to bring to bear in 2009. This makes the efforts and commitment of our partners in other countries all the more important.
- Some of the most complex and challenging situations we work in are chronic and slow-onset emergencies. Throughout 2010/11 we were monitoring the early signs of a gathering food crisis in east Africa. However, until it became a full-blown crisis in June 2011, it proved extremely difficult to gain the public, media and donor attention and support we needed to mount a full-scale response. Had we been able to muster these resources last year and invest in resilience before the crisis unfolded, we could have helped more people prepare and probably avoided the worst.

CHRISTIAN AID'S ADDED VALUE IN 2010/11

We enable and encourage integration

Recognising that poverty and vulnerability have deep and diverse economic, environmental, social and political roots, Christian Aid has drawn on the experience built up by different partners across many countries to develop a holistic and integrated approach to building resilience. We are using our partnership skills and combined technical and analytical capacity to meet the challenge of translating this approach into reality.

We innovate and lead

Christian Aid has invested in hands-on 'action research' and learning on resilience, supporting partners to turn their good ideas – from conservation agriculture to solar energy, from building links with climate science to developing new export markets – into proven concepts. As well as working directly

with partners to help them learn from and adopt these innovations, we have brought these examples together into a series of climate and resilience 'toolkits', which are spreading good ideas and practical solutions across the world.

We increase our influence through joint advocacy

We have supported partners and communities to influence their governments – from communities getting flood defences from the local authorities in Bangladesh, to regional networks helping to shape the agenda for the next round of climate negotiations. Christian Aid's combination of practical work and policy engagement, combined with our unique international network of partners, gives us the ability to connect the practical concerns of poor people to the global policy arena, and back.

OUR PRIORITIES FOR 2011/12

- To strengthen the resilience of poor and vulnerable women and men.
- To deliver more funding for better livelihoods programmes.
- To increase programme and policy engagement with the threats to poor women's and men's livelihoods as a result of climate change, unfair markets, gender discrimination and social exclusion, and tackle their root causes.



How tax could prevent child malnutrition

At four years old, Isabel is so malnourished she needs to be hospitalised. Her body is swollen from lack of protein. Isabel's situation is particularly bad, but this is no isolated incident. In fact, almost half of all children under five in the 'middle-income' country of Guatemala have stunted growth due to malnourishment.

Social programmes here are underfunded, and often inefficient, but the fundamental problem is that the Guatemalan government just doesn't have enough money to meet the basic needs of its people. Christian Aid partner the Central American Institute for Fiscal Studies (ICEFI) believes that better – and fairer – taxation along with cutting down on tax dodging could be a big part of the solution.

Guatemala has one of the lowest tax takes in the world. It has a weak national tax system and high levels of tax evasion. Personal income tax levels are extremely low and businesses receive huge tax breaks. But VAT is high, which means poor people like Isabel's family bear a much higher tax burden than the rich.

ICEFI highlights the reforms needed to make the national tax system fairer and is continually lobbying for change. The information it gathers allows grassroots groups to call for money to be spent in effective ways that could make a real difference where it's most needed.

Guatemala also misses out on millions in revenue every year because the international financial system allows businesses and the wealthy elite to hide income and assets offshore. A recent Christian Aid report showed that a high percentage of profit from the sale of bananas is held offshore instead of being subject to tax in either Guatemala or the UK. For every pound generated by the sale of bananas, only 1p is paid in taxes in Guatemala.

This year ICEFI helped set up the Central American Network for Fiscal Justice. Working together and joining together with Christian Aid's tax campaign, it hopes to transform the issue of tax in Latin America, and enable countries to pay for their own development.

ECONOMIC JUSTICE

OUR PRIORITIES IN 2010/11

- To contribute to transforming regulatory regimes at all levels through the empowerment of citizens.
- To help to secure concrete measures at a global level to end the secrecy surrounding

multinational companies' profits and tax payments in developing countries.

- To deepen and broaden Christian Aid's understanding of the private sector and development.

To contribute to transforming regulatory regimes at all levels through the empowerment of citizens.

Tax is not an issue traditionally associated with fighting global poverty, but with developing countries losing more from tax evasion and tax avoidance than they receive in aid (as the OECD and other bodies acknowledge), Christian Aid is clear that it should be. In 2010/11, we saw significant progress in getting the tax issue on the agenda of partners and allies around the world. In 2010 we also saw the ongoing development of regional networks in Africa and southeast Asia, the launch of a Central America Fiscal Justice Network, and foundations being put in place to launch tax justice networks in Latin America and south Asia.

As a result of these activities, partners are influencing national legislation and government practice on taxation of the extractives sector in Zambia, Tanzania, Sierra Leone and the Philippines. In Latin America, national and network partners are actively involved in tax-policy dialogues in Guatemala, Brazil, Ecuador, Costa Rica and El Salvador.

To help civil society organisations around the world understand this complex issue, Christian Aid in 2010

produced Tax Justice Advocacy: A Toolkit for Civil Society. The toolkit was produced in collaboration with the Dutch organisation the Centre for Research on Multinational Corporations (SOMO), and part funded by the European Commission in partnership with the tax justice networks TJN Africa and Action for Economic Reforms. Pilot versions of the toolkit were tested with partner organisations in Central America and in the Philippines in 2010 prior to the launch of the final product at the World Social Forum in Senegal in February 2011. Eight hundred copies of the toolkit have been distributed to organisations across Africa and Asia, and a Spanish version is about to be disseminated among partners in Latin America and the Caribbean. The toolkit has already received significant interest from civil society partners internationally: in March 2011 it was used at a workshop with partners in South Africa (see below).

Africa

In March 2011, Christian Aid held a capacity-building workshop with several South African economic justice partner organisations. Subsequent support from Christian Aid has enabled these organisations to undertake advocacy on tax justice for the first time. As part of this advocacy work, these partners are now trying to influence South

Africa's position in the G20 on tax transparency matters. At a pan-African level, Christian Aid partner Tax Justice Network Africa has begun to engage institutions such as the United National Economic Commission for Africa (UNECA), the African Union, the African Tax Administration Forum and the African Development Bank on issues of tax transparency, tax incentives and capital flight.

In Ghana, one of our partners conducted a broad survey of the perceptions and impacts of tax on women in rural areas, and other partners are investigating tax incentives and transfer mispricing. In Sierra Leone, we led on a broad scoping study of the country's tax system and areas for advocacy at the national level, and our partners have been leading on advocacy and media in relation to the tax concessions in new mining contracts. In Zambia, our partners published a new report on taxation in the extractives sector and, with Christian Aid support, conducted a capacity-building workshop in May to strengthen the tax justice network in Zambia.

We participated in the World Social Forum in Dakar, and with our partners Tax Justice Network Africa we launched a pan-African report on tax justice.

Asia and the Middle East

Labour rights are a key issue in the Middle East. Where unemployment is high, many groups are marginalised from decent work opportunities, and working conditions are often poor. In 2010, we collaborated with partners and civil society organisations in the Middle East, UK and globally to press for better laws and practices for domestic workers, many of whom are migrants, very poorly paid and badly exploited. A key area of work for us this year has been the International Labour Organisation's consideration of a new international convention to outline rights and protections for domestic workers around the world. Collaborating with other civil society organisations, domestic worker groups, trade unions, government, and employer and worker representatives of the ILO, we have called for a substantive convention to be agreed that will provide rights to domestic workers comparable to other kinds of workers. Following deliberations spanning two years, the ILO emphatically adopted a substantive new convention called Decent Work for Domestic Workers in June 2011.

In the Philippines, Christian Aid partners having been calling for a fairer tax system, focusing specifically on tobacco tax and tax competition issues. The Parliament is now considering a new type of tax on tobacco that includes a unitary tax for cigarette and tobacco products and the allocation of some of the additional revenues to health

promotion and safety nets for tobacco farmers, in line with what campaigners are calling for. Partners in southeast Asia are now planning to launch a regional partnership with other civil society organisations on tax justice.

Latin America and the Caribbean

In Latin America and the Caribbean, 2010 saw the formation of the Central America Fiscal Justice Network and the Nicaragua Tax Alliance: the latter has begun an ambitious programme of popular education on tax justice across the entire country (with Christian Aid's support). In addition, the profile of the tax justice issue – and particularly problems associated with financial secrecy and tax evasion – was considerably strengthened by a high-level regional seminar on tax in Guatemala organised by Christian Aid partners, and by the launch of a national End Tax Haven Secrecy campaign in Brazil. Tax justice is now firmly on the agenda of many countries in the region and gaining a firm foothold on the public policy agenda.

Helping to secure concrete measures at a global level to end the secrecy surrounding multinational companies' profits and tax payments in developing countries.

Alongside our work on tax with partner organisations at a country level, Christian Aid is also working hard to effect change at a global

level. At present, these efforts are focused on persuading world leaders – including the UK government – to back concrete measures for greater tax transparency as a key means of preventing the kind of tax evasion and avoidance so damaging to developing countries' finances.

In the summer of 2010, Christian Aid supporters sent thousands of postcards and emails to the new Chancellor, George Osborne, and in October, 1,500 Christian Aid supporters travelled to Westminster to lobby their MPs directly on this important issue. Addressing Christian Aid lobbyists that same morning at a special service in Methodist Central Hall, the Secretary of State for International Development, Andrew Mitchell, acknowledged the importance of tax to fighting poverty and promised to address this issue.

'Is change possible?
Absolutely'

Jonathan Menkos, senior economist, ICEFI

Christian Aid's high-level lobbying combined with public campaigning has contributed to concrete results in international fora. At its summit in South Korea in November 2010, the G20 produced an action plan on 'domestic resource mobilisation' to be taken forward by the G20's Development Working Group.



Christian Aid/Hannah Richards

Jonathan Menkos is a researcher with Christian Aid partner ICEFI. Guatemala has one of the lowest tax burdens in the world and as a result it lacks the resources to combat development problems, such as 50 per cent chronic malnutrition among under-fives

At the Organisation for Economic Co-operation and Development (OECD), Christian Aid's credibility on tax and development led to an invitation to participate in high-level working groups on corporate transparency, an investigation into country-by-country reporting, and transfer pricing. The taskforce work programme was approved for three years within the OECD and the group was also asked to report to the G20 on tax and development.

At EU level, the European Commission published a 'communication' on tax and development in the spring of 2010, which contained a range of positive statements in line with Christian Aid

policy and reflected our successful engagement with the EC in the preceding months. A commitment in this paper to investigate country-by-country reporting has led to a full investigation of the issue by the EC, due to be finalised in autumn 2011.

At the UN MDG summit in September 2010 the world's governments specifically recognised the importance of taxation and dealing with illicit capital flows if the MDG targets are to be reached. Christian Aid also worked with Church World Service, the World Council of Churches and other partners to highlight at the summit the need for more ambitious anti-poverty targets, which also address the importance

of supporting developing countries to raise revenue through taxation and challenge tax dodging.

All of this high-level policy work needs to be underpinned by robust and credible research. Christian Aid played an active role in founding the International Centre for Tax and Development in 2010, a global consortium of academics, NGOs, and tax professionals, which received significant funding from DFID and the Norwegian Agency for Development Cooperation (NORAD) to develop a five-year research programme specifically to gather evidence for policy-making on tax issues.

End Tax Haven Secrecy campaign

To step up global pressure on the G20, Christian Aid played a lead role in setting up a new global campaign in late 2010 that calls on world leaders in the G20 to end tax haven secrecy. By the end of March 2011, some 35 civil society organisations in Africa, Latin America, Asia, North America and Europe had signed up to the campaign, and each of these is now mobilising their supporters to send online messages to President Nicolas Sarkozy (who is chair of the G20 in 2011) and to their own governments. The campaign has focused particularly on mobilising campaigners in southern G20 countries, including Brazil, South Africa, India and Indonesia, where Christian Aid partners have started advocating for their governments to raise this issue at the G20 for the first time. At the same time, the End Tax Haven Secrecy campaign in Europe is going from strength to strength, with Christian Aid campaigners playing a major part in persuading the Spanish government (the co-chair of the G20's development working group) to issue a strong statement on tax and development at the G20, and to push for ending tax haven secrecy.

To deepen and broaden Christian Aid's understanding of the private sector and development, and explore different forms of engagement.

Christian Aid has identified that we must objectively explore the role of, and ensure that we build on positive models for, the private sector in development. In 2010 we facilitated new linkages between our partners and business enterprises. In Latin America and the Caribbean we began new enterprise based development work, designed to help cooperative partners to scale up their operations, accessing the necessary finance and technical assistance to grow into more profitable enterprises. This work has also led us to new activities, such as market research and dialogue with cocoa and hibiscus buyers in the UK and Europe. Meanwhile our work on the ground continues to help farmer groups increase production, improve quality and strengthen the organisation and management of farmer-owned cooperatives. We will expand this work in 2011/12 to cover more cooperatives working on a variety of products.

We also continue to engage with the private sector when it negatively affects the poor communities with whom we work. In Colombia, we continued to support the 123 farmer families of Las Pavas, South Bolívar, in their struggle for land and food security following eviction from their land on 14 July 2009. The eviction was the result of a land dispute with a business consortium that includes a subsidiary company of Daabon Group. Daabon was a major palm oil supplier for The Body Shop at the time. Following an article in the *Observer* in 2009, Christian Aid and The Body Shop commissioned an independent review of the dispute, published in June 2010. In October 2010, following the review, The Body Shop formally terminated its trading relationship with Daabon. In May 2011, the 123 farming families of Las Pavas won the legal right to remain on their land until the ongoing judicial process regarding ownership had been resolved. The Colombian Constitutional Court has ruled that the Ministry of Agriculture must re-open their case for legal title to this land.

OUR PRIORITIES FOR 2011/12

- To push for international measures to be put in place that support poor countries to prevent tax abuse, transfer mispricing and other illicit financial flows by requiring much greater financial transparency for enforcement and accountability.
- Supporting poor-country governments to implement policies that help their citizens to obtain long-term sustainable livelihoods and access to services, including through progressive taxation and the promotion of financial systems that support broadly based economic progress.
- To build political pressure at every level in the South and the North to ensure that policies on tax, climate finance and private sector in development promote economic justice.

CHALLENGES FACED IN 2010/11

- The success of Christian Aid's advocacy and campaigning work on tax has placed greater demands on our campaigns and policy staff. In response to this capacity challenge, we are seeking closer collaboration with other civil society organisations both in the UK and globally in order to scale up our campaigning and have also appointed a second economic justice policy adviser.
- The election of a new coalition government in the UK in May 2010 required us to adapt our tax messages to a different political context and persuade a new set of policy-makers to take action on tax as a development issue.
- Ensuring that public campaigning to companies enhances rather than undermines Christian Aid's private dialogues with the private sector can be a challenge. When the two are managed strategically and in tandem, we have learnt that public campaigning can maintain pressure on companies to make concrete progress.

CHRISTIAN AID'S ADDED VALUE IN 2010/11

We leverage policy change

Through working with partners such as ICEFI in Guatemala, we are supporting civil society to hold their decision-makers to account and reform policy on tax liability and collection. We have lobbied the new UK coalition government to push for global measures in the G20, the EU, the OECD and the UN. We are persuading the Spanish government to take a strong stance on concrete measures for greater tax transparency.

We take a positive and inclusive approach

We are objectively exploring the role of the private sector in development, recording, learning from and promoting good practice. We are encouraging private sector stakeholders to see the benefits of greater tax transparency rather than simply criticising their actions. We are building our own expertise in enterprise-based development, and exploring approaches with our partners.

We raise awareness

Through the launch of resources such as the tax toolkit, we are helping to inform civil society all over the world about tax as a justice issue. We have seen significant progress in getting the tax issue on the agenda of partners and allies. Highlights include high-quality partner-led research in Tanzania, Zambia, Ghana, Sierra Leone, the Philippines, India, the Dominican Republic, Brazil, Nicaragua and Guatemala, with emerging involvement and active engagement on the issues in South Africa, the DRC and Malawi.

We empower civil society and build coalitions

We are supporting the establishment of new civil society partnerships and coalitions on tax justice in southeast Asia and Latin America, and we are actively encouraging civil society organisations globally to join our End Tax Haven Secrecy campaign: **endtaxhavensecrecy.org**



Food for thought: empowering citizens to stand up for their rights

Gabriel Tutuuali isn't sure how old he is, but thinks he's probably about 100. Every day of his adult life he has dug and cultivated the arid Ghanaian soil where he was born. Gabriel and his wife, Jacinta, have successfully raised seven children of their own and now delight in caring for two of their grandchildren, seven-year-old Wisdom and four-year-old Windy.

Wisdom is a pupil at Chan primary school, one of more than 80 schools in Ghana's Upper West region, where many of Ghana's poorest communities live.

'We eat everything we grow,' Gabriel says. 'And sometimes that's not enough. Sometimes there's no food and we just suffer.'

Christian Aid partner the Social Enterprise and Development Foundation (SEND) Ghana helped Gabriel set up a special committee along with other parents, guardians and teachers in his community to oversee the provision of lunch-time meals at Chan's school.

The government-led Ghana School Feeding Programme (GSFP) was developed with the objectives of reducing hunger and malnutrition; increasing school enrolment, attendance and retention; and boosting domestic food production and the income of local farming families.

Yet research compiled and analysed by SEND Ghana from the 50 districts it works in revealed that the benefits of the scheme were not being felt, especially in the poorest schools. 'There were a lot of children in the community who did not go to school,' Gabriel explains. 'Because of hunger, they used to run away home [from school] for food, even if the teachers tried to stop them.'

SEND Ghana is now helping to ensure government programmes such as the GSFP are carried out efficiently and reach the people who need these services most.

'We came together and built the temporary [kitchen] structure for the cooks,' Gabriel explains. 'It took us two weeks to build. We went once and moulded the bricks. Then we went again and built it. Then the third time, we built the roof.' Now that the children are receiving regular meals, Gabriel says, 'they go to school every day'.

SEND Ghana helped Gabriel's committee to lobby successfully the district assembly for – among other things – a more reliable caterer who lives nearby, buys ingredients for the meals locally and manages the cooks; and for a new school building to accommodate the extra numbers of pupils when attendance shot up from 320 to 400, thanks to the meals.

ACCOUNTABLE GOVERNANCE

OUR PRIORITIES IN 2010/11

- To demonstrate how Christian Aid's work is contributing to more accountable governance.
- To incorporate further analysis of power relations and participatory monitoring techniques into our country programmes.
- To find ways to communicate our work on accountable governance and corruption more effectively and encourage people to support it.

To demonstrate how Christian Aid's work is contributing to more accountable governance.

