Christian Aid annual report and accounts 2016/17

christian aid

We believe in life before death

Cover: Children in Jharkhand, India hold freshly caught fish. Our partner set up a community fishery project as part of our Poorest Areas Civil Society programme, helping 4,000 people from excluded communities to earn a sustainable income from fishing.

Photographer: Firoz Ahmad

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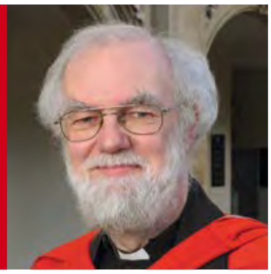


This has been a year of unusual upheaval in public life, nationally and internationally. There has been a revolt against internationalism, a deepened suspicion of globalised identities and agencies, and palpable anger about the neglect of local needs. Amidst the ongoing refugee crisis, there has been animated and often fierce debate about national boundaries and about balancing the claims of migrants and refugees against local needs and priorities.

Yet there are no significant contemporary crises that can be dealt with by one nation alone. Climate change, health threats, violence, and terror — none of these stop at national boundaries; the horrors of terrorist attacks in the heart of our own country has brought this home in the most painful way. Our crises need generous cooperation. We must not make the mistake of thinking that some fiction of absolute national liberty will solve our problems. We may try to close our borders or our imaginations, but ignoring or minimising the questions around displaced people and global threats does not make them go away.

The tendency to be preoccupied with national needs has meant that it has been even more important for us to remind governments not to forget their commitments to the international agenda. This has meant continuing to follow through on the Sustainable Development Goals and the Paris Climate Change Agreement.

On climate change, our Big Shift campaign – which asks banks to scale up their investment in renewables and move away from financing fossil fuels – has been launched successfully, both in the UK and internationally. One year on from the Paris Agreement, Christian Aid was represented at COP 22 in Marrakesh, reinforcing the civil society presence at the climate negotiations and holding governments to account over the commitments made in Paris. This is more than ever necessary given the turbulence around climate change in the current global political environment. Our advocacy at the World Humanitarian Summit also paid off, with the international commitment to ensure that more funding goes to local agencies.

As we have repeatedly insisted, aid is not about creating dependence but about helping people become valued partners and co-workers for a safe and equal world. The continuing level of public generosity in response to successive emergency appeals shows how deeply rooted these impulses are. It is gladdening to see the warm response to our South Sudan appeal, while the Disasters Emergency Committee (DEC) appeal for East Africa has raised £55m for the 16 million people facing starvation and conflict in the region. The overwhelming generosity of the British and Irish public shows that a sense of dual citizenship, global and local, is still important to many people's sense of their national identity. In spite of so much public negativity, our sense of responsibility to the wider world remains strong.

Closer to home, this sense of local concern for global issues was as always wonderfully demonstrated during Christian Aid Week. Once again, our volunteers and supporters rallied locally to raise funds for our international neighbours. Although income was lower than the previous year, this had been expected and follows the pattern of our overall income, after an exceptional 2015/16.

It is a privilege to work with such a lively and engaged group of trustees, who continue to work hard to shape and scrutinise Christian Aid's worldwide programme. We said goodbye to Morag Mylne, who has been for many years an invaluable representative of our superb work in Scotland, and welcomed among our number Hazel Baird, Helene Bradley-Ritt and Mukami McCrum. Thanks go as always to a superb team of staff for another year of devoted and imaginative service. And of course this year we have a very special thank you to say: Loretta moves on in the autumn to take up the position of First Church Estates Commissioner for the Church of England. She has been an exceptionally gifted leader of Christian Aid – pastoral, energetic, prophetic and clear-headed – and she has given us a tremendous legacy to work with. We shall all miss her sorely, but she goes with our very best wishes, enormous appreciation and gratitude.

It will take time to digest and absorb the effects of the political upheavals of the last year, including the recent UK election. But the basic choices remain: we can be defensive and protective, or we can invest in a future of genuine wellbeing for all. The latter is Christian Aid's way, and we are honoured and proud to continue its legacy.

Dr Rowan Williams
Chair of the Christian Aid Board of Trustees

Letter from the Chief Executive

A key priority for Christian Aid in 2016/17 was to influence the outcome of the World Humanitarian Summit in Istanbul. It was a significant opportunity to change the way humanitarian aid is delivered. We advocated for a shift in the balance of power towards funding to local actors, drawing on decades of learning from our partnership approach. At the Summit, the largest donors and UN agencies made a commitment to channel 25% of funding to local and national front-line responders 'as directly as possible' by 2020. This is a huge increase from the current level of 0.2% and a major reward for our advocacy efforts. The challenge for the next two years will be to see these commitments translated into concrete changes in practice on the ground.

I witnessed our own commitment to excellent humanitarian work in the most challenging conditions when I travelled to South Sudan earlier this year. South Sudan is now one of the most dangerous countries in the world to be an aid worker, and yet, amidst a civil war that rages on and with 3.6 million people now displaced, the courage and perseverance of our staff and partners remain unflinching. In famine-hit Unity state, our partner UNIDO provides much needed medical attention as well as clean water supplies, fishing equipment and seeds and tools for growing vegetables. Despite the challenging environment, we have been reaching those in need, those who – despite all they have been through – continue to display an enormous capacity for resilience, generosity and welcome.