During 2010/11, the contribution of Christian Aid's work to more accountable governance has taken various forms.

- Where governments are repressive, we backed partners to protect and uphold rights, such as in Angola and Cambodia.
- Where governments are weak and failing, we promoted peace-building dialogue, such as in South Sudan, and supported local self-governance structures, such as in Tajikistan.
- Where citizen and state engagement is increasing, we supported efforts to monitor public spending and enable citizens to take part in budget decision-making, such as in Peru, the Dominican Republic and Rwanda.

Engaging repressive governments

In 2010, Christian Aid partners in at least two countries have come out to challenge the policies of repressive governments. In Angola, partners united to protest strongly against the violent eviction of people and demolition of houses in various parts of the country. This resulted in an

unprecedented government apology to the victims of the violence, and a promised change in approach. These land seizures highlight increasing inequality. With billions of dollars of oil money flowing into Angola, prime real estate and beachfront properties are being cleared of poor households to make way for houses of the rich, with no apparent 'trickle down' benefits for the poor: only nine per cent of the capital's population have access to running water, and up to half the country's population have no access to healthcare.

In Cambodia, Christian Aid backed partners to stop the introduction of a repressive new law that would allow government to control and restrict all civil society action in the country. On 1 May 2010, our partners marched through Phnom Penh with other organisations to denounce the continued erosion of human rights in the country.

Working with our partners, Christian Aid continues to use technology and high quality communications materials to build global solidarity with the poor in both countries.

Working where governance is weak or failing

Elsewhere, the governance problems are much more fundamental – armed challenges exist, there is a constant

economic crisis, or revenues are so low that government is unable to function with any consistency. But even in such difficult situations, resilient community structures are proving themselves to be the building blocks of governance.

In South Sudan, more than 100 chiefs, public officials, women and young people from three different tribes in Western Bahr el Ghazal state met to resolve their differences. With facilitation by our partners, this resulted in two further localised conferences that resolved specific inter-tribal conflicts.

In Tajikistan, we invested in supporting local structures of self-governance covering a population of more than 88,000 people – five district-level administrative jamoats, 45 village-level malhalla committees, and 23 women's development centres. Our partner ASDP Nau worked with communities to raise awareness on rights and gave training on how to engage with upper government structures. Communities and local government worked together to identify local priorities, and investments in cheaper and more efficient heating systems were agreed. A total of 131 heating systems were installed in schools, kindergartens, maternity clinics and communities.

CHRISTIAN AID'S ADDED VALUE IN 2010/11

We take risks and are ready to challenge

Supporting our partners to protest against repressive government activities, Christian Aid has been able to support a global solidarity movement, achieving policy change and even apologies from governments.

We understand, challenge and transform power relations

We have developed innovative, sector-leading approaches, that have helped us and our partners to identify barriers keeping people in poverty. We continue to learn from

partners, communities and our own experience how we can change these power dynamics, and have achieved notable successes.

We support state-building in fragile states

We promote the development of open, accountable, democratic government at all levels. In Tajikistan, for example, we are working with partners to build strong local structures of self governance, and provide training on how to engage with higher tiers of government. In South Sudan, we are supporting dialogue between disparate groups.

To incorporate further analysis of power relations and participatory monitoring techniques into our country programmes.

Poverty is fundamentally about the lack of power. Hence, analysing and acting on power relations have been one of the boldest and most significant innovations in Christian Aid's approach to accountable governance. While a number of methods for analysing power already exist, our innovative approach, piloted in Brazil and Sierra Leone, has allowed us to move beyond analysis into strategy development and decision-making. This work has enabled us to understand better the underlying power dynamics of the communities where we work, and to identify barriers keeping people in poverty, as well as areas of inequality and discrimination.

Over the past year, many lessons have been learned on what it takes to change power imbalances. It can be difficult, especially in places where inequality is accepted as the norm. Often, assumptions about poor citizens' ability to engage in actions that challenge power, or the lack of it, are too idealistic. Nevertheless progress continues, and achievements have been made. Reversing the discrimination against dalits, forest dwellers, and other socially excluded groups in India remains high on the agenda. The receipt of land titles by more than 3 million tribal people and forest dwellers has not only secured justice, but also demonstrates the lasting value of collective action. More than 1 million safai karamcharis (sanitation workers) have been liberated when

Monitoring government expenditures

Where democratic opportunity allowed, partners expanded the scope for citizen-state engagement. In the Dominican Republic, Christian Aid partner CJM issued 1,627 bulletins to communicate key messages on the national budget, and involved thousands more in the Four Percent campaign, which called on government to spend four per cent of GDP on education. By December, organisations leading the campaign were invited to meet the president. The president did not agree to the demands, but the dialogue was clearly a sign of government's growing regard for citizen-led campaigns.

In Peru, partner Transparencia organised forums on good governance that have become

not only venues for dealing with corruption, but also for decision-making on how public revenues ought to be spent. In 2010, 16 such forums were organised in different cities, drawing more than 3,400 participants who discussed issues with their local government officials.

Budget processes in Rwanda are not as open. But partner CLADHO is pushing local governments in 10 out of the 30 districts to develop budgets from priorities identified by the communities themselves. These district councils are becoming highly regarded for correctly identifying the most relevant spending priorities and better implementation. Also in 2010, CLADHO, along with the US-based International Budget Partnership, organised a regional meeting on citizen participation in national budget processes.

417 districts in nine states made the trade of manual emptying of dry latrines illegal. Partners monitored 475 serious cases of dalit human rights violations, resulting in compensation in 102 and conviction in 18 cases.

In Afghanistan, Christian Aid partner the Afghan Women's Network is challenging norms that women should remain at home and should not be entitled to education, and have been lobbying to change Shiite law on the issue. By documenting the ways in which the law adversely affected women, and then calling for changes, 72 articles had been amended, all in favour of women, by the end of 2010.

These changes in the law are milestones that have resulted from identifying inequalities and a determination to secure rights and change power relations.

To find ways to communicate our work on accountable governance and corruption more effectively and encourage people to support it.

In Brazil, Christian Aid's partner INESC (Institute for Socio-Economic Studies) organised the citizen's initiative *Ficha Limpa* (Clean Sheet) and drew almost 2 million signatures to pass a law that barred individuals with convictions for corruption or pending lawsuits from taking public

positions. The mobilisation of nearly 2 million individuals is a development as important – if not more so – as the passage of the law itself.

In the UK, work focused on getting the Bribery Act implemented. A cross-party measure passed in April 2010 was a milestone because not only did it update British bribery laws after 104 years, but it also created a new offence of 'failure to prevent bribery'. This compels companies to take proportionate measures – such as publishing an explicit policy against bribery, or taking steps to know who partners, clients or agents are – to fight corruption. However, resistance to the act from some parts of the private sector contributed to the government twice delaying the Act's implementation.

From July 2010, Christian Aid and other agencies wrote letters, attended consultations, and lobbied the government not to dilute the Act. When a deadline for enforcement lapsed on 31 January 2011, lobbying continued, including publication of an open letter signed by bishops urging the prime minister to enforce the Act. Finally, official guidance was released on 31 March, paving the way for implementation. Sadly, it created loopholes for erring companies to avoid prosecution. Christian Aid lost no time in criticising the guidance, and will continue to monitor the application of the Act.

CHALLENGES FACED IN 2010/11

- 2011 will probably be remembered as the year of the Arab Spring, when dictators were ousted, but governance challenges remain. Additionally, the impact on already fragile economies must be addressed.
- One key challenge is how to work on both sides of a power relation. For example, achieving gender equality will not be won by working with women alone – men too need to be convinced to become gender champions. In the same way, building demand for better governance and enabling the poor and powerless to claim it will not be complete unless work is also done to convince the rich and powerful that more equal power relations are in their interest in the long run. In planning and developing our country programmes, Christian Aid is constantly reflecting on these issues. Our commitment is to be there for the long haul and this requires greater understanding of the contexts, more innovative tools, and a commitment to change power relations.

OUR PRIORITIES FOR 2011/12

- To document and communicate how Christian Aid's work is contributing to more accountable governance.
- To incorporate further power analysis and participatory monitoring techniques into country programmes.
- To strengthen Christian Aid's positioning and coordination on accountable governance and corruption.



Working together to prevent malaria and challenging HIV-related stigma

George Libita Sililo is one of 100 community volunteers, known in the four border areas of Zambia as Malaria Control Agents (MCAs). They have been trained by Christian Aid partner Zambia Anglican Council (ZAC) in close conjunction with the Zambian Ministry of Health. George and his fellow MCAs see where people need help on preventing and treating malaria, and then they distribute robust, chemically treated mosquito nets, educate families about malaria, carry out on-the-spot malaria tests, and help people seek treatment.

In many ways Zambia is Africa's malaria success story. In 2009, the World Health Organization revealed that malaria deaths reported by health facilities had declined by 66 per cent.

Yet one in every five childhood deaths is attributable to the disease, and only one in four children sleeps under a mosquito net. Zambia continues to see an estimated 8,000 malaria-related deaths a year.

Christian Aid's Cross Border Malaria Initiative (CBMI) in Zambia is an ambitious contribution to a wider national effort coordinated by the National Malaria Control Council, which seeks an end to malaria-related deaths and works towards eliminating the disease from the country by 2015.

Across Africa, our partners and their networks of volunteers, like George, enable us to deliver urgent support to hard-to-reach communities often missed out by other malaria response initiatives.

The goal is 'universal coverage', meaning nets for every household. When distributing, George and his fellow MCAs prioritise pregnant women, children under five and people living with HIV, all of whom are particularly vulnerable to malaria.

George knows first hand the added risk that malaria poses for people living with HIV: he is one of the million Zambians who are HIV positive. HIV weakens the immune system, and George has suffered severe malaria twice and almost died. Before he received the nets and malaria-prevention education from ZAC four months ago, George says regular malaria attacks would prevent him from farming, and his family ran short of food to eat. In turn, the drugs he takes to manage his HIV would make him sick and dizzy because they must be taken with adequate food, which he was unable to grow.

Since they learned more about malaria and received the nets from ZAC, George and his family now have fewer malaria attacks, which has transformed their family. The children miss school less often, they take fewer trips to hospital, and George is able to farm regularly so they have more food to eat.

George says that through his role as an MCA he has demonstrated that people living with HIV can be productive members of society, which has helped break down negative, stigmatised attitudes towards HIV.

'I would love to give credit to Christian Aid because [now we have] a monitoring and evaluating framework that will be able to capture the data that we need for impact, to compare with what is in the field.

'We have used this knowledge that Christian Aid has shared to improve on other programmes such as the HIV/AIDS and tuberculosis prevention. So it's not only about partnership in funding that is being exchanged; it's partnership in technical services, partnership in real information sharing, partnership in development of materials, which are going to help us.' Grace Mazala Phiri, Zambia Anglican Council

HIV

OUR PRIORITIES IN 2010/11

– To address HIV prevention in our work on malaria and incorporate malaria issues into our HIV work, in a gender-transformative way, in places where both infections are prevalent.

– To support new HIV and malaria programmes offering a range of care and

support services for communities affected by HIV, malaria and TB, people living with HIV, and orphans and vulnerable children.

– To demonstrate the effectiveness of working with faith leaders (of all faiths) on challenging HIV-related stigma and discrimination.

To address HIV prevention in our work on malaria and incorporate malaria issues into our HIV work, in a gender-transformative way, in places where both infections are prevalent.

Due to the consistent link between HIV and malaria, including the common ailments and negative effects of coinfection and the stress they place on vulnerable populations, Christian Aid has adopted an integrated approach to establish greater synergy between HIV, malaria, and other community health needs. For example, through the NetsforLife® project in Nigeria and Uganda, Christian Aid works through faith networks and support groups of people living with HIV to reach high-risk groups with malaria prevention advice. In 2010, children under five, pregnant women and PLHIV (people living with HIV) in malaria-endemic zones in Nigeria and Uganda together received 214,500 long-lasting insecticide-treated mosquito nets, while also being taught preventive measures for individual and community control of malaria. Routine net monitoring and troubleshooting support from partners has highlighted the effectiveness of the project's

approach. Two years after net distribution in Nigeria, our programme recorded that 80 per cent of households were still using two nets.

It is clear that Christian Aid has developed a niche in working with the faith community to support changes in how people treat others living with HIV, malaria or other infections. Two Christian Aid partners in Kenya working on the Community Based Care for Orphans and Vulnerable Children (CBCO) project – the Benevolent Institute of Development Initiatives (BIDI) and the Anglican Development Services (ADS) – have integrated HIV and malaria prevention education through music, videos, animations and interactive life skills programmes, reaching 7,500 young people and 3,000 guardians. As of 2010, an HIV life skills intervention aimed at increasing safe sex practices among young people successfully increased safer practices in the target group by 23 per cent (from 66 per cent in 2006 to 89 per cent in 2010). This was achieved largely by running activities aimed at improving their knowledge of HIV and raising their self esteem.

In addition, Christian Aid continues to ensure that its broader health work fits within a gender transformative framework: a model to end the

adverse consequences of gender imbalances. For example, Christian Aid is working as part of a coalition of church groups and aid agencies to end sexual violence in communities across the world. The coalition aims to provide a space to inspire a call to action for churches and their leaders to challenge sexual violence around the world. One of Christian Aid's current initiatives on sexual violence involves helping the Baptist Church in eastern DRC support the victims of rape. The initiative has helped victims of sexual violence bring their cases against the men who raped them, one of whom has been sentenced to 25 years in jail.

To support new HIV and malaria programmes offering a range of care and support services for communities affected by HIV, malaria and TB, people living with HIV, and orphans and vulnerable children.

Alongside Christian Aid's partnerships with Virgin Unite and Comic Relief in Kenya, the DFID PPA has enabled Christian Aid to provide a more inclusive package of care and support to communities most affected by HIV and other illnesses and problems of poverty. By using resources from our



Christian Aid/Sarah Filbey

Malaria Control Agents from the Simulambe and Lui River project sites join together to march, dance and sing while raising awareness of malaria and their work at International Women's Day celebrations in Senanga Town, Zambia

PPA, the Rural Transport Network (RTN) programme (supported by our partner the Anglican Church of Kenya Development Services) intends to expand its malaria education and clinical services to reach remote communities benefiting from HIV-focused support. RTN volunteers, primarily people living with or affected by HIV, spend part of their time as health workers and part of their time as entrepreneurs, using motorbikes as a means to start small businesses that will generate money for their families. They are able to

deliver a broader range of services to marginalised families, while acting as the affordable, essential link between households and local dispensaries. This enterprise approach has revolutionised our work on community healthcare and effectively complements the Kenyan Ministry of Health Community Health Strategy.

The Tough Stuff programme in Kenya is an innovative programme generating sustainable income to provide support for people living with HIV. Christian Aid and social

enterprise partner Tough Stuff train community members to market and sell solar panels. A total of 100 care givers who are looking after people with HIV in their communities were selected as entrepreneurs and trained to market and sell panels. The effectiveness of the model will be assessed in the coming year.

In 2010 Christian Aid launched an innovative cross-border malaria programme in partnership with the ZAC and the JC Flowers Foundation. Demonstrating the role that the

church can play in achieving malaria elimination in southern Africa, the programme educates people about malaria prevention and where to seek treatment, and monitors the availability of correct drugs in local health clinics. Reducing transmission rates and resistance of drugs across borders, especially among transient populations, is part of the global priority to sustain control and eventually prevent malaria from re-emerging.

In Haiti, Christian Aid's HIV partner Promoteurs Objectif Zerosida (POZ) has expanded its HIV work to include reproductive health and child survival, as well as cholera prevention and treatment, in response to the changing needs in the post-earthquake scenario. Within its HIV package, POZ has integrated preventive information and other services, such as hygiene kits and purifying tablets, in response to the health needs most relevant to the recent cholera outbreak.

To demonstrate the effectiveness of working with faith leaders (of all faiths) on challenging HIV-related stigma and discrimination.

This work continues to be championed by Canon Gideon Byamugisha, founder of the African Network of Religious Leaders Living with or Personally Affected by HIV and AIDS (ANERELA+, now the 'International' Network, INERELA+) and Christian Aid's Goodwill Ambassador on HIV and AIDS. An external evaluation of Christian Aid's faith work on HIV in

2010/11 highlighted Canon Gideon Byamugisha's influence with faith leaders, appreciating the uniqueness of his training and its 'transformative' impact. The reach of Canon Gideon's work has been strengthened by Christian Aid's relationship with the Council of Anglican Provinces in Africa (CAPA). CAPA has reached 400 Anglican bishops across nine provinces with the SAVE message (Safer practices, Access to treatment, Voluntary counselling and testing, and Empowerment) with the potential to reach an additional 40 million people through its clergy. In addition, Christian Aid's partner the Ecumenical HIV and AIDS Initiative in Africa (EHAIA) has trained and equipped more than 12,000 religious leaders globally since 2002 across nearly 20 different denominations to challenge stigma, discrimination and harmful gender norms.

Christian Aid continues to build on its work with faith leaders, increasing synergy between Muslim and Christian denominations to challenge HIV-related stigma and discrimination. Christian Aid partner the Sudan Ecumenical Network of Theologians on HIV and AIDS (SENTHA) has also encouraged greater involvement of Muslim leaders in HIV response. As a result, Christians and Muslims have worked together to tackle issues of discrimination, inaction and mis-action in Sudan. Since the programme's inception, 7,034 Christian and Muslim leaders and their spouses have engaged in training to gain the skills necessary to challenge HIV-related stigma and discrimination.

In Tajikistan, Christian Aid supports work that brings together Muslim leaders, faith-based organisations and PLHIV to tackle stigma and discrimination. These groups come together to acquire the knowledge and skills necessary to guide communities in the adoption of safer practices to prevent HIV, while also addressing issues such as access to treatment and empowerment. Along with the Positive Faith Initiative, this work will be strengthened to provide further support to Muslim leaders in building their active and positive engagement in challenging stigma in the country.

Likewise in Sierra Leone, INERELA+ trained 180 influential faith leaders to challenge HIV stigma, 65 per cent of whom now promote stigma-free HIV messages in their sermons. Evidence suggests that only five per cent of these religious leaders (compared to 90 per cent in 2007) believe HIV to be a moral issue.

In Rwanda, Christian Aid improved the organisational and technical capacity of the HIV programmes of five partner organisations and 24 associations of PLHIV, including 570 religious leaders across the country. They are now more equipped to challenge HIV-related stigma, protect the rights and wellbeing of people living with HIV, and advocate for a more holistic approach to HIV through SAVE. Evidence suggests an increase in positive dialogue about HIV among supported faith-based groups, from 22.6 per cent in 2007 to 94.3 per cent in 2010. Because of INERELA+'s influence in Rwanda, faith partners have enthusiastically

CHRISTIAN AID'S ADDED VALUE IN 2010/11

We take an integrated approach

Christian Aid's integrated approach to health has proved to be a cost effective model that enables us to integrate responses to different health issues to achieve greater impact at limited additional cost. The networks of health volunteers developed by Christian Aid and our partners are uniquely positioned to enable this broad focus, and also enable shared learning. Furthermore, Christian Aid is able to integrate health programmes with our wider country programmes, thereby addressing determinants of health such as governance and gender.

We empower partners, communities and individuals

We work with, and invest in the professional development of, partners that are rooted in communities and have a deep understanding of the context in which they are working. We provide mentoring, technical training and support in building strategic alliances that enable partners to develop appropriate, effective, impactful programmes. Empowerment is at the heart of what we do, and we work with our partners to influence change, and ensure that men and women are in control of their own health.

We work with religious leaders

Christian Aid is uniquely placed to influence and challenge faith leaders in their response to HIV. We have led the way in voicing the critical role of the faith communities in responding to HIV and in mobilising faith organisations to be agents of change. By using our wide network of faith institutions across Africa, Christian Aid and our partners have also been able to coordinate malaria control, including monitoring and harmonisation of approaches in multiple countries in an effort to eventually eliminate malaria from the regions where we work.

adopted the SAVE approach, and for the first time SAVE was at the centre of the national faith campaign around condom use and voluntary counselling and testing in 24 out of Rwanda's 30 districts. As a result of its large following among the faith community, the Ministry of Health is now considering SAVE to be integrated within its national policy agenda.

In Burma, Christian Aid continues to strengthen churches and other faith leaders working with PLHIV to counter stigma and discrimination. The visibility of PLHIV has been a

huge challenge and priority for the churches in Burma. Our partners have made significant progress in raising awareness, countering stigma, sharing resources and lobbying for access to additional funding. In 1993 one partner started with training 35 church pastors and leaders; today more than 682 leaders have been trained in promoting 'positive prevention for positive people' by putting PLHIV at the centre of their programmes and empowering the churches to take on a more responsible role in challenging stigma and discrimination.

As we have seen from our HIV work, religious leaders are able to work with communities to challenge the structural and cultural determinants of health inequities such as unequal gender relations, stigma and discrimination. Christian Aid's SAVE training and innovative messaging through music, videos and animations have led faith based and secular organisations alike to adopt a comprehensive approach to addressing HIV.



Christian Aid/Ally Carnwath

Kinshasa, DRC: Rosette Bulla, 39, is HIV positive. Thanks to CAHAC's campaign for increased access to ARV drugs, she now receives the medication she needs to maintain a good level of health

CHALLENGES FACED IN 2010/11

- With the global trend away from investing in HIV response, Christian Aid has worked to ensure that issues around HIV and AIDS remain on the global agenda, and that with our more integrated approach to community health, our own focus on HIV is not lost.
- Balancing our work to address the structural causes of ill health, such as gender inequalities, lack of government investment and systems weaknesses, with the desperate need for service delivery remains a challenge for us in designing programmes and allocating resources. This

balance is particularly critical in fragile states where the daily struggle for survival and battle against poor health prevent communities from having secure livelihoods, participating in decision-making, and thriving and flourishing.

- Developing a focused advocacy strategy on the right to health, when there are so many urgent issues and pressing needs on which we could advocate, remains challenging. We will continue our global advocacy on the right to health, informed by evidence and learning from our work and our partners. Our focus and expertise on HIV makes us a significant actor in the global HIV agenda, and in turn a key participant in developing successors to the MDGs.

OUR PRIORITIES FOR 2011/12

- To expand Christian Aid's health programming, with a particular focus on community health systems, HIV prevention and response, and tackling gender inequality.
- To advocate for the right to health.
- To continue to work with faith leaders (of all faiths) on challenging HIV-related stigma, discrimination and denial, and promoting evidence-based HIV prevention and the SAVE approach.



Do justice at the gates

On Wednesday 20 October 2010, Christian Aid organised an inspiring supporter day and lobby of Parliament. This was the first NGO lobby of the new Parliament and an excellent opportunity to engage many new MPs on global poverty issues.

The day before a small delegation of Christian Aid partners and staff handed in 29,000 signatures to the prime minister, calling on him to lead on tackling climate change internationally.

The day began with a rally and service in Methodist Central Hall in Westminster, attended by 1,500 people from all across Britain. We heard from Rev Jesse Jackson, civil rights and justice activist, Andrew Mitchell, Secretary of State for International Development, and partners from India and Zambia. Then the action moved outside Parliament where a giant queue was formed to lobby 176 MPs.

The lobby was a chance to thank the government for protecting the aid budget and to push for action on the structural causes of poverty – tax dodging and climate change.

There was a carnival atmosphere with a youth delegation holding a Circus of the Invisible, and a group of more than 50 school children coming to meet their MP.

The resulting media coverage reached an estimated audience of 1,875,000 people.

'Had an amazing day! It was the first Christian Aid action I've been involved with and it was totally inspiring... Thank you, thank you, thank you and well done!' Rev Helen Hayes

STRENGTHENING THE MOVEMENT FOR GLOBAL JUSTICE

OUR PRIORITIES IN 2010/11

- To increase public opinion and awareness that poverty can be eradicated and the impact that Christian Aid is having in achieving this goal.
- To help shift political opinion significantly in relation to the goals of our climate change and tax campaigns.
- To strengthen our role as the aid and development agency of our 41 sponsoring churches.
- To optimise voluntary income in Great Britain, Ireland and Spain.

To increase public opinion and awareness that poverty can be eradicated and the impact that Christian Aid is having in achieving this goal.

Guardian

A partnership with the *Guardian* formed part of the second phase of our Poverty Over activity.

The Poverty Over launch in July 2009 spelt out our belief that poverty can be ended in our lifetime, but our campaign with the *Guardian* took this work to the next phase by explaining some of the key issues that need to be addressed to see our vision realised.

Explaining the complexity of poverty eradication with press advertising alone is always difficult. By partnering with a media company that is one of the most trusted and respected by our target market, we could reach those with the highest propensity to support us in new and engaging ways.

The *Guardian* produced a series of films that were supported by advertorials in *Guardian* magazine over eight weeks, advertising in the main paper and a series of special events – such as live webchats between *Guardian* readers and Christian Aid staff.

The activity delivered a strong Christian Aid brand presence among the target market in the important period leading up to Christian Aid Week. A total of 399,000 campaign engagements took place during the promotion, resulting in a significant uplift in perceptions of Christian Aid among the target audience. Post activity tracking research indicated a 43 per cent increase in 'likelihood to donate'.

Media and public relations

In 2010/11 Christian Aid continued to build support for our work in tackling poverty, bringing it to the attention of the wider public by galvanising media interest in the activities of partners we support.

Notable successes included the publication of a report called *Blowing the Whistle: Time's up for Financial Secrecy*, which used the football World Cup in South Africa and the secrecy surrounding the financial affairs of some Premier League teams to publicise the demands of Christian Aid's tax campaign.

The climate change campaign was bolstered by media stunts at the UN climate summit in Cancun, and a press trip to visit drought-hit farmers in Niger, which led to coverage in *The Times* and on BBC Radio 4.

The media also play a vital role in building support for emergency responses, and this work continued in 2010/11, with our news unit obtaining coverage for the activities of Christian Aid partners in helping those affected by the Pakistan floods and those engaged in reconstruction after the Haiti earthquake.

In addition, both the *Independent* newspaper and BBC Radio 4 Today programme featured the work of Christian Aid partners helping India's manual scavengers. And the BBC and *The Times* reported on Christian Aid's work in South Sudan in the months before independence.

Two celebrity visits highlighted the work of Christian Aid partners. Actor Nicholas Hoult went to Kenya, and model Lily Cole visited Thailand, with the resulting media coverage appearing on Sky News and GMTV, as well as in the *Observer* magazine, *The Times* Saturday magazine, the *Daily Record*, *Vogue.com* and *Mirror.co.uk* In October 2010, the PR team helped to publicise the campaigns lobby event featuring Jessie Jackson. Coverage included the Today programme, *The Sunday Times* magazine, *The Times*, *New Internationalist* magazine, the *Church Times*, the *Methodist Recorder* and *The Big Issue*.

To help shift political opinion significantly in relation to the goals of our climate change and tax campaigns.

Climate change

In May 2010, the new UK coalition government pledged to be the 'greenest ever'. This followed lobbying and campaigning activity focused on climate change during the general election, including a leading role for Christian Aid in the Ask the Climate Question campaign, which worked to raise climate change up the political agenda by targeting candidates in 50 key seats. Thousands of supporters engaged with the campaign by attending hustings and writing to their candidates.

In June 2010, Secretary of State for Energy and Climate Change Chris Huhne publicly called for the EU emissions reduction target to be increased to 30 per cent. Christian Aid played a key role in this campaign to encourage the UK government to use its influence at the EU and ensure rich countries took responsibility for bringing down global emissions.

In December 2010 at the United Nations climate change talks in Cancún, Mexico, a new Green Climate Fund was established for poor countries to adapt to the impact of climate change and invest in clean development. This was a key demand from Christian Aid in the run up to and during the conference.

In April 2011, the World Bank indicated that in its new energy strategy there would be an end to coal investments in middle-income countries and an increased focus on addressing the needs of poor

communities who do not have access to energy. This followed Christian Aid coordinating lobbying and campaigning activities with partners worldwide.

Tax

Thanks in no small part to Christian Aid's Trace the Tax campaign, this three-letter word is now firmly established as a development issue among UK policy-makers. Now we are stepping up our efforts to turn this awareness into a global campaign, generating more support from big business for greater tax transparency in developing countries, using private sector influence to shift the position of the International Accounting Standards Board on country-by-country reporting, and highlighting the positive contribution that governments and companies can make to development through a fairer and more transparent global tax system.

In 2009/10 our private sector engagement was directed primarily at the 'Big Four' accountancy firms. In 2010/11, we sought to engage a much broader group of private sector stakeholders. High-level private sector engagements in 2010 included a Christian Aid presentation on tax and development at the United States Council for International Business (USCIB) business tax conference in Washington DC, and to the US-based International Tax Policy Forum comprised of tax directors from major US firms. A presentation was also made by Christian Aid staff and a board member to the 100 group of tax directors in London.

In March 2010, Christian Aid invited all FTSE 100 companies to complete

a confidential survey on tax and development and country-by-country reporting. Our online campaigners emailed companies directly to encourage them to respond, and thanks largely to these actions, 38 companies provided us with substantive responses. Although very few companies said they would support the introduction of a new country-by-country accounting standard, all 38 agreed that tax is a vital source of income for developing countries, two-thirds agreed that tax should be part of companies' corporate social responsibility, and more than a third agreed that more transparent reporting of tax payments would be beneficial to the tax agenda.

The survey results helped to generate more debate within the private sector over the links between tax and development. This intelligence contributed to Christian Aid launching a campaign calling on four well-known FTSE 100 companies to support publicly a new accounting standard on country-by-country reporting. This was a novel campaign in that we were not accusing any one of these four companies of tax dodging in developing countries. Instead we simply appealed to them to throw their significant weight behind concrete measures for global tax transparency.

From September 2010 to March 2011, Christian Aid supporters sent thousands of postcards, emails and text messages to Vodafone, Unilever, TUI Travel and InterContinental Hotels Group (owner of Holiday Inn). Light-hearted stunts involving giant 'Please Do Not Disturb Tax Secrecy' signs were also staged outside various Holiday



On 20 October 2010 1,500 Christian Aid supporters gathered at the the Houses of Parliament in London to lobby 176 MPs on aid, tax and climate change

Inns in the Britain and Ireland. By the end of March 2011, all four companies had agreed to meet with Christian Aid, leading to useful dialogue that is serving to shape our engagement with the private sector as a whole.

To strengthen our role as the aid and development agency of our 41 sponsoring churches.

Christian Aid continues to engage with a broad spectrum of Churches in our fundraising and campaigning work. Churches provide the backbone of our volunteer network and over the past year played a significant part in supporting Christian Aid Week, other fundraising initiatives and campaigning on climate change and tax justice issues. As well as working with local churches and ecumenical groups, Christian Aid also works closely with the United Reformed Church, the Church of Scotland and the Congregational Federation on national awareness raising, fundraising and campaigning. Several Church of England dioceses regularly

support Christian Aid's work through diocesan appeals, which are often linked to educational work. Christian Aid also contributes to discussion at General Synod, the Methodist Conference, and the national assemblies of the URC and the Congregational Federation. As well as its campaigning work Christian Aid contributes to the national debate on aid policy through its links with the bishops who sit in the House of Lords. We are constantly looking for new and innovative ways to engage with our sponsoring churches. In March 2011, for example, representatives of Christian Aid and the Anglican Communion met in Nairobi to reflect on the theological basis for partnership working, and discuss our shared values. 2010/11 was also the commencement of our Cathedral tour. For this initiative we commissioned a sculpture to tour cathedrals in the UK, alongside a photographic exhibition of the work of some of our partners. The exhibition has so far visited 26 cathedrals, and we are continuing booking into 2013.

To optimise voluntary income in Great Britain, Ireland and Spain.

Christian Aid Week 2010

After 2009's dip in income, we placed renewed energy across the organisation and our volunteer network on Christian Aid Week in 2010. Focusing on urban poverty in Kenya, thousands of churches held events and services, educating their congregations about how we can contribute to an end to poverty. With concerted effort from staff and volunteers, we raised an impressive £13.4m: £900,000 more than the previous year. This unrestricted, voluntary income was raised by our tireless network of over 100,000 volunteers, many of whom participated in the house-to-house collection – the largest of its kind in the UK. Countless street and supermarket collections were also held, alongside an impressive range of events – from jazz concerts to motorised scooter races. Christian Aid Week is a remarkable witness of churches coming together for the common goal of poverty eradication.

In September 2010 we signed an agreement with Ecclesiastical Insurance Group, to help raise thousands more for Christian Aid Week 2011. Their support will include the provision of 'bags for life' for use by volunteers during the week, and a donation of 50p to Christian Aid for every home insurance renewal date they receive from our supporters during Christian Aid Week. They will continue to do this until the end of 2011.

Legacies

Legacy income increased by £0.4m to £10.0m as a consequence of an exceptional gift and faster than expected settlements by executors.

Last year, a tenth of all our work was made possible by people who gave gifts in memory of a friend or loved one or left a gift in their will. In November Christian Aid held a service of thanksgiving for the people remembered with gifts and for those who left legacies, inviting donors and families to attend.

More than 90 people joined Dame Anne Owers, Loretta Minghella and staff in the chapel at King's College, London, while many individuals and families participated online. The service, led by Rev Professor Richard Burridge, celebrated both the financial contribution and the wider legacy of those who were being remembered, by recalling their role as volunteers and collectors. Families and friends spoke to staff of the long-term support and commitment to Christian Aid's work that had inspired their family member to leave a legacy, or which had led them to give in their memory.

Other work in 2010/11.

Working with young people

January 2011 saw the culmination of the DFID funded Platform2 programme. Implemented by Christian Aid and BUNAC, this highly ambitious three year programme intended to recruit less advantaged UK volunteers, aged 18-25, to complete 10-week community development projects overseas, and undertake a series of development awareness activities on their return. In total, 1,950 volunteers from a range of backgrounds were recruited through the programme, and

17 projects undertaken across six countries. In-country evaluations showed some excellent results from the projects, including increased local motivation for community development, and higher aspirations of young people in the project communities. The development awareness activities undertaken by volunteers on their return have also had great success, with activities ranging from photography and art exhibitions, to fashion shows and poetry readings, enabling volunteers to share their experiences and raise the understanding of development issues in their communities.

Christian Aid working with the private sector

Christian Aid has a long history of engaging with the business community through its campaigning, programme, policy and fundraising work. As we develop our new strategic framework, we seek to build on this, but also to achieve a step change in our level of ambition and engagement.

Christian Aid believes that poverty can be eradicated but we can only do this by working together with the private sector, governments and civil society. If we are to end poverty we need to support processes that create wealth. Enterprise is the engine of wealth creation. Justice and equity are the drivers for inclusion and empowerment that will enable the most marginalised and the poorest communities to be included in the benefits of the market.

Christian Aid will engage with the private sector in the following ways:

- **Ensuring that core business practices are pro-poor.** Working with business to

develop practices that are both good for business and good for people living in poverty.

- **Enterprise-based development.** Harnessing the power of the market to bring about transformational change on a massive scale, and supporting a pro-poor private sector.
- **Social or impact investment.** Looking at a number of ways to link investors interested in generating both a social and a financial return from an investment with enterprise-based programmes.
- **Corporate philanthropy.** Actively engaging with wealth advisers to guide their clients through the complex area of giving to international development, and continuing to encourage donations, employee fundraising, project sponsorship, gifts in kind and commercial affinity partnerships.

Feedback from supporters

We are grateful to receive feedback on our activities from our supporters. Whether we receive comments when supporters have been pleased by our actions, or those that help us improve our performance, all are valuable to us and inform our future communications and fundraising materials.

Over the year we received 523 pieces of feedback about various aspects of our work. The occasions where we have initiated direct contact with our supporters prompted the largest quantity of comments. During the year we received 167 complaints about different aspects of our fundraising activities.

CHRISTIAN AID'S ADDED VALUE IN 2010/11

We innovate and lead

Having been one of the first NGOs to bring climate change issues into the international development arena, we have now raised the issue of tax from being a marginal issue to one that is seen as fundamental to development. We continue to be a leading NGO voice on issues of tax, with strong policy expertise and a place in key decision-making forums.

We inspire and inform

Through our media presence and high-quality policy and communications materials, we have built a network of loyal, informed and passionate supporters, as illustrated through the attendance at our 2010 parliamentary lobby, and the number of actions taken in

our tax and climate change campaigns. Learning from our experience as a campaigning organisation, we have been able to refocus our campaigning, advocacy and media work in such a way as to achieve maximum impact.

We value relationships

Christian Aid believes that poverty can be eradicated but we can only do this by working together. We seek rich relationships with all stakeholders, including the private sector, and while we will challenge companies when necessary, we are keen to avoid purely, confrontational relationships, and instead seek to identify and share understanding and good practice on how the private sector can contribute to making poverty over.

We have previously reported here some acute difficulties with the delivery of cards from our Present Aid initiative. We have continued to improve the system for despatching these cards and, apart from the disruption caused by heavy snowfall in late November and early December 2010, have been pleased to offer a much more reliable service.