Speaking out for refugees and displaced people in the global North and South is another pressing obligation of our time. With 65 million now without a safe place to call home, faith leaders have a vital role to play. I saw this in South Sudan, where the churches have become key to any possibility of healing and reconciliation. We are nurturing our relationships with church leaders there to support them with what will be a long and painstaking process. Across the globe, we have sustained our unique work with faith leaders to challenge injustice. Side by Side, the only global multi-faith movement which aims to address all aspects of gender inequality, is an important part of this and I am glad to report that we now have a growing membership of 42 organisations worldwide.

As the external world changes, we have also been changing the way we organise ourselves and how we work. The drop in value of the pound since the Brexit vote and the completion of our most recent Programme Partnership Agreement with the Department for International Development (worth £36.2m over 5 years), has meant that we have had to undertake a restructure to achieve substantial cost savings. Our finances are now more resilient to the type of exchange rate shock that followed Brexit and we have secured a number of new institutional grants for programmes which commence in the current year.

We are also embarking on a significant programme of change to the way we are governed, on a continuing journey to become a truly Global Partnership rather than a London-centric organisation. Leaning on Rowan's words, this will involve each member having 'dual citizenship', working to enhance the profile, quality and success of local entities or teams, while equally contributing to the reputation, impact and growth of Christian Aid as a whole. We are also investing in our digital capability, making us more efficient, effective and creative in how we communicate, both internally and when empowering poor and marginalised people. This has already begun in places such as Kenya, where our partners have trained over 2,000 people in Kitui and Makueni counties to relay weather forecasts to their communities via text. Around 80,000 people are receiving the information they need to plan their farming and adapt to climate change.

This is my last report as Chief Executive, as I leave the organisation in October after 7 and a half years. It has been the most enormous privilege to serve at Christian Aid. Before I joined, I thought it was a very good organisation. As I leave, with an insider's view of everything, I am clear that I came into and will be leaving an extraordinary organisation, with an unshakeable faith that the world should and can be different. My special thanks to Rowan, to my Directorate colleagues and to my assistant Alice Taylor who have given me so much support. I am inspired by all the trustees, staff, supporters and partners who make change happen. Together, we have achieved much to be proud of. I am looking forward to supporting and praying for our movement for change in the years to come.

Loretta Minghella
Chief Executive

Objectives and activities

We believe that human action is responsible for the underlying causes of poverty. We believe that we can and must end poverty, that the world must be swiftly changed to one where everyone can thrive and share life in all its fullness. Partnership for Change – the strategy that has driven our work since 2012 – identifies three fundamental shifts in power that will help bring about an end to poverty. We want to achieve:

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

To bring about these shifts in power, we have identified five objectives that frame the work we do:

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

2. The right to essential services. We help people access services crucial for their health and wellbeing. We urge governments to make sure essential services are available, and we challenge social norms that prevent people accessing the services they need.

3. Fair shares in a constrained world. We help people get a fair and sustainable share of the world's resources. We strive to make markets work for poor communities, and we make sure poor communities are better able to withstand disasters and other shocks.

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

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

We deliver these objectives through a combination of long-term development work in poor communities, humanitarian responses to disasters and conflict, and bold advocacy.

The power of partnership

We cannot change the world alone. We work with a variety of partners across the world, depending on location, context and what we aim to achieve. Our commitment to partnership is rooted in our conviction that people are actors in their own development. We believe that every human being is of equal worth and dignity, and that we are called to strengthen people's agency.

We have traditionally worked with mainly faith-based and civil society organisations. In order to achieve an even larger-scale, deeper, inclusive and lasting change in the lives of poor and marginalised people, we are increasingly seeking partnerships with organisations in the private sector, government bodies, academic and research institutions, and membership bodies such as cooperatives and trade unions.

We work with churches and faith groups, including our 41 sponsoring churches, interfaith networks, and ACT Alliance, a coalition of churches working across the world to transform the lives of poor and marginalised people. We depend on individuals in Britain and Ireland, and around the world, for their commitment and generosity. We work through 475 local partner organisations in 37 countries, who understand the communities in which they work and are best placed to support them.

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

Our work around the world

Christian Aid works in 37 different countries around the world. We also have offices in the UK, Ireland and Spain.