Following Christian Aid Week, each year we are grateful to the many volunteers who share their experiences and ideas. As a result of the feedback we have received, the collection envelopes have been redesigned to be slightly smaller and more recognisable.

OUR PRIORITIES FOR 2011/12

- To increase awareness among the public, decision-makers and opinion-formers that poverty can be over, and the impact that Christian Aid is having in achieving this.
- To help significantly shift political, business and public opinion, including supporter opinion, on the goals of our climate change and tax campaigns.

CHALLENGES FACED IN 2010/11

- Poverty is a complex and multi-dimensional issue, therefore explaining and communicating the issues in a way that people find interesting and engaging can be a challenge. This is particularly true when working to build awareness around issues that are not traditionally seen as development issues, such as tax. To meet this challenge we have engaged with media partners such as the *Guardian*, and employed techniques including films and web chats to communicate our key messages.
- The change in government in the UK has meant that we have had to refocus our campaigning and advocacy messages, while also building up key contacts. We welcome the coalition's commitment to be the 'greenest-ever' government, and will continue to engage actively on our priority issues.
- Christian Aid's climate change campaign faced the challenge of growing prominence given to climate sceptic voices, and some feelings of apathy after the failure of the Copenhagen climate talks to deliver the necessary global commitment to action. We have worked to address these challenges by engaging with the new MPs in our lobby of Parliament on 20 October 2010, creating new resources to inspire and engage our supporters and ensuring our campaign continues to speak out against the injustice of climate change.



Improving the quality of programme impact and reporting

Over the past year Christian Aid has been working hard to develop a new system to enable us to improve the quality of our programme support to poor communities. Designing effective programme interventions, determining the right target groups, mobilising the right range of resources, monitoring the implementation of activities and evaluating the effectiveness of the changes we are seeking to support are all part of a range of complex planning actions that are required to ensure the limited resources at Christian Aid's disposal are used in the most effective way.

This new programme management and information system (PROMISE) will support our programme staff and partners to develop and implement more effective programmes that can build on shared learning across all our work. Designed to capture and store key information, the new system will enable Christian Aid to aggregate data across all our programmes to determine the wider impact of the organisation's work. Country staff will be able to analyse their own work in relation to the work that is done regionally

and between regions. Through this, they will be able to access easily the experience and learning of other regional and country programmes, ensuring the benefits of such learning are used to continuously to improve the quality of work they are managing.

A major achievement in recent years has been our ability to produce high quality and timely communications materials that keep our generous donors informed on the difference that their funds are making. We believe that this system will support our programme of continuous improvement in this area, by giving staff access to a greater range of programme information. We have also been highly successful in winning funding from major and institutional donors, such as the new PPA and civil society contracts in Sierra Leone, India and DRC. The new system will also support our programme funding teams in building on this success, giving them a greater pool of evidential data that demonstrates the effectiveness of our work.

STRENGTHENING THE ORGANISATION

OUR PRIORITIES IN 2010/11

- To strengthen Christian Aid's organisational development and performance.
- To improve carbon management in Christian Aid.
- To provide increasingly efficient and reliable IT and communications systems to support our business processes globally.

To strengthen Christian Aid's organisational development and performance.

PPA

Christian Aid has long been a trusted partner of DFID, receiving unrestricted funding through three consecutive PPAs. PPAs were established in 2000 to improve funding arrangements with 10 UK-based civil society organisations with which DFID has a significant working relationship, a common ethos and vision, and a strong match in priority areas. Christian Aid's most recent PPA started in 2008 and came to an end in March 2011.

In 2010, we commissioned an independent, external review to evaluate how far Christian Aid has gone towards achieving the mutually agreed outcomes in the 2008-2011 PPA framework, examine the extent to which DFID's investment in Christian Aid through the PPA has represented value for money, and highlight some key points of learning.

The conclusions of the evaluation were broadly positive, and closely mirrored our own self-assessments. We were particularly pleased with the evaluator's statement that 'Christian Aid in the view [of the] evaluators does provide extremely good value for money'. In terms of organisational

development, the report concluded that: 'The PPA has provided Christian Aid with the space and financial backing to develop some of its internal systems to make it a more effective organisation; it also gives it space to innovate, reflect and focus on improving its performance.' The report went on to praise Christian Aid's understanding of poverty and its model of change, and suggested developing these into a more rigorous impact monitoring system, feedback that we have taken on board in the development of our new programme management information system PROMISE. A copy of the full evaluation can be found at christianaid.org.uk/images/ChristianAidPPAEvaluationReport.pdf

DFID launched a call for applications for a new round of PPAs in August 2010. Concept notes were invited from not-for-profit organisations, based anywhere in the world. Following a highly competitive concept note round, more than 100 organisations were invited to submit their full offers for consideration. A very rigorous and tough assessment and quality assurance process followed, and 39 civil society organisations (CSOs), including Christian Aid, were successful. Christian Aid was one of only four

organisations to receive both a general and a Conflict Security and Humanitarian (CSH) PPA, and also received more funding than in our previous PPA, at more than £7m in year one.

Strategy 2012+

Christian Aid's current corporate strategy, Turning Hope into Action, has had a tremendous influence in setting the direction, ambition and achievement of the organisation's work over the past six years. However, in a rapidly changing world all strategies have a shelf life, no matter how good they are. Through Turning Hope into Action and working alongside our partners, we have deepened our knowledge and understanding of poverty, how change happens and Christian Aid's role within that change process. We have a clearer understanding of the causes and the obstacles that need to be addressed if poverty is truly to be eradicated. Through our Poverty Over campaign, we have sought to initiate a public debate around the global action required to challenge and overcome these obstacles. In this debate we have worked hard to shift public perceptions of poverty and the people who live in poverty. The campaign has challenged the stereotypical acceptance that poverty is a natural part of the human

existence and as such it will always be present. Our analysis tells us differently, that poverty results when people and communities are excluded from decisions that affect their life opportunities and are denied the resources they require to enable them to achieve their potential.

As Christian Aid now looks forward into the future, our desire to see the end to global poverty is as strong now as it has ever been. Over the past year we have started the process of developing a new strategy to guide and shape the ambition and work of the organisation beyond 2012. In this process we have analysed our strengths as the new strategy will need to build on what we have achieved. But if Christian Aid is to increase significantly its impact on poverty, it is also important to understand and acknowledge where we have not been so effective. We are still in the early phase of this review, but already we are identifying where some of these challenges might lie. Tackling poverty sustainably requires constructive and collaborative engagement between civil society, government and the private sector. This engagement needs to be built upon meaningful relationships that work to achieve a shared outcome, based on shared values. As our thinking around the new strategy starts to emerge, Christian Aid recognises that it will need to work harder to reach out to form new partnerships with new actors across government, the private sector and civil society. The new strategy development process is opening up opportunities for Christian Aid to listen afresh to its key stakeholders who will need to be a part of shaping the organisation's future.

Accountability

At Christian Aid we are committed to continually improving our accountability standards. As a certified Humanitarian Accountability Partnership (HAP) member, we have benefited significantly from the opportunity to challenge ourselves on how we enable the communities we aim to support and our partners to hold us to account on our actions and decisions. Improving our downward accountability was a particular focus of our work in 2010/11. We have worked to improve the ways we share information with partners, how we encourage our partners to participate in our strategic planning, and how we elicit feedback to help improve our work. We have worked with partners to support them in becoming more accountable to those we aim to assist. In 2010/11 we have seen new positive ways of working on the ground: for example our partner the Ethiopian Evangelical Church Mekane Yesus (EECMY) was supported by Christian Aid to implement an emergency food distribution project in 2010 by providing supplementary food rations for three months to 15,000 vulnerable people affected by drought. Christian Aid and EECMY worked together to ensure that community representatives informed communities of their entitlements prior to the distribution by posting this information on the walls of the warehouse and at the entrance to the distribution centre. Announcements were also made on loudspeakers stating the entitlement to make the information accessible to the illiterate. EECMY told beneficiaries they had a right to complain and implemented a structured complaint-handling and response system during the distribution. Procedures on

how to raise a complaint were also shared as part of their information campaign. Communities said that they appreciated having an avenue to express their ideas, suggestions and concerns. They felt that their opinions were valued and they were empowered to hold us to account and influence our decisions.

To provide increasingly efficient and reliable IT and communications systems to support our business processes globally.

Our communications staff bear witness to the experience of the poorest people on the planet. Moving beyond the raw and often incomprehensible facts of poverty, their work seeks to provide context and a human perspective to the changes Christian Aid wants to see. In this, as in so many areas, we've stood apart from the crowd – using images that portray the people we work with as they see themselves and would want to be shown, and telling real stories that challenge common perceptions of people in the developing world as dependent, passive recipients of aid.

Yet communications work is so often just a snapshot of life at a particular time and place. Until recently, the events that have led to dramatic change for a community, or how long that change has lasted for, have been impossible to see without delving in to the data of project and programme reports. We're driving change in this area thanks to the decreasing cost of communications technology. From broadcasting live situation reports from the field, to leaving disposable cameras with partners



Postcards from Gaza: Christian Aid gave disposable cameras to children and teenagers in Gaza, for them to record scenes from their daily lives, and asked them to write accompanying captions

and communities to record their own stories, we're constantly seeking new ways to demonstrate the impact of our work.

Two projects stood out in 2010/11. Matopeni Diaries followed the Matopeni community in Nairobi, Kenya for a year following the 2010 Christian Aid Week appeal. Blogs, interviews, photos and videos appeared on the Christian Aid website and in our supporter magazine *Christian Aid News* throughout the year, culminating in the news that a community would soon be moving out of the slum.

In the occupied Palestinian territory, Postcards from Gaza gave disposable cameras and notebooks to children in Gaza, for them to record scenes from their daily lives. The powerful pictures and stories we received put a human face on reports of shortages, economic collapse and poverty in Gaza. Shown at the Greenbelt festival and on the Christian Aid website, the Postcards from Gaza project has added to the range of story-gathering techniques we're now using.

Looking to the year ahead, we'll be working with Malaria Control Agents on the borders of Zambia to document their vital health work – providing updates for thousands of supporters with an interest in this area. We'll also be supplying a group of activists in Bolivia with cameras as they work to protect their rainforests.

To improve carbon management in Christian Aid.

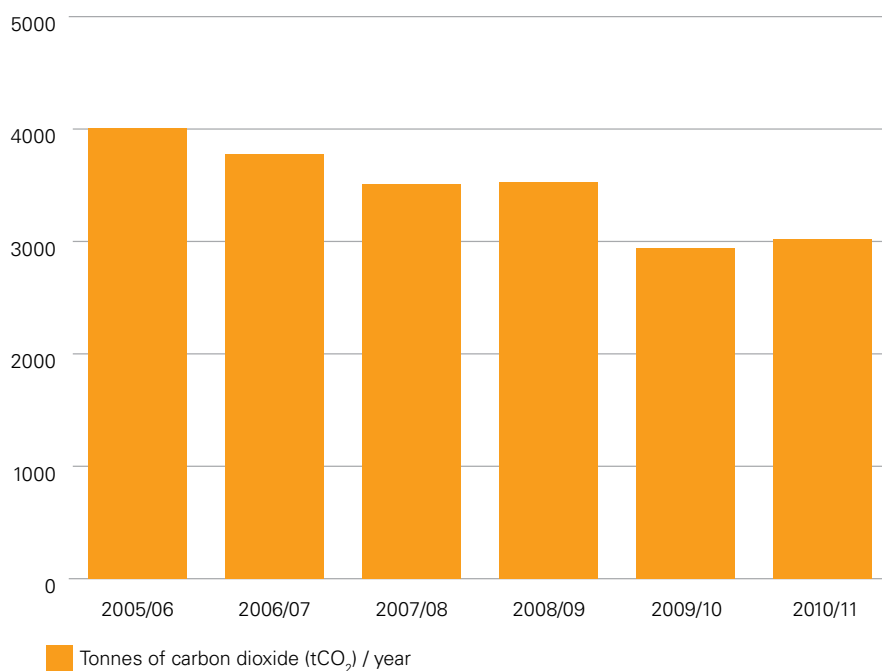
Climate change is a priority issue for Christian Aid. As one of the first major development charities to take a strong stand on the issue, we believe that if we are to speak with any credibility and encourage others to reduce their own carbon footprint, we must lead by example, and have therefore been reporting our own in-house operational greenhouse gas emissions since 2005/06. In 2009/10 this review was suspended due to competing resource pressures, but in 2010/11 we undertook carbon footprint studies for both the 2009/10 and 2010/11 financial years.

Following the dramatic fall in Christian Aid's carbon footprint in 2009/10 – the footprint has bounced back slightly, particularly with regard to flights booked from our country offices. However, the recovery in flight distances and, to a lesser extent, overseas vehicle use, has been largely offset by a 14 per cent fall in paper use, resulting in only a three per cent overall footprint increase. It should also be noted that Christian Aid purchases a large proportion of its electricity from renewable sources, but in compliance with DEFRA standards, this is not included in the figures above. If the use of renewable electricity is taken into account, the total carbon footprint is in fact around 10 per cent lower than stated in this report.

While the international nature of our work limits the extent to which we are able to reduce our carbon footprint, we are committed to making reductions, without compromising our essential work. In 2005/06, Christian Aid set a target to reduce our carbon footprint by five per cent per annum, and to achieve an 80 per cent reduction in carbon emissions by 2050. While this target has not consistently been met, we have achieved an overall reduction of almost 25 per cent against our 2005/06 baseline.

Having set up the Poverty and Environment Action Team in Christian Aid we have realised the benefits to our carbon footprint in recent years: from a shift to renewable electricity, reduced travel and more virtual meetings and from a sizeable shift to recycled paper procurement and reductions in print volume as more work is presented digitally.

Christian Aid's Comparative Carbon Footprint



Our plan for carbon management into the future sets objectives over three time frames. The short term is related to annual budget planning. The aspects and activities that are controllable within this timeframe relate to staff behaviour in relation to paper use, energy use and travel. The medium term focuses on Christian Aid's corporate strategies and how we can achieve our corporate objectives in an environmentally sustainable way. In other words how we fundraise and communicate externally, how we mobilise supporters and how we work with partners in more carbon-efficient ways. Our longer-term objectives aim to ensure full use of carbon-efficient technology as it develops in the future.

OUR PRIORITIES FOR 2011/12

- To continue to build an organisation where people strive for excellence in everything they do.
- To strengthen our accountability to key stakeholders.
- To improve our efficiency and effectiveness.
- To ensure we manage the risks of our work effectively.

	2009/10	2010/11	tCO ₂ change 10/11	% CO ₂ change 10/11
Flights – centrally booked	571	636	+ 65	+ 11%
Flights – country offices	294	400	+ 106	+ 36%
Vehicle travel – centrally booked	47	36	- 10	- 22%
Vehicle travel – country offices	271	287	+ 16	+ 6%
Train travel – centrally booked	26	30	+ 4	+ 15%
Train travel – country offices	1	3	+ 3	+ 482%
Electricity use – London	277	276	- 1	0%
Electricity use – areas and countries	180	187	+ 7	+ 4%
Gas use – London	86	77	- 9	- 11%
Other energy use – areas and countries	77	112	+ 36	+ 46%
Paper and printing – London	1,091	895	- 196	- 18%
Paper and printing - areas and countries	20	78	+ 58	+ 284%
Buses, taxis, ferries, tube	1	1	0	n/a
TOTAL	2,942	3,020	+ 79	+ 3%

CHALLENGES FACED IN 2010/11

- At Christian Aid, we have long been committed to ensuring that our resource allocation, policies and procedures enable us to achieve maximum impact. With the increased focus on this area among donors, we have been working to ensure that we have maximum evidence of our impact, ensuring our competitiveness in competitive tender processes.
- A major challenge under the ambition of Strengthening the Organisation has been to develop a successor to our corporate strategy Turning Hope into Action. In 2010/11 work has focused on reviewing the successes and lessons learned from the current strategic period, and working to identify future opportunities that will drive our work. This will lay the groundwork for developing the new strategy, ready to launch in April 2012.
- The application process for 2011-14 PPAs proved to be a challenging one, and having been successful, developing the organisation and our systems to meet new requirements and successfully deliver on the priorities we have identified has been a challenge that we will continue to address.

CHRISTIAN AID'S ADDED VALUE IN 2010/11

We learn and improve from experience

We continue to honour our commitment to evidence the change that we are making, including by undertaking independent, external evaluations of our work, publishing reports of these on our website christianaid.org.uk/resources/corporate_reports/corporate-evaluations.aspx, and taking on board outcomes and recommendations to inform future work. Our work on developing a new corporate strategy similarly started with a process of review and reflection of work under Turning Hope into Action. We are similarly investing in monitoring and evaluation systems.

We inspire and inform

We challenge preconceptions, bringing stories of activity and impact back to supporters and donors in Britain and Ireland, and producing innovative communications materials. We make use of new communications channels and technology, providing partners and communities with the technology required to tell their own stories in their own ways.

We lead by example

We seek to deliver best practice in our approach to accountability,

transparency and environmental reporting. We seek not only to meet the highest standards, but also to work with our networks and partners to develop their capacity in these areas. We also place a high value on our own credibility, and seek to practise what we preach when it comes to issues such as our environmental impact and carbon footprint.

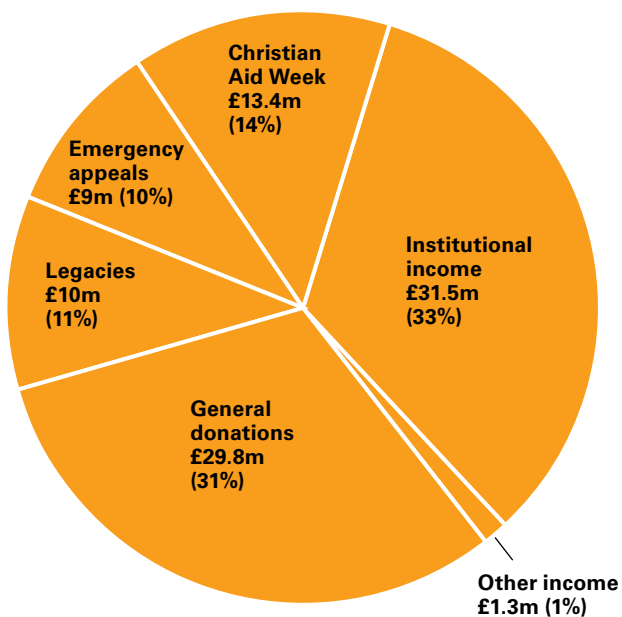
We offer value for money

As was affirmed in the external evaluation of our 2008-11 PPA, our understanding of poverty, theory of change and commitment to partnership working offers extremely good value for money. We have a modest organisational footprint, reflected in our spending ratio on programme delivery versus governance. Our distinctive competence in building strong, sustainable networks and partnerships enables us to maximise the impact and reach of our funding.

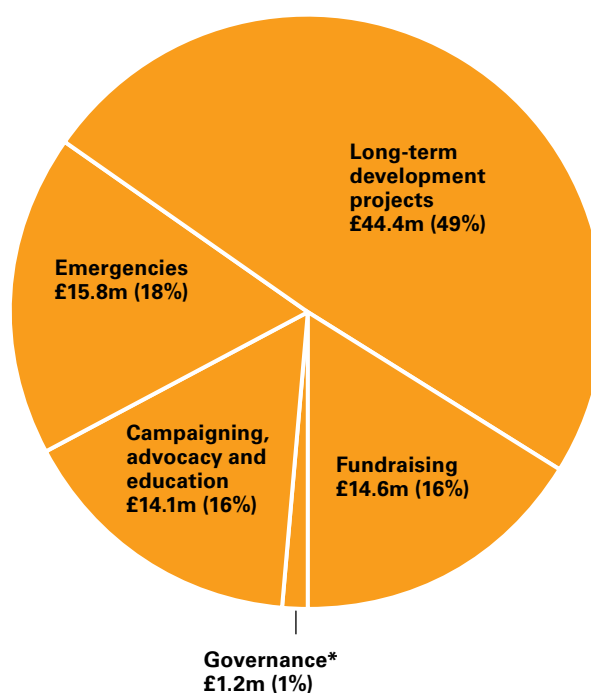
We continue to work to improve our processes to ensure that we remain a cost-effective organisation and promote cross-organisational learning, and we continue to monitor and develop our international programmes, advocacy and campaigning activities to identify where we are able to add value.

FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2011

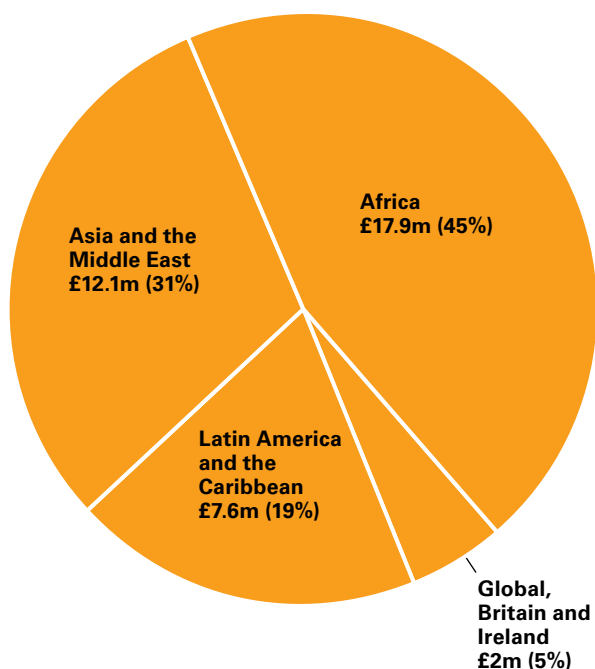
How we raised the money...



how we spent it...



...and where the grants went



		Percentage of total
General donations	£29.8m	31
Legacies	£10.0m	11
Emergency appeals	£9.0m	10
Christian Aid Week	£13.4m	14
Institutional income	£31.5m	33
Other income	£1.3m	1
Total income	£95.0m	100
Long-term development projects	£44.4m	49
Emergencies	£15.8m	18
Campaigning, advocacy and education	£14.1m	16
Fundraising	£14.6m	16
Governance	£1.2m	1
Total expenditure	£90.1m	100

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

Income

Total income for 2010/11 was £95m, down £9.6m (nine per cent) on the previous year. This decrease reflects a fall in institutional grants received and in general donations from the public, including emergency appeal income. Other income streams have stayed in line with last year. Income in the year was in line with the board-approved plan and continues to exceed expenditure.

Like many international NGOs, Christian Aid has been diversifying and internationalising its income streams. During 2010/11 approximately 13 per cent of income was raised from donors residing outside Britain and Ireland.

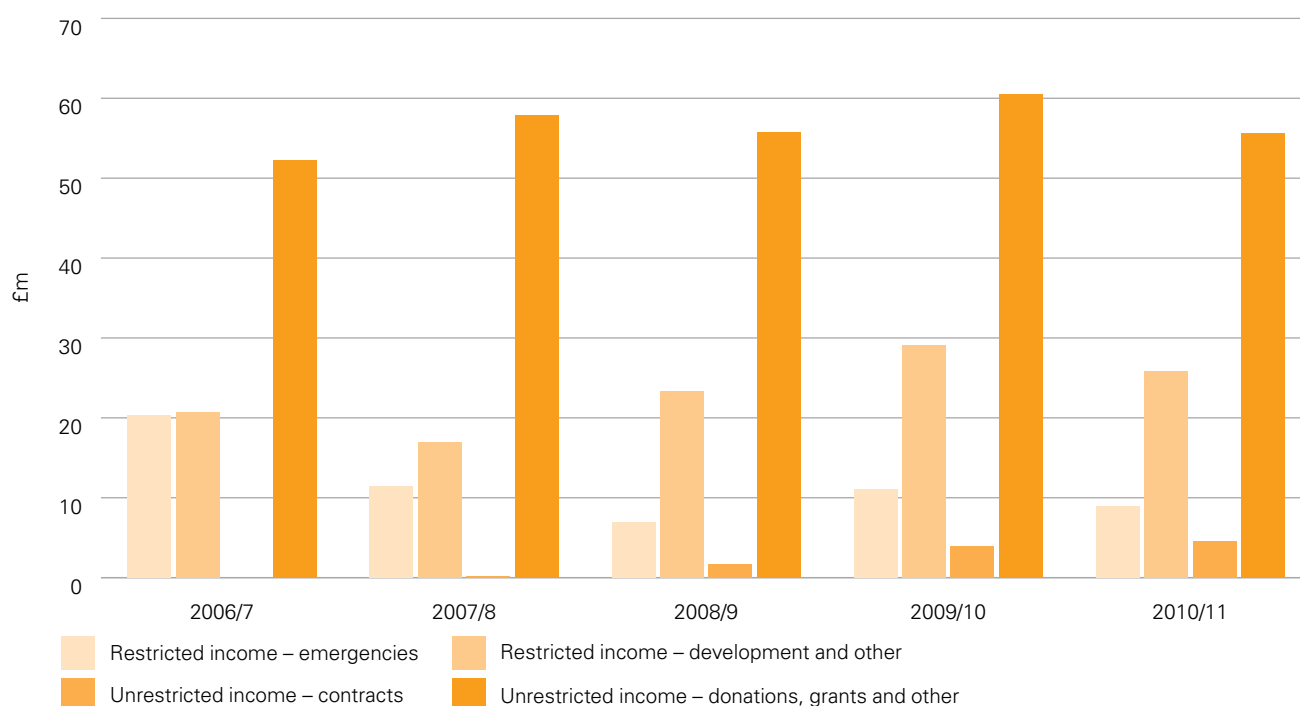
Total income by type

	2006/07	2007/08	2008/09	2009/10	2010/11	2010/11 change
Donations	£70.9m	£66.2m	£58.2m	£67.4m	£62.2m	(8%)
Institutional grants	£19.5m	£17.6m	£25.7m	£32.0m	£27.0m	(16%)
Other income	£2.9m	£2.7m	£3.8m	£5.2m	£5.8m	12%
Total income	£93.3m	£86.5m	£87.7m	£104.6m	£95.0m	(9%)

Total income by restriction

	2006/07	2007/08	2008/09	2009/10	2010/11	2010/11 change
Restricted income – emergencies	£20.3m	£11.5m	£6.9m	£11.1m	£9.0m	(19%)
Restricted income – development and other	£20.7m	£16.9m	£23.3m	£29.1m	£25.8m	(11%)
Unrestricted income – contracts	£0.0m	£0.2m	£1.7m	£3.9m	£4.6m	18%
Unrestricted income – donations, grants and other	£52.3m	£57.9m	£55.8m	£60.5m	£55.6m	(8%)
Total income	£93.3m	£86.5m	£87.7m	£104.6m	£95.0m	(9%)

Total income by restriction



Total income by location of donor

	2010/11 £m	2010/11 % of total
England, Wales and Scotland	£76.3m	80%
Northern Ireland	£2.9m	3%
Republic of Ireland	£3.5m	4%
Channel Islands and Isle of Man	£0.7m	1%
Spain	£0.5m	1%
Elsewhere in Europe	£6.9m	7%
Rest of the world	£4.2m	4%
Total income	£95.0m	100%

Donations

The economic uncertainty created by stubbornly high inflation, public sector cuts and weak GDP in the UK combine to create a challenging environment in which to fundraise. Nevertheless, donations to Christian Aid's core programmes are holding up well.

Although voluntary donations reduced significantly, from £67.4m in 2009/10 to £62.2m in 2010/11, the total raised still surpassed our board-approved target for the year. The previous year's figure had been uplifted by the public response to the Haiti earthquake and a one-off Christian Aid appeal for programmes at risk from the recession.

- Christian Aid Week 2010 performed better, recovering nearly £0.9m on the previous year and in total raising £13.4m.
- When approached, supporters generously donated to a number of humanitarian appeals during the year, raising a total of £5.6m. This included £4m in response to the Pakistan floods and a further £1.1m for the Haiti earthquake.
- Our Philanthropy and Partnerships team raised a record amount of £2.9m from trusts and foundations, and also secured a further £0.9m for the In Their Lifetime programme – pledges to this programme have reached almost £4m since its inception.
- Legacy income remains encouraging with our highest ever total, raising £10m in 2010/11.

Yet spontaneous giving from churches continues to struggle. This is partly fuelled by the continued decline in church attendance and partly by increased competition from other charities investing in the church market.

Following challenging donor recruitment costs from fundraising activities in Spain, we stopped recruitment of new Spanish donors during 2010, although we continue to invest in delivering a programme of campaigns through existing supporters.

Institutional grants and contracts

Although year-on-year grant income dipped by 16 per cent, 2010/11 was still Christian Aid's second highest ever annual total. Grants secured during the year included a new three-year £21m PPA with the UK government's DFID focusing on improved health outcomes, livelihoods and resilience across 19 countries.

The European Commission awarded €6m of new grants to four long-term development, and nine humanitarian, programmes through the European Commission for Humanitarian Aid (ECHO) including the Dominican Republic and Haiti, the Philippines and Malawi.

The Jersey Overseas Aid Commission approved nine humanitarian grants and Guernsey Overseas Aid Commission four long-term grants – the largest number so far for each donor.

The Band Aid Trust made its largest grant of £0.25m for emergency work in Niger. The JC Flowers Foundation began its work in fighting malaria in Zambia and The Roddick Foundation, The Rowan Charitable Trust and The Isle of Man Overseas Aid Commission all provided significant six-figure gifts.

The value of grants and contracts awarded was also lower at £34.8m, compared to £42.4m in 2009/10.

Institutional grants and contracts

	2008/09	2009/10	2010/11	2010/11 change
Number of grant and contract applications submitted	166	178	148	(17%)
Number of grants and contracts awarded	79	86	79	(8%)
Value of grants and contracts awarded	£20.7m	£42.4m	£34.8m	(18%)
Income receivable in the year	£27.5m	£35.9m	£31.5m	(12%)

Christian Aid continued to grow its contract income. We successfully completed the three-year youth volunteering contract (Platform2), and secured two further Africa contracts – the new Fund for Civil Society in the DRC and the ENCISS programme in Sierra Leone. Both of these contracts are pooled funding with the UK government's DFID, EU and other donors, and in total are worth £24.3m over their lifetime.

Christian Aid's civil society programme in India (PACS2), funded under contract from DFID, experienced a series of start-up delays, which had the effect of pushing £4m of charitable activity that was planned in 2010/11 into the remaining years of the programme.

Trading company income

Christian Aid's subsidiary trading company (Christian Aid Trading Limited) generated a profit of £260,000 for Christian Aid. A range of emerging commercial sponsorships and affinity schemes – including ink cartridge recycling, renewable energy and insurance – complement long-standing commercial partnerships with AquAid water dispensers and Traidcraft Christmas cards.

Trading company income

	2008/09	2009/10	2010/11	2010/11 change
AquAid	£94k	£94k	£98k	4%
Insurance	-	-	£77k	-
Christmas cards	£56k	£58k	£45k	(22%)
Other marketing income and charges	£104k	£30k	£49k	63%
Total profit	£254k	£182k	£269k	48%

Expenditure

Total expenditure reduced by six per cent in 2010/11, from £95.9m to £90.1m, mirroring the fall in income. This reflected a reduction of investment in fundraising, advocacy and campaigning and a reduction in emergency activity. Expenditure on development programmes increased by three per cent to £44.4m. Governance costs increased from £0.8m to £1.2m, largely due to the cost of the strategy development team being added to this cost category in 2010/11.

The priorities and impacts of Christian Aid's international programmes are presented earlier in the trustees' report. The bulk of expenditure continues to focus on secure livelihoods. Other strategic priorities cover HIV / AIDS and related healthcare issues, accountable governance and economic justice.

Expenditure on emergency programmes was £15.8m in 2010/11 (£17.4m in 2009/10) with the ongoing response to the Haiti earthquake (£2.2m) and the Pakistan floods in July 2010 (£2.7m) being the most significant activities.

Ongoing humanitarian programmes also continued in Burma, East and Horn of Africa and DRC. Christian Aid also responded to severe flooding in the Philippines, India and Bangladesh. Programmes in Darfur, Sudan, are now winding down as funds have been fully used.

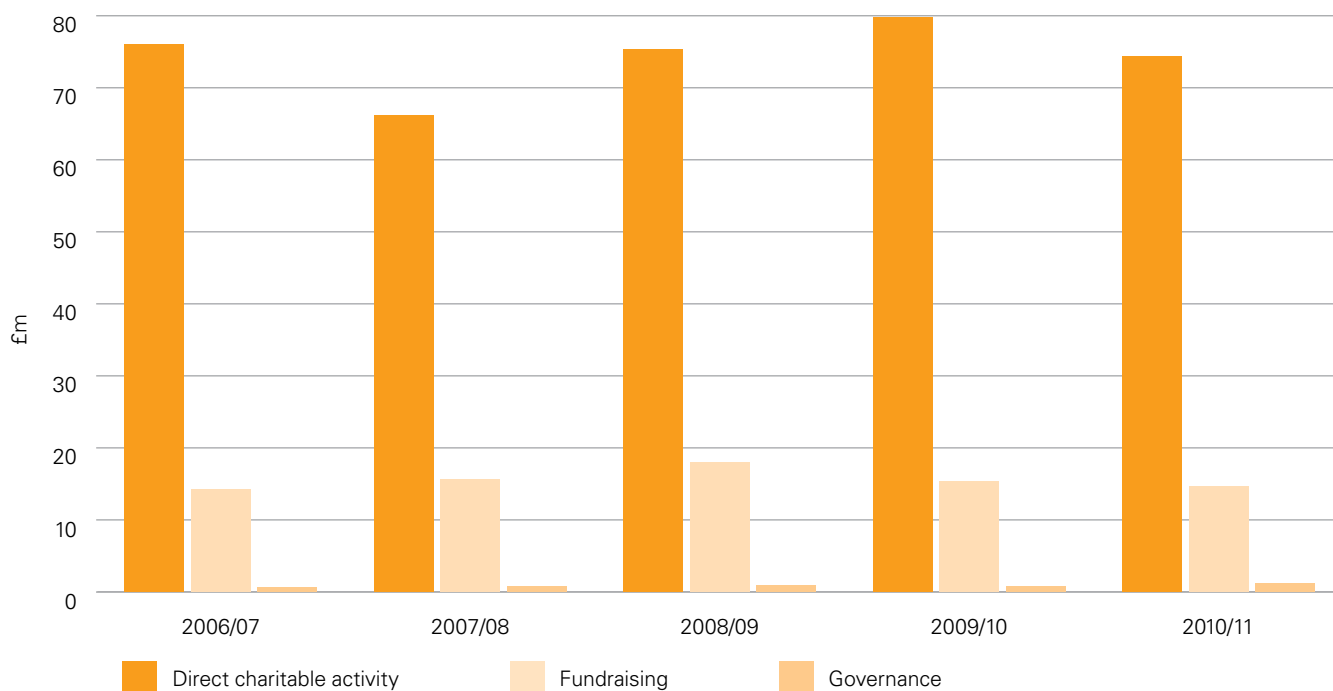
Christian Aid's development programme remained broadly static at £44.4m (£43.3m in 2009/10). International expenditure, both development and emergency programmes, continues to focus on Africa (45 per cent), Asia and the Middle East (31 per cent) and Latin America and the Caribbean (19 per cent). During the year, Christian Aid worked in 47 countries and with some 507 partner organisations.

Expenditure on campaigns, advocacy and education fell back to £14.2m (from £19m in 2009/10), as a result of the completion of the Platform2 programme and reduced activity associated with Christian Aid's Poverty Over campaign.

Fundraising costs as a percentage of total expenditure remained at 16 per cent. Fundraising costs reduced from £15.4m in 2009/10 to £14.6m in 2010/11 as fundraising investments were constrained by the difficult funding environment and spend was refocused in a number of areas to improve net income. However the fundraising ratio did not decline because other expenditure, principally on emergencies and advocacy and campaigning, as described above, also declined.

Total expenditure

	2006/07	2007/08	2008/09	2009/10	2010/11	2010/11 change
Direct charitable activity	£76.0m	£66.2m	£75.3m	£79.7m	£74.3m	(7%)
Fundraising	£14.3m	£15.6m	£18.0m	£15.4m	£14.6m	(5%)
Governance	£0.6m	£0.7m	£0.9m	£0.8m	£1.2m	50%
Total expenditure	£90.9m	£82.5m	£94.2m	£95.9m	£90.1m	(6%)
Fundraising costs as percentage of total expenditure	16%	19%	19%	16%	16%	

**Reserves**

The charity's operational reserve has been increased to £20m, in line with the policy and parameters that the trustees have set in order to ensure the financial stability of the charity. Overall, reserves have also increased because expenditure, and in particular investment in fundraising, has been tightly constrained during the difficult economic period.

Reserves

	2008/09	2009/10	2010/11	2010/11 change
Restricted reserves	£10.6m	£14.0m	£13.8m	(1%)
Unrestricted reserves	£18.6m	£22.5m	£25.8m	15%
FRS17 calculated pension deficit	(£10.0m)	(£15.8m)	(£10.8m)	(32%)
Unrestricted reserves, net of pension deficit	£8.6m	£6.7m	£15.0m	124%
Total reserves, net of pension deficit	£19.2m	£20.7m	£28.8m	39%

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 (Company number 5171525). 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 our work. All appointments are for a four-year period, and trustees are eligible for reappointment for a further four-year period after that.

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 their statutory responsibilities.

The board delegates certain functions to committees of trustees, including a nominations and procedures committee, a finance and audit committee, an organisational development and performance advisory committee and a remuneration committee.

The nominations and procedures committee is responsible for nominating new trustees to the members and for reviewing the performance of the board.

The finance and audit committee reviews reports from external and internal auditors; monitors the performance of Christian Aid's investment managers; and advises the board on risk management, financial control, plans and budgets.

The organisational development and performance advisory committee provides advice on HR 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 employees of Christian Aid. It also determines the pay and benefits of the director and the associate directors.

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 under 'Reference and administrative details' at the end of this report.

In 2009, Christian Aid registered a new charitable foundation in Spain. The new charity continues to undertake a range of development awareness and fundraising activities under the name InspirAction. The board of InspirAction operates under this name under licence from Christian Aid.

Charitable companies in the Republic of Ireland and in 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 agency

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 (OSCR) in recognition of its fundraising activities in Scotland.

In addition Christian Aid has established separately registered legal entities in India and Zambia. 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 both the formal governance arrangements – including Christian Aid's legal structures and obligations – and our charitable priorities and work. In addition, trustees are invited to meet regularly with individual staff members to gain a more thorough 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.

Christian Aid operates through the main charity and the subsidiary and connected charitable companies referred to in note 17 of 'Notes to the financial statements'.

Public benefit

The trustees confirm that they have referred to the guidance 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 objects 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 on by or with the support of the sponsoring churches.¹

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

1. More information is available in our Memorandum and Articles of Association.

The activities that Christian Aid carries out to further its charitable purposes for the public benefit are concentrated on providing grants to 507 partner organisations in some 47 countries, working on long-term development and responding to emergencies, as well as campaigning, advocacy and education work.

Statement of trustees' responsibilities

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

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

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

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

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

Information provided to auditors

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

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

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

Trustee attendance register

	Board		Other committees	
	Attended	Total	Attended	Total
Anne Owers (chair) (2, 4)	5	5	1	2
Noel Davies (vice chair) (2) (resigned November 2010)	3	3	1	1
Robert Beckford (resigned September 2010)	0	2		
John Davies (joined November 2010)	1	2		
Robert Fyffe (2)	4	5	1	1
Carolyn Gray (3, 4)	4	5	5	5
Tom Hinton (1) (joined July 2010)	5	5	4	4
Phil Hodgkinson (1)	2	5	4	4
Kumar Jacob (vice chair from November 2010) (3, 4)	5	5	5	5
Gillian Kingston	5	5		
Michael Langrish	4	5		
George McSorley	4	5		
Morag Mylne	3	5		
Wilton Powell (joined November 2010)	2	2		
Roger Purce (resigned November 2010)	2	3		
Alastair Redfern (joined November 2010)	2	2		
Brian Ridsdale (1, 4)	5	5	5	5
Charlotte Seymour- Smith (4)	5	5	1	1
Graham Sparkes	3	5		
Paul Spray (joined November 2010)	2	2		
Bridget Walker	5	5		
Trevor Williams (joined November 2010)	2	2		

1. Finance and Audit committee – four meetings
2. Nominations and Procedures committee – one meeting
3. Organisational Development and Performance Advisory committee – four meetings
4. Remuneration committee – one meeting

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

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

Reserves policy

The charity's reserves fall into two types.

Restricted funds are generated when the donor stipulates how its 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, resulting in part of the appeal monies 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 2011.

At 31 March 2011, restricted funds totalled £13.8m.

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 monies for a specific purpose or to cover possible risks. At 31 March 2011 the principal funds were:

- The operational reserve: 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 trustees aim for this reserve to cover 6-12 weeks of future expenditure plus 20 per cent of the pension deficit, which at 31 March 2011 equates to a range of £8.6m to £15.1m. However in the light of the risks in the current economic environment, including the volatility of the pension deficit, the trustees considered that £20.0m should be held in this reserve as at 31 March 2011. The policy will be reviewed in 2011/12.
- General funds represent unrestricted reserves held in excess of the operational reserve. At 31 March 2011, the parent charity held £1.9m and the Ireland charities £0.8m. The trustees plan to spend £1.9m more than is raised in 2011/12.
- The fixed asset designated reserve: comprises the funds invested in fixed assets to allow the organisation to carry out its work effectively. At 31 March 2011, the level of this reserve was £3m 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 utilise them elsewhere within the charity.
- The negative designated pension reserve of £10.8m represents the deficit on the final salary pension scheme as valued under FRS17, Retirement Benefits as at 31 March 2011. See note 18 of 'Notes to the financial statements' for more information.

At 31 March 2011, unrestricted funds, net of the estimated pension deficit, totalled £15.0m.

Investment policy

Christian Aid manages its investments – within its ethical guidelines – in ways that maximise the overall return on cash resources. 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, which is a Charity Commission approved pooled fund consisting of deposits held with a number of financial institutions. A proportion of longer-term cash is also managed by F&C Management Ltd (F&C) and invested in a mixture of government bonds (gilts), ethically screened corporate bonds and cash deposits. F&C screening involves setting ethical principles and acceptable investment criteria which aim to avoid investing in companies with unsustainable business practices that do particular harm to the world, its people or its wildlife.

In prior years, the investment manager has been reviewed on an annual basis by the finance and audit committee against the benchmark of the FTA Government Under Five-Year Gilt Index. However, the returns available by investing along these lines have fallen significantly in recent years. In light of the prevailing low interest rates and the potential impact on the portfolio, should the environment change, the committee considered it prudent to review the investment mandate. As a result, the structure of the investments was altered at the beginning of the reporting period so as to reduce such risks. This was achieved by a reduction in the allocation to the longer-term cash portfolio and ensuring that all remaining fixed rate gilts and corporate bonds mature by June 2012.

The performance of the Christian Aid portfolio in the year ended 31 March 2011 was 1.8 per cent. The change of mandate prevents a direct comparison with the benchmark which, for reference, returned 2.1 per cent.

Authority to delegate part of the investment management to F&C was granted under an order of the Charity Commission on 19 August 1998.

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. In relation to development programmes, grants 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. All trustees continue to be informed of every grant made by the organisation in the course of a financial year, and further details are available by writing to the associate director of finance and information management at Christian Aid.

Risk management

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.

The trustees are ultimately responsible for risk management and the effectiveness of Christian Aid's internal control systems. They have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks. The systems and procedures are designed to manage rather than eliminate risk, and provide reasonable but not absolute assurance against material misstatement or loss.

Christian Aid has a risk-management strategy and policy statement, which has been adopted by the finance and audit committee. This provides a framework for the risk management process and delegates responsibility for risk management throughout the organisation.

Risk registers have been developed at corporate, business unit and major project level. Risks are assessed taking account of the likelihood of their occurring and the potential impact they could have. Risk responses are regularly discussed at the directorate business meetings and with the trustees.

Christian Aid also has a dedicated internal audit team, which is responsible for assessing the adequacy and effectiveness of internal controls against a schedule of audits that are approved by the finance and audit committee, taking account of the corporate risk register. Management is responsible for implementing agreed recommendations arising from the internal audit process. The work of the internal audit function is overseen by the finance and audit committee, which receives regular reports from the head of internal audit and risk. Furthermore, the finance and audit committee receives an annual assurance statement from the associate director of finance and information management, prepared in conjunction with internal audit, which details key controls in place during the year. This is supported by completion of the charity commission's internal controls for charities checklist.

In addition to the internal audit team, there are a number of working groups managing risks in high-risk areas, as defined in the risk register. For 2010/11, these continued to include the business continuity group; the health and

safety committee; the public policy group; and the corporate accountability group. During the year, Christian Aid entered into a number of major contracts with DFID and a Large Programmes Oversight committee was established to monitor the performance of these programmes and review the supporting risk management procedures.

The Board continues to monitor risks in relation to reputation, the economic environment, major contracts, granting of funds and impact management, health, safety and security, misappropriation of funds and the pension scheme deficit, among others. Where appropriate, actions have been taken to reduce further these risks.

Christian Aid pension schemes

The trustees closed the final salary pension scheme to new members and to future accrual on 30 June 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.

A professional actuary carried out a three-yearly valuation of the now closed final salary scheme as at September 2008. The calculated deficit in the scheme was £16.2m, which has led to a revised recovery plan put forward by Christian Aid and agreed by the pension trustees from April 2010.

Additionally, the actuary carries out a separate annual valuation in line with the accounting standard FRS17. This is carried out using different assumptions and may result in a different funding position. The 31 March 2011 valuation under this method showed a deficit of £10.8m. This reflects a significant improvement on the previous years' position, due to both a decrease in calculated scheme liabilities and an improvement in the quantity and value of scheme assets. Details are shown in full in note 22 of 'Notes to the financial statements'. Christian Aid continues to increase the level of its operational reserve to reflect the continuing risks attached to the pension scheme.

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

Remuneration policy

The salaries of Christian Aid staff are periodically benchmarked against comparable organisations, including other charities and church organisations, with the support of an external consultant. Christian Aid aims to set salaries equivalent to the median for such organisations. On an annual basis salary scales are increased in line with the average of earnings and retail price inflation, subject to affordability. Following awards of nil per cent and one per cent in the last two years, the Board of Trustees awarded a three per cent rise from April 2011.

All posts are evaluated based on agreed, organisation-wide criteria that determines the grade and salary for the post. Posts in certain functions (for example, finance and

information systems) carry a small market increment to reflect the difficulty of recruiting and retaining qualified staff in these functions.

Communicating with staff

Christian Aid is committed to open and accountable management of its employees, in which they can expect to be properly line-managed and can also raise concerns through their manager or through senior management, including the director. All staff are regularly informed and consulted about changes and developments within the organisation. Information updates are provided to staff through a regular open staff forum broadcast on internet radio to all Christian Aid offices. *Majority World News* is the daily staff information bulletin and *The Week* is a regular update of key news for all employees.

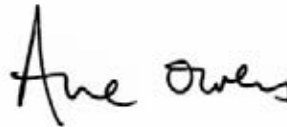
UK-based staff are encouraged to join a trade union. Unite and the National Union of Journalists are the recognised unions within Christian Aid. A process is in place that will ensure overseas staff are represented by staff-elected staff coordinators during 2011/12. The unions support members of staff and staff coordinators during key consultations and employee relations issues.

Christian Aid has been granted the Investors in People award, which provides external verification of our performance against accepted practice for relations with staff.

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 we encourage applications from disabled people, help them develop their skills, and take every reasonable measure to adapt our premises and working conditions to enable disabled people to work or volunteer at Christian Aid.



Dame Anne Owers DBE

Chair of the Christian Aid Board of Trustees
16 September 2011

AUDITORS' REPORT

Independent Auditors' Report to the Members and Trustees of Christian Aid

We have audited the financial statements of Christian Aid for the year ended 31 March 2011, which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1-22.

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 (Britain and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

In addition, we read all the financial and non-financial information in the trustees' *Annual Report* to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2011, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

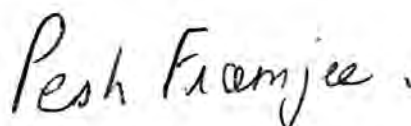
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' *Annual Report*, for the financial year for which the financial statements are prepared, is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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.



Pesh Framjee
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London
16 September 2011

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 2011

	Notes	2011 Unrestricted funds £'000	2011 Restricted funds £'000	2011 Total funds £'000	2010 Total funds £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Donations	2	48,838	13,361	62,199	67,398
Institutional grants	3, 19-21	5,605	21,379	26,984	31,999
Activities for generating funds		303	-	303	291
Investment income		858	74	932	971
Incoming resources from charitable activities	4	4,555	-	4,555	3,931
Other incoming resources		28	-	28	31
Total incoming resources		60,187	34,814	95,001	104,621
Resources expended					
Cost of generating funds					
Costs of generating voluntary income	5	13,998	534	14,532	15,301
Fundraising trading: cost of goods sold and other costs	5	46	-	46	77
Investment management costs	5	49	-	49	57
Charitable activities					
Development	5	20,364	24,069	44,433	43,293
Emergencies	5	5,704	10,059	15,763	17,378
Campaigning, advocacy and education	5	13,826	330	14,156	18,960
Governance costs	5	1,142	16	1,158	793
Total resources expended		55,129	35,008	90,137	95,859
Net income/(expenditure) for the year		5,058	(194)	4,864	8,762
Other recognised gains/(losses)					
Losses on investment assets	9	(355)	-	(355)	(156)
Actuarial gains/(losses) on defined benefit pension scheme	22	3,590	-	3,590	(7,005)
Exchange translation difference arising on consolidation		19	(23)	(4)	(106)
Net movement in funds		8,312	(217)	8,095	1,495
Reconciliation of funds					
Total funds brought forward at 1 April		6,672	14,019	20,691	19,196
Total funds carried forward at 31 March	14,15	14,984	13,802	28,786	20,691

All incoming and outgoing resources arise from continuing operations.

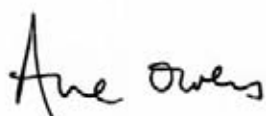
There are no recognised gains or losses, or movements in funds, other than those disclosed above.

Balance sheets

as at 31 March 2011

		Consolidated group		Parent charity	
	Notes	2011	2010	2011	2010
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	8	2,999	3,032	2,979	3,007
Investments	9	20,456	18,091	20,482	18,116
		23,455	21,123	23,461	21,123
Current assets					
Stocks		23	22	17	19
Debtors	10	5,595	8,956	6,008	9,186
Short-term cash deposits		5,309	1,009	5,309	1,009
Cash at bank and in hand		10,306	12,011	6,372	8,231
		21,233	21,998	17,706	18,445
Liabilities					
Creditors: amounts falling due within one year	11	(5,140)	(6,603)	(5,003)	(6,480)
Net current assets		16,093	15,395	12,703	11,965
Net assets excluding pension liability					
Defined benefit pension scheme liability	22	(10,762)	(15,827)	(10,762)	(15,827)
Net assets including pension liability		28,786	20,691	25,402	17,261
Restricted funds					
Appeals and other donations – funds in surplus	15	11,235	10,640	10,549	10,163
Appeals and other donations – funds in deficit	15	(23)	(581)	(23)	(581)
Institutional grants – funds in surplus	15	5,461	7,339	3,655	5,551
Institutional grants – funds in deficit	15	(2,871)	(3,379)	(2,871)	(3,379)
Total restricted funds		13,802	14,019	11,310	11,754
Unrestricted funds					
Unrestricted funds excluding pension reserve		25,746	22,499	24,854	21,334
Pension reserve	22	(10,762)	(15,827)	(10,762)	(15,827)
Total unrestricted funds	14	14,984	6,672	14,092	5,507
Total funds		28,786	20,691	25,402	17,261

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



Dame Anne Owers DBE

Chair of the Board of Trustees
16 September 2011

Consolidated cash flow statement

for the year ended 31 March 2011

	2011 £'000	2010 £'000	
Reconciliation of net incoming resources to net cash inflow from operating activities			
Net incoming resources	4,864	8,762	
Investment income	(932)	(971)	
Depreciation charge	433	774	
Profit on sale of tangible fixed assets	(28)	(31)	
FRS17 difference between pension contributions and current service costs	(1,475)	(1,134)	
Exchange translation difference arising on consolidation	(4)	(106)	
(Increase)/decrease in stocks	(1)	112	
Decrease in debtors	3,361	1,642	
Decrease in current liabilities	(1,463)	(1,636)	
Net cash inflow from operating activities	4,755	7,412	
Consolidated cash flow statement			
Net cash inflow from operating activities	4,755	7,412	
Return on investments and servicing of finance			
Interest received	932	971	
Capital expenditure			
Payments to acquire tangible fixed assets	(459)	(900)	
Proceeds from sales of tangible fixed assets	87	57	
Payments to acquire investments	(27,871)	(11,385)	
Proceeds of sale of investments	25,151	10,024	
	(3,092)	(2,204)	
Cash inflow before use of liquid resources	2,595	6,179	
Management of liquid resources			
Increase in short-term deposits	(4,300)	(800)	
(Decrease)/increase in cash during the year	(1,705)	5,379	
Analysis of net funds as shown in the balance sheet and changes during the year			
	As at 1 April 2010 £'000	Change in year £'000	As at 31 March 2011 £'000
Cash at bank and in hand	12,011	(1,705)	10,306
Short-term cash deposits	1,009	4,300	5,309
Net funds	13,020	2,595	15,615

Notes to the financial statements

for the year ended 31 March 2011

1. Accounting policies

a. Basis of preparation

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

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

The statement of financial activities and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line-by-line basis. No separate income and expenditure account of the charity has been presented, as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The gross income of the charity for the year was £91.3m (2010: £101.3m) and its gross expenditure was £86.4m (2010: £92.5m).

The group accounts include a 100 per cent 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) and Christian Aid International (a charitable foundation registered in Spain). The group accounts also include a 71.25 per cent proportional consolidation of The British and Irish Churches Trust Limited, since Christian Aid's interest relates directly to its share of the underlying assets, liabilities and cash flows. Further details of the subsidiaries are given in note 17.

b. Fund accounting

Reserve policies are given on page 53 of the trustees' report. Reserves are either unrestricted or restricted funds.

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

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

c. Incoming resources

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

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

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

d. Resources expended

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

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

Costs of charitable activities include direct expenditure incurred through grants to partners and operational activities. 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.

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

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

e. Tangible fixed assets and depreciation

Tangible fixed assets costing 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.

f. Stocks

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

g. Pension costs

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

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

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

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

h. Taxation and irrecoverable VAT

Christian Aid is a registered charity and as such is potentially exempt from taxation of its income and gains to the extent that they fall within the charity exemptions in the Corporation Taxes Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992. No tax charge has arisen in the year. No tax charge has arisen in the 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 £1.3m for the year (2010: £1.2m).

i. Foreign currencies

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

j. Related party disclosures

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

k. Fixed asset investments

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

l. Operating leases

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

2. Donations

	2011 Unrestricted £'000	2011 Restricted £'000	2011 Total £'000	2010 Unrestricted £'000	2010 Restricted £'000	2010 Total £'000
Christian Aid Week	13,442	-	13,442	12,544	-	12,544
In Their Lifetime	157	781	938	118	479	597
Denominational appeals	374	1,189	1,563	62	1,293	1,355
Christian Aid humanitarian appeals	-	5,635	5,635	-	9,279	9,279
Disasters Emergency Committee appeals	-	3,400	3,400	-	1,860	1,860
Legacies	9,888	115	10,003	9,585	-	9,585
Other donations	24,977	2,241	27,218	28,960	3,218	32,178
Total donations	48,838	13,361	62,199	51,269	16,129	67,398

Total donations of £62.2m (2010: £67.4m) include £6.5m of tax recovered through tax efficient giving (2010: £8.3m).

Legacies of which we have been notified but not recognised as income are valued at £6.9m (2010: £7.7m).

Total donations include gifts in kind valued at £258,000 (2010: £243,000).

3. Institutional grants

	Notes	2011 Unrestricted £'000	2011 Restricted £'000	2011 Total £'000	2010 Unrestricted £'000	2010 Restricted £'000	2010 Total £'000
Department for International Development	19	4,832	4,939	9,771	7,198	5,506	12,704
European Commission		526	5,228	5,754	480	8,797	9,277
Irish Aid		-	2,720	2,720	-	2,539	2,539
USAID		196	877	1,073	187	1,505	1,692
Jersey Overseas Aid Commission		-	396	396	-	345	345
Guernsey Overseas Aid Commission		-	155	155	-	112	112
Isle of Man Overseas Aid Committee		-	99	99	-	206	206
Other governments and public authorities		29	1,326	1,355	34	648	682
Comic Relief	20	15	578	593	32	952	984
ICCO	21	-	200	200	-	1,082	1,082
Other institutions		7	4,861	4,868	38	2,338	2,376
Total institutional grants		5,605	21,379	26,984	7,969	24,030	31,999

Total institutional grants of £27.0m (2010: £32.0m) include gifts in kind valued at £2.1m (2010: £225,000).

4. Incoming resources from charitable activities

	2011 Unrestricted £'000	2011 Restricted £'000	2011 Total £'000	2010 Unrestricted £'000	2010 Restricted £'000	2010 Total £'000
UK government – Department for International Development						
Platform2 youth volunteering contract	2,679	-	2,679	3,496	-	3,496
PACS2 civil society programme in India	668	-	668	332	-	332
CSF civil society programme in DRC	575	-	575	-	-	-
ENCISS civil society programme in Sierra Leone	404	-	404	-	-	-
USAID						
Aidstar AIDS support and assistance programme in Haiti	229	-	229	103	-	103
Total incoming resources from charitable activities	4,555	-	4,555	3,931	-	3,931

5. Total resources expended

	Grants to partner organisations £'000	Staff costs £'000	Other direct costs £'000	Allocation of support costs £'000	2011 Total £'000	2010 Total £'000
Costs of generating voluntary income	-	5,286	8,648	598	14,532	15,301
Fundraising trading: cost of goods sold and other costs	-	-	46	-	46	77
Investment management costs	-	20	29	-	49	57
Total cost of generating funds	-	5,306	8,723	598	14,627	15,435
Development	27,172	9,894	5,628	1,739	44,433	43,293
Emergencies	12,096	2,098	1,343	226	15,763	17,378
Campaigning, advocacy and education	520	6,552	6,260	824	14,156	18,960
Total charitable activities	39,788	18,544	13,231	2,789	74,352	79,631
Governance	-	544	542	72	1,158	793
Total resources expended	39,788	24,394	22,496	3,459	90,137	95,859

Grant expenditure analysed by region	2011 £'000	2010 £'000
Africa	17,989	17,299
Asia and the Middle East	12,124	14,122
Latin America and the Caribbean	7,649	9,565
Global	2,026	857
Britain, Ireland and Spain	-	35
Total grants to partner organisations	39,788	41,878

All our grants are to organisations, not individuals. Details of grants made are available from the director of finance and information management, Christian Aid, 35 Lower Marsh, London SE1 7RL.

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

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

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

Governance costs		2011 £'000	2010 £'000
Internal audit		240	142
External audit		86	65
Trustees' expenses		17	15
Strategic management		815	571
		1,158	793
Allocation of support costs	Basis of allocation	2011 £'000	2010 £'000
Facilities management	Headcount	1,252	1,767
Finance teams	Headcount	323	678
Human resources	Headcount	509	361
Information systems	Headcount	818	1,019
Pension scheme and financial management	Headcount	557	426
		3,459	4,251

6. Staff and trustee costs

	2011 £'000	2010 £'000
Staff costs of Britain-, Ireland- and Spain-contracted staff		
Salaries	16,013	17,443
Pension contributions	1,117	1,208
National Insurance contributions	1,578	1,622
Benefits in kind	216	263
Total staff costs Britain, Ireland and Spain contracts	18,924	20,536
Staff cost of overseas-contracted staff	5,499	4,632
Total staff costs	24,423	25,168

	2011 FTE	2010 FTE
Staff numbers by location		
Britain-, Ireland- and Spain-based staff	442	446
Overseas-based staff	327	279
Total staff FTE	769	725

FTE = full-time equivalent

Overseas staff includes 21 employees (2010: 31 employees) on Britain, Ireland and Spain contracts based in the charity's overseas offices.

	2011 FTE	2010 FTE
Staff numbers by activity		
Generating funds	142	148
Charitable activities	617	570
Governance	10	7
Total staff FTE	769	725

The emoluments of the director, the highest-paid employee, were £119,123 (2010: £107,867).

The director's expenses were £10,255 (2010: £5,755).

6. Staff and trustee costs (continued)

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

	2011	2010
£110,000 to £119,999	1	-
£100,000 to £109,999	-	1
£90,000 to £99,999	-	-
£80,000 to £89,999	2	1
£70,000 to £79,999	2	4
£60,000 to £69,999	3	4

Contributions in the year for the provision of defined contribution pension schemes to higher-paid staff were £69,000 (2010: £79,000).

Trustees' expenses	2011 No. of trustees	2011 £'000	2010 No. of trustees	2010 £'000
Trustees' expenses – parent	19	12	16	12
Trustees' expenses – other group charities	24	8	12	3

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. No individual trustee claimed expenses of more than £1,500.

7. Statement of financial activities

Net movement in funds is stated after the following charges:

	Consolidated group		Parent charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Auditors' remuneration				
Fees payable to parent charity's auditors for the audit of the charity's annual accounts	53	43	53	43
Fees payable to parent charity's auditors for the audit of the charity's subsidiaries pursuant to legislation	3	4	-	-
Total audit fees	56	47	53	43
Other services	21	-	21	-
Total fees payable to parent charity's auditors	77	47	74	43
Rental costs in relation to operating leases – land and buildings	74	76	205	205
Investment manager's fee	29	35	29	35

8. Tangible fixed assets

	Central office freehold £'000	Other leasehold/freehold property £'000	Leasehold improvements £'000	Computer equipment £'000	Office furniture, fittings and equipment £'000	Assets in the course of construction £'000	Motor vehicles £'000	Total £'000
Cost								
At 1 April 2010	1,855	279	2,609	3,271	669	892	782	10,357
Additions	-	8	23	51	54	149	174	459
Disposals	-	-	-	-	(4)	-	(195)	(199)
At 31 March 2011	1,855	287	2,632	3,322	719	1,041	761	10,617
Depreciation								
At 1 April 2010	678	68	2,527	2,998	595	-	459	7,325
Charge in year	37	13	52	170	28	-	133	433
Disposals	-	-	-	-	(4)	-	(136)	(140)
At 31 March 2011	715	81	2,579	3,168	619	-	456	7,618
Net book value								
At 31 March 2011	1,140	206	53	154	100	1,041	305	2,999
At 1 April 2010	1,177	211	82	273	74	892	323	3,032
Held by parent charity	1,140	206	33	154	100	1,041	305	2,979
Held by subsidiaries	-	-	20	-	-	-	-	20

9. Investments

	Consolidated group		Parent charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
As at 31 March				
Gilts – UK	6,547	10,804	6,547	10,804
Fixed-interest securities	2,057	3,860	2,057	3,860
Floating-rates notes	1,405	1,672	1,405	1,672
Sterling deposits	9,947	1,253	9,947	1,253
Investment properties	350	350	350	350
Unlisted investments	150	152	150	150
Investments in subsidiary undertakings	-	-	26	27
Total investments	20,456	18,091	20,482	18,116
Movements during the year				
At the beginning of the year	18,091	16,886	18,116	16,886
Cost of acquisitions	27,871	11,385	27,871	11,410
Disposals	(25,151)	(10,024)	(25,149)	(10,024)
Unrealised loss	(355)	(156)	(356)	(156)
Total investments	20,456	18,091	20,482	18,116

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

	2011 £'000	2011 %	2010 £'000	2010 %
UK Treasury Government Bond 5.00% 07/03/2012	2,011	19.9	845	5.2
UK Treasury Government Bond 5.25% 07/06/2012	1,956	19.6	2,020	12.4
UK Treasury Government Bond 3.25% 07/12/2011	1,255	12.5	-	-
KFW FRN 15/02/2013	901	8.9	901	5.5
European Investment Bank 4.75% 06/06/2012	820	8.4	844	5.2
West Bromwich 2% 05/04/2012 EMTN	503	5.1	303	1.9
Skipton Building Society 2% 04/05/2012	503	5.1	114	0.7
UK Treasury Government Bond 5.00% 07/09/2014	-	-	2,190	13.4
UK Treasury Government Bond 4.75% 07/06/2010	-	-	1,753	10.7
UK Treasury Government Bond 4.25% 07/03/2011	-	-	1,020	6.2
Res Ferre 4.75% 25/01/11 EMTN	-	-	825	5.1

10. Debtors

	Consolidated group		Parent charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Payments in advance for Christian Aid Week	550	536	550	536
Other prepayments	1,265	427	1,264	422
Accrued income	2,265	2,896	2,216	2,833
Other debtors	1,515	5,097	1,009	4,619
Amounts due from subsidiary undertakings	-	-	259	275
Amounts due from connected charities	-	-	710	501
Total debtors	5,595	8,956	6,008	9,186

11. Creditors: amounts falling due within one year

	Consolidated group		Parent charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Interest-free loans from supporters	158	178	158	178
Trade creditors	3,081	1,533	3,053	1,529
Project creditors	-	2,999	-	2,978
Deferred income	577	287	577	287
Tax and social security	530	772	519	762
Other creditors	571	565	522	521
Accruals	223	269	173	225
Amounts due to connected charities	-	-	1	-
Total creditors	5,140	6,603	5,003	6,480

Movement on deferred income during the year:

	Consolidated group		Parent charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Balance brought forward	287	303	287	303
Released to income	(287)	(303)	(287)	(303)
Received in year	577	287	577	287
Balance carried forward	577	287	577	287

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 2011/12.

	Consolidated group		Parent charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Commitments	14,703	19,531	13,814	18,610

13. Leasing commitments

As at 31 March 2011 the group had annual commitments under non-cancellable operating leases of:

	Consolidated group		Parent charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Operating leases which expire after more than five years – land and buildings	74	76	205	205

14. Unrestricted funds

	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Transfers £'000	Closing balance £'000
Consolidated group						
Operational reserve	16,000	-	-	-	4,000	20,000
General funds	2,366	57,323	(51,688)	(355)	(5,732)	1,914
General funds – Christian Aid Ireland	992	2,331	(2,562)	19	5	785
General funds – InspirAction	109	533	(594)	-	-	48
Fixed asset fund	3,032	-	-	-	(33)	2,999
Pension reserve	(15,827)	-	(285)	3,590	1,760	(10,762)
Consolidated group total unrestricted funds	6,672	60,187	(55,129)	3,254	-	14,984
Parent charity						
Unrestricted funds excluding pension reserve	21,334	57,274	(51,639)	(355)	(1,760)	24,854
Pension reserve	(15,827)	-	(285)	3,590	1,760	(10,762)
Parent charity total unrestricted funds	5,507	57,274	(51,924)	3,235	-	14,092

15. Restricted funds

Consolidated group	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Closing balance £'000
In Their Lifetime	535	781	(482)	834
Denominational appeals	370	1,190	(911)	649
Christian Aid humanitarian appeals:				
Bangladesh cyclone	415	3	(203)	215
Burma cyclone	485	1	(242)	244
Democratic Republic of Congo	313	3	(289)	27
East Africa drought	47	-	87	134
Haiti earthquake	4,249	1,116	(948)	4,417
Indian Ocean tsunami	89	1	(37)	53
Indonesia and Philippines natural disasters	981	20	(400)	601
Middle East (Gaza)	666	13	(345)	334
Niger food crisis	179	1	(180)	-
Pakistan floods	-	4,025	(1,501)	2,524
South Asia floods	425	3	(149)	279
Sri Lanka	321	6	(299)	28
Sudan (Darfur)	698	3	(535)	166
Three Continents*	104	-	(104)	-
West Africa food crisis	-	494	(167)	327
Other Christian Aid appeals	16	20	(36)	-
Disasters Emergency Committee appeals:				
Bangladesh cyclone	-	15	(15)	-
DRC	14	-	(14)	-
Haiti earthquake	(581)	1,940	(1,222)	137
Indonesia and Philippines natural disasters	74	138	(235)	(23)
Middle East (Gaza)	16	-	(5)	11
Pakistan floods	-	1,307	(1,237)	70
Other donations	643	2,355	(2,813)	185
Appeals and other donations – total restricted funds	10,059	13,435	(12,282)	11,212
Institutional grants – funds in surplus	7,339	3,209	(5,087)	5,461
Institutional grants – funds in deficit	(3,379)	18,170	(17,662)	(2,871)
Total restricted funds	14,019	34,814	(35,031)	13,802

* The Three Continents appeal covered the earthquake in Pakistan, the floods in Central America and the food shortages in Malawi.

15. Restricted funds (continued)

Parent charity	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Closing balance £'000
Appeals and other donations – funds in surplus	10,163	9,880	(9,494)	10,549
Appeals and other donations – funds in deficit	(581)	1,940	(1,382)	(23)
Institutional grants – funds in surplus	5,551	4,085	(5,981)	3,655
Institutional grants – funds in deficit	(3,379)	18,170	(17,662)	(2,871)
Total restricted funds	11,754	34,075	(34,519)	11,310

16. Analysis of net assets

Fund balances as at 31 March 2011 are represented by:

	Unrestricted funds		Restricted funds	Total
	Designated £'000	Other £'000	£'000	£'000
Consolidated group				
Fixed assets	2,999	-	-	2,999
Investments	-	20,456	-	20,456
Current assets	-	7,431	13,802	21,233
Current liabilities	-	(5,140)	-	(5,140)
Pension liability	(10,762)	-	-	(10,762)
Total net assets	(7,763)	22,747	13,802	28,786
Parent charity				
Fixed assets	2,979	-	-	2,979
Investments	-	20,482	-	20,482
Current assets	-	6,396	11,310	17,706
Current liabilities	-	(5,003)	-	(5,003)
Pension liability	(10,762)	-	-	(10,762)
Total net assets	(7,783)	21,875	11,310	25,402

17. Subsidiary undertakings

The Christian Aid group comprises the parent charity (Christian Aid) and five 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 develop further the work of Christian Aid in Northern Ireland. Christian Aid Ireland (Northern Ireland) is consolidated on a line-by-line basis in the Christian Aid group financial statements in line with Financial Reporting Standard 2. The Christian Aid Ireland (Northern Ireland) year end was 31 March 2011.

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 the Republic of Ireland. Christian Aid Ireland (Republic of Ireland) is consolidated on a line-by-line basis in the Christian Aid group financial statements in line with Financial Reporting Standard 2. The Christian Aid Ireland (Republic of Ireland) year end was 31 March 2011.

Christian Aid International (CA INT)

A charitable foundation registered in Spain, Christian Aid International operates under the brand name InspirAction with the objective of raising awareness of, and funds for, some of the world's poorest and most marginalised communities. Christian Aid is the sole member with authority to appoint and remove trustees from the foundation. Christian Aid International is consolidated on a line-by-line basis in the Christian Aid group financial statements in line with Financial Reporting Standard 2. The Christian Aid International year end was 31 March 2011.

The British and Irish Churches Trust Ltd (BICT)

A charitable company limited by guarantee, incorporated in England and Wales, which owns Interchurch House on behalf of Christian Aid and Churches Together in Britain and Ireland (CTBI). The year end of this company was 31 December 2010, the date of CTBI's year end. The figures below represent Christian Aid's 71.25 per cent interest. The reserves retained within BICT are related to the management of Interchurch House.

Christian Aid Trading Ltd (CAT)

A company limited by share capital, incorporated in England and Wales. Its two shares are held by Christian Aid. Christian Aid Trading Ltd carries out the trading and commercial promotional activities of Christian Aid, the incorporated charity. The net taxable profit is transferred by Gift Aid to Christian Aid. The Christian Aid Trading Ltd year end was 31 March 2011.

	2011 CA NI £'000	2011 CA ROI £'000	2011 CA INT £'000	2011 BICT £'000	2011 CAT £'000	2010 CA NI £'000	2010 CA ROI £'000	2010 CA INT £'000	2010 BICT £'000	2010 CAT £'000
Total incoming resources	3,185	3,748	695	517	299	3,498	3,909	2,503	525	264
Total resources expended	(3,143)	(3,770)	(756)	(517)	(30)	(3,267)	(4,390)	(2,360)	(525)	(82)
Net incoming resources	42	(22)	(61)	-	269	231	(481)	143	-	182
Revaluation on translation	-	(6)	-	-	-	-	(99)	(7)	-	-
Gift aided to Christian Aid	-	-	-	-	(269)	-	-	-	-	(182)
Retained surplus/(deficit) for the year	42	(28)	(61)	-	-	231	(580)	136	-	-
Total assets	1,924	2,560	114	58	310	1,160	2,718	151	51	294
Total liabilities	(966)	(220)	(39)	(44)	(285)	(244)	(350)	(15)	(37)	(269)
Total funds	958	2,340	75	14	25	916	2,368	136	14	25

18. Derivatives not included at fair value

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

At 31 March 2011 Christian Aid had commitments to buy US\$11m in foreign exchange forward contracts with an unrealised loss of £184,000 (2010: commitments to buy US\$12.6m in foreign exchange forward contracts with an unrealised profit of £429,000 (fair value calculated as at 31 March 2010)).

19. Department for International Development funding

In the year ended 31 March 2011, grants totalling £9.8m (2010: £12.7m) were received by Christian Aid from DFID, as follows:

	2011 Unrestricted £'000	2011 Restricted £'000	2011 Total £'000	2010 Total £'000
Programme Partnership Agreement	4,700	500	5,200	7,640
Building disaster-resilient communities	-	264	264	511
Consortium of British Humanitarian Agencies (CBHA)	26	531	557	-
Power to the People	-	967	967	882
For specific programmes in:				
Burma	25	1,074	1,099	1,504
DRC	65	662	727	1,125
Ghana	(5)	79	74	155
India	-	482	482	511
Sierra Leone	-	-	-	29
Zimbabwe	21	380	401	347
	4,832	4,939	9,771	12,704

Expenditure for the Governance and Transparency Fund (GTF301) 'Power to the People' in the year ended 31 March 2011 amounted to £922,000 (2010: £927,000).

20. Comic Relief funding

In the year ended 31 March 2011 grants totalling £593,000 (2010: £984,000) were received by Christian Aid from Comic Relief, as follows:

	2011 Unrestricted £'000	2011 Restricted £'000	2011 Total £'000	2010 Total £'000
Asia regional programme	9	40	49	49
For country programmes in:				
Angola	6	122	128	200
Brazil	-	25	25	126
Ghana	-	391	391	-
Kenya	-	-	-	249
Sudan	-	-	-	360
	15	578	593	984

21. ICCO funding

Consolidated group	Opening balance	Incoming resources	Resources expended			Closing balance
	£'000	£'000	Salaries £'000	Other costs £'000	Grants to partners £'000	£'000
ACT Central Asia (Tajikistan)	78	-	(1)	(39)	(14)	24
CSO Capacity Strengthening	-	200	(9)	(7)	(69)	115
Ecumenical Climate Justice Advocacy	5	-	-	-	-	5
Malawi	493	-	(41)	(53)	(243)	156
Total ICCO funding	576	200	(51)	(99)	(326)	300

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

22. Pensions

Christian Aid operates a defined benefit (final salary) funded pension scheme, contributes to a defined contribution pension scheme and participates in The Pensions Trust Growth Plan.

a. Defined benefit (final salary) funded pension scheme

The scheme is closed to future accrual but has retained a salary link for active members.

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

	2011 £'000	2010 £'000
Present value of funded obligations	(41,261)	(43,522)
Fair value of plan assets	30,499	27,695
Deficit	(10,762)	(15,827)

Amounts in the balance sheet:

	2011 £'000	2010 £'000
Liabilities	(10,762)	(15,827)
Assets	-	-
Net liability	(10,762)	(15,827)

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

	2011 £'000	2010 £'000
Opening defined benefit obligation	43,522	30,295
Current service cost	113	125
Interest on obligation	2,374	1,918
Actuarial losses/(gains)	(3,903)	11,950
Benefits paid	(845)	(766)
Defined benefit obligation at end of year	41,261	43,522

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

	2011 £'000	2010 £'000
Opening fair value of scheme assets	27,695	20,339
Expected return	2,002	1,411
Actuarial (losses)/gains	(313)	4,945
Employer contributions	1,960	1,766
Benefits paid	(845)	(766)
Fair value of scheme assets at the year end	30,499	27,695

The employer expects to contribute £2.14m to the scheme for the year starting 1 April 2011. The current arrangements as regards to contribution levels are described in the Schedule of Contributions dated 15 December 2009.

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

	2011 £'000	2010 £'000
Current service cost	(113)	(125)
Past service cost	-	-
Expected return on scheme assets	2,002	1,411
Interest on obligation	(2,374)	(1,918)
Total amount charged within net incoming/(outgoing) resources	(485)	(632)
Actuarial gain/(loss)	3,590	(7,005)
Total amount charged to the statement of financial activities	3,105	(7,637)

	2011 £'000	2010 £'000
Net cumulative actuarial losses since 1 April 2002	13,094	16,684

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

	Value at 31 March 2011 £'000	Proportion %	Value at 31 March 2010 £'000	Proportion %
Equities	19,629	64%	18,594	67%
Bonds	10,651	35%	8,896	32%
Cash	219	1%	205	1%
	30,499	100%	27,695	100%

The scheme holds quoted securities and these have been valued at bid-price. The corresponding amounts from previous years are not valued at bid-prices and have not been restated. The scheme assets do not include investments issued by Christian Aid nor any property occupied by Christian Aid. The overall expected rate of return on the scheme assets has been based on the average expected return for each asset class, weighted by the amount of assets in each class.

	2011	2010
	£'000	£'000
The actual return on the scheme assets in the year	1,689	6,356

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

	2011	2010
Discount rate	5.50%	5.50%
Rate of increase in salaries	4.90%	5.00%
Rate of increase of pensions: LPI 5%	2.90%	3.40%
Rate of revaluation of deferred pensions in excess of the GMP	3.40%	3.50%
Inflation assumption – RPI	3.40%	3.50%
Inflation assumption – CPI	2.90%	n/a
Expected return on scheme assets as at the beginning of each period presented	7.09%	6.77%
Weighted average life expectancy for mortality tables used to determine benefit obligations:	2011	2010
	Years	Years
Member aged 65 (current life expectancy) – male	22.4	22.4
Member aged 45 (life expectancy at 65) – male	24.6	24.5
Member aged 65 (current life expectancy) – female	24.2	25.1
Member aged 45 (life expectancy at 65) – female	26.1	27.1

With regard to the recent legislative changes relating to the use of CPI (Consumer Price Index) rather than RPI (Retail Price Index) an allowance has been made for this change for increases in pension payments but for no other benefits.

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

	2011	2010	2009	2008	2007
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(41,261)	(43,522)	(30,295)	(33,257)	(34,101)
Scheme assets	30,499	27,695	20,339	22,958	22,128
Surplus/(deficit)	(10,762)	(15,827)	(9,956)	(10,299)	(11,973)
Experience gain/(loss) on scheme liabilities	-	313	520	(7)	-
Actual return less expected return on scheme assets	(313)	4,945	(5,311)	(2,404)	(291)

b. Defined contribution pension scheme

The total cost of the defined contribution pension scheme to the charity was £856,885 (2010: £914,878). There were no outstanding or prepaid contributions at 31 March 2011.

c. The Pensions Trust Growth Plan

The Pensions Trust Growth Plan is a multi-employer pension plan, which is in most respects a money purchase arrangement but has some guarantees. The pension guarantees create a defined benefit pension obligation. Following a change in legislation in September 2005, there is a potential debt owed by participating employers of the Growth Plan in the event that an employer ceases to participate in the scheme or the scheme winds up at a time when it is not fully funded on a buy-out basis. At this point in time the trustee does not intend to wind up the Growth Plan. Following an actuarial valuation of the Growth Plan as at 30 September 2010, the updated estimated employer debt on withdrawal for Christian Aid as at 30 September 2010 was £829,000 (30 September 2009: £813,000).

REFERENCE AND ADMINISTRATIVE DETAILS

Details for the year ended 31 March 2011

BOARD OF TRUSTEES

Chair

Anne Owers^{2, 4}

Vice-chair

Kumar Jacobs^{3, 4} (appointed November 2010)

Noel Davies² (resigned November 2010)

Other trustees

Robert Beckford (resigned September 2010)

John Davies (appointed November 2010)

Robert Fyffe²

Carolyn Gray^{3, 4}

Tom Hinton¹ (appointed July 2010)

Phil Hodgkinson¹

Gillian Kingston

Michael Langrish

George McSorley

Morag Mylne

Wilton Powell (appointed November 2010)

Roger Purce (resigned November 2010)

Alastair Redfern (appointed November 2010)

Brian Ridsdale^{1, 4}

Charlotte Seymour-Smith⁴

Graham Sparkes

Paul Spray (appointed November 2010)

Bridget Walker

Trevor Williams (appointed November 2010)

Committee advisers

Duncan Brown^{3, 4}

Linda Holbeche³

Jenine Langrish¹

Graham O'Connell³

Karen West³

EXECUTIVE OFFICERS

Director

Loretta Minghella (from April 2010)

Associate directors

Martin Birch – finance and information management

Martin Kyndt – organisational development and performance

Jude Mackenzie – advocacy and communications

Matthew Reed – marketing and supporter care (resigned September 2010)

David Pain – interim marketing and supporter care (appointed September 2010)

Paul Valentin – international

REGISTERED OFFICE

Interchurch House
35 Lower Marsh
London SE1 7RL

PROFESSIONAL ADVISORS

Auditors

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

Solicitors

Bates Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

Gregory Rowcliffe & Milners
1 Bedford Row
London WC1R 4BZ

Bankers

The Co-operative Bank plc
1 Balloon Street
Manchester M60 4EP

Investment managers

F&C Management Ltd
Exchange House
Primrose Street
London EC2A 2NY

Epworth Investment
Management Limited
9 Bonhill Street
London EC2A 4PE

Investment and pension advisors

Lane, Clark, Peacock LLP
30 Old Burlington Street
London W1S 3NN

1 member of finance and audit committee

2 member of nominations and procedures committee

3 member of organisational development and performance advisory committee

4 member of remuneration committee

LEGAL STATUS

Christian Aid is a registered charity (no. 1105851) and is a company limited by guarantee, registered in England and Wales (no. 5171525). Christian Aid is registered in Scotland under charity no. SC039150.

Christian Aid Trading Limited is a wholly owned subsidiary company limited by share capital, registered in England and Wales (company no. 1001742).

Christian Aid Ireland is registered in Northern Ireland under charity no. XR94639 and company no. NI059154 and a separate company but sharing the same name operates in the Republic of Ireland under charity no. CHY 6998 and company no. 426928.

The British and Irish Churches Trust Limited is a charitable company limited by guarantee, registered in England and Wales (charity no. 213148, company no. 472409) in which Christian Aid has a 71.25 per cent interest.

Christian Aid International is a foundation registered in Spain (foundation number G-64979693).

FURTHER INFORMATION AND CONTACT DETAILS

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

christianaid.org.uk
 christianaidscotland.org
 cymorthcristnogol.org
 christianaid.ie
 christianaid.org.uk/learn
 povertyover.com
 surefish.co.uk
 presentaid.org
 inspiraction.org
 netsnow.org
 christianaid.org.uk/annualreport

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

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

CENTRAL OFFICE

Christian Aid
 PO Box 100
 London SE1 7RT
 Tel: +44 (0)20 7620 4444

INTERNATIONAL DEPARTMENT

Acting head of Africa

Karimi Kinoti

Head of Asia and Middle East

Robin Greenwood

Head of humanitarian

Nick Guttman

Head of Latin America and Caribbean

Andrew Croggon

Head of programme funding

Dominic Brain

ADVOCACY AND COMMUNICATIONS DEPARTMENT

Head of advocacy and influence

Paul Brannen

Head of communications and brand

Steven Buckley

MARKETING AND SUPPORTER CARE DEPARTMENT

Acting head of Fundraising

Anne Phipps

Head of marketing

Paul Langley

Head of supporter stewardship

Jeremy Wyman

FINANCE AND INFORMATION MANAGEMENT DEPARTMENT

Head of finance

John Rew

Head of ICT services

Phillip Humphries

ORGANISATIONAL DEVELOPMENT AND PERFORMANCE

Head of organisational development

Maria Farres

Corporate strategy and performance manager

Sarah Ewans

HR services manager

Yewande Ifebogun

NATIONAL OFFICES

SCOTLAND

Head of Christian Aid Scotland

Kathy Galloway

Christian Aid

The Pentagon Centre

36 Washington Street

Glasgow G3 8AZ

Email: glasgow@christian-aid.org

Tel: +44 (0)141 221 7475

WALES

Head of Christian Aid Wales

Jeff Williams

Christian Aid

5 Station Road

Radyr

Cardiff CF15 8AA

Email: cardiff@christian-aid.org

Tel: +44 (0)29 2084 4646

NORTHERN IRELAND

Chief executive Christian Aid Ireland

Margaret Boden

Christian Aid

Linden House

Beechill Business Park

96 Beechill Road

Belfast BT8 7QN

Email: belfast@christian-aid.org

Tel: +44 (0)28 9064 8133

REPUBLIC OF IRELAND

Chief executive Christian Aid Ireland

Margaret Boden

Christian Aid

17 Clanwilliam Terrace

Grand Canal Quay

Dublin 2

Email: dublin@christian-aid.org

Tel: +353 1611 0801

SPAIN

Head of office

Jorge Chiara

InspirAction

Av. Burgos 39

6 dcha

28036 Madrid

Tel: +34 902 027 077

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 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 In Their Lifetime. The campaign will enable Christian Aid to respond in innovative ways to scale up some of our most effective work.

Institutions and trusts

Action by Churches Together
 (ACT) International
 American Jewish World Service
 Aprovev
 The Band Aid Charitable Trust
 British Embassies
 Centre for Research on Multinational
 Corporations (SOMO)
 Comic Relief
 Consortium of British Humanitarian
 Agencies (CBHA)
 DanChurch Aid
 Department for International
 Development (DFID)
 Disasters Emergency Committee (DEC)
 Electric Aid
 European Commission
 European Commission Humanitarian
 Aid (ECHO)
 FinnChurch Aid
 Foreign and Commonwealth Office
 ICCO
 International Orthodox Christian Charities
 Irish Aid
 Isle of Man Government's Overseas Aid
 Committee
 Norwegian Church Aid
 Oxfam
 Scottish Government
 States of Guernsey Overseas

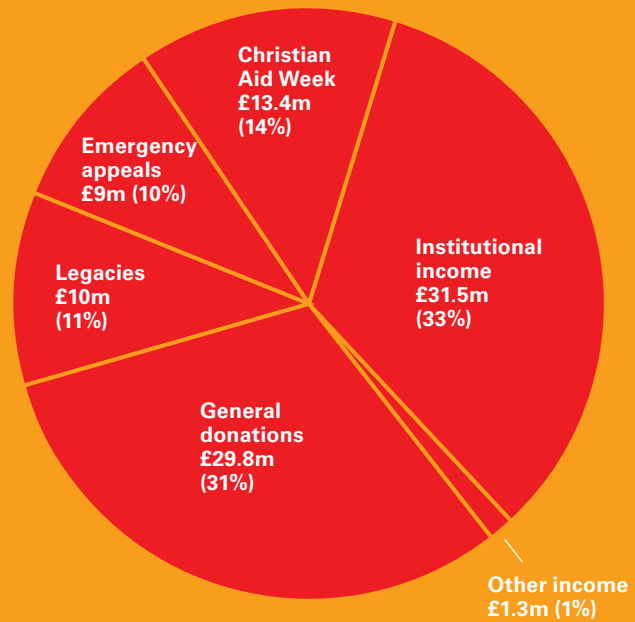
Aid Commission
 States of Jersey Overseas Aid Commission
 Sustainable Peace Initiative (SPI)
 Swedish International Development
 Cooperation Agency
 Trocaire
 United Nations Development Programme
 United States Agency for International
 Development (USAID)
 US Institute of Peace

Corporate supporters

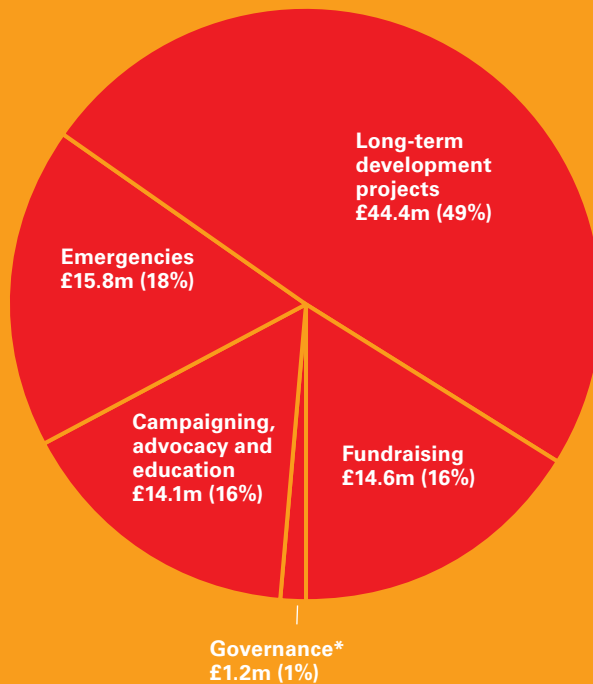
Account-Ability Limited
 AFD Software
 AquAid
 AstraZeneca
 Barclaycard
 Barclays Bank
 Caley Timber and Building Supplies
 Christian Technology
 Clarins
 Congregational and General Insurance
 Derwent Hydroelectric Power Ltd
 Ecclesiastical Insurance Group
 Ecotricity
 Environmental Business Products Ltd
 Gaia Communications
 Gilead Sciences Inc
 Goodcall
 John Ayling & Associates
 John Grimes Partnership
 Kingsway
 Lane Clark & Peacock
 Marks & Spencer
 MBC Investments Limited
 Net-A-Porter
 Redeem
 Spencers Home Furnishings Ltd
 St Marks Press
 Steels Management Ltd
 The Body Shop
 The Co-operative Bank
 The Entertainer
 The Good Little Company
 The Midcounties Co-operative
 The Rainbow Shop
 Thomson Reuters
 Tintisha
 Traidcraft



Total income: £95.0 million



Total expenditure: £90.1 million



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

Christian Aid is a Christian organisation that insists the world can and must be swiftly changed to one where everyone can live a full life, free from poverty.

We work globally for profound change that eradicates the causes of poverty, striving to achieve equality, dignity and freedom for all, regardless of faith or nationality. We are part of a wider movement for social justice.

We provide urgent, practical and effective assistance where need is great, tackling the effects of poverty as well as its root causes.

Christian Aid is a member of the

actalliance

The ACT Alliance is a global coalition of churches and agencies engaged in development, humanitarian assistance and advocacy.

christianaid.org.uk
christianaid.ie
christianaidscotland.org
cymorthcrisnogol.org
inspiraction.org

UK registered charity number 1105851 Company number 5171525
Scotland charity number SC039150
Northern Ireland charity number XR94639 Company number NI059154
Republic of Ireland charity number CHY 6998 Company number 426928

Edited, designed and produced by Christian Aid's Creative team.
Photographs by Christian Aid/Matt Gonzalez-Noda except where indicated.

Printed on a mixture of 80 and 100 per cent recycled FSC- and PEFC-accredited papers.

The Christian Aid name and logo are trademarks of Christian Aid;
Poverty Over is a trademark of Christian Aid.

© Christian Aid September 2011