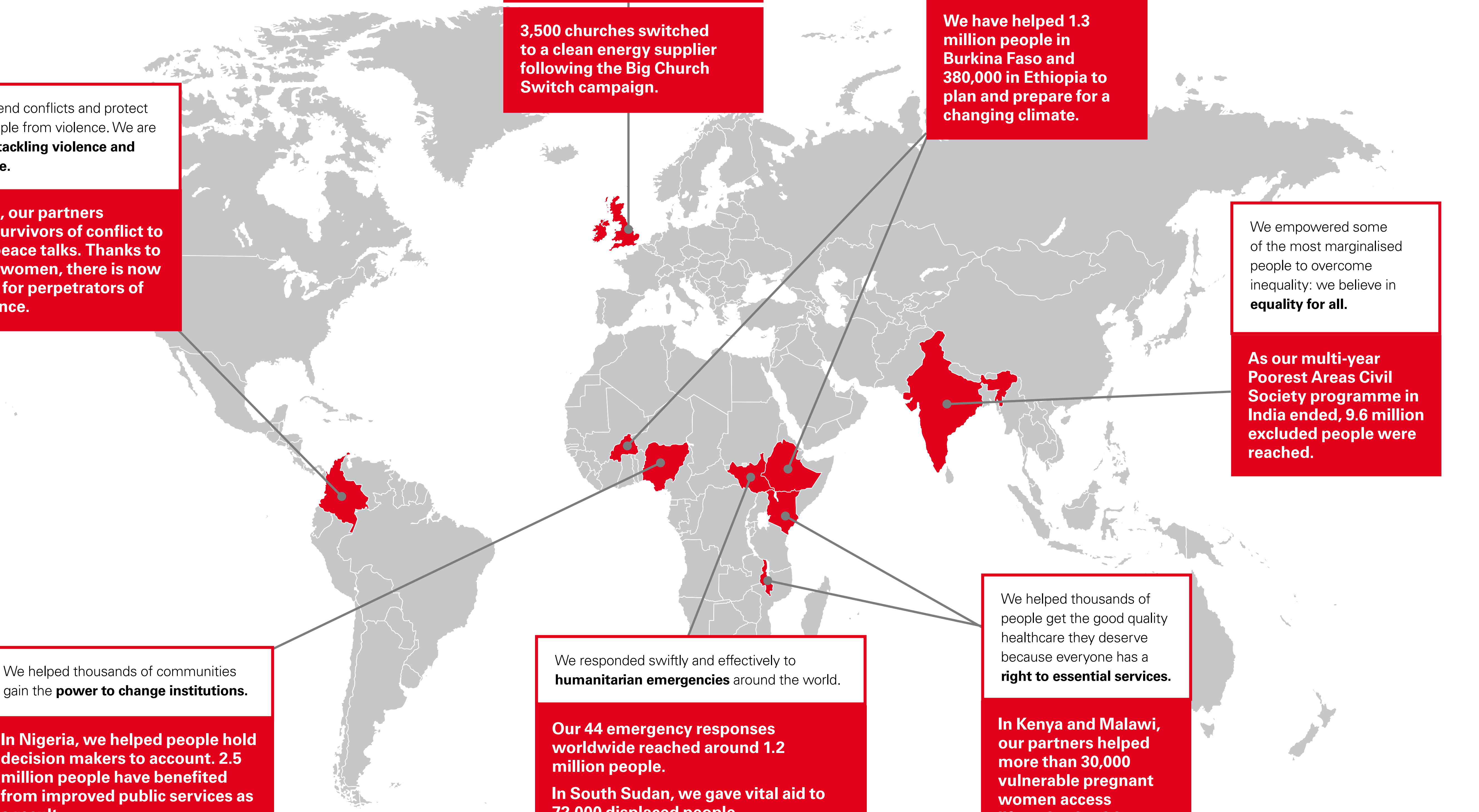
		Grants £'000	Programme Support £'000	Total Costs £'000
	Asia and the Middle East	**12,298**	**4,906**	**17,204**
16	**Afghanistan** (offices in Herat and Kabul)	608	417	1,025
17	**Bangladesh** (office in Dhaka)	2,381	674	3,055
18	**Cambodia** (joint programme with DCA)	84	-	84
19	**Egypt**	178	-	178
20	**India** (office in Delhi)	1,246	976	2,222
21	**Iraq**	913	-	913
22	**Israel/the occupied Palestinian territory**	938	-	938
23	**Lebanon**	74	-	74
24	**Syria**	-	-	-
25	**Myanmar** (office in Yangon)	1,232	361	1,593
26	**Nepal** (office in Katmandu)	897	265	1,162
27	**Pakistan**	303	57	360
28	**Philippines** (office in Manila)	2,148	1,054	3,202
	Spend on Asia and the Middle East regional programmes**	1,296	1,102	2,398

		Grants £'000	Programme Support £'000	Total Costs £'000
	Africa	**20,144**	**15,320**	**35,464**
1	**Angola**	387	201	588
2	**Burkina Faso** (office in Ouagadougou)	2,609	478	3,087
3	**Burundi** (office in Bujumbura)	634	291	925
4	**Democratic Republic of Congo, the** (offices in Kinshasa, Goma and Kindu)	882	1,332	2,214
5	**Ethiopia** (office in Addis Ababa)	1,988	598	2,586
6	**Ghana** (office in Accra)	2,318	1,719	4,037
7	**Kenya** (office in Nairobi)	2,247	1,204	3,451
8	**Malawi** (office in Lilongwe)	3,835	2,480	6,315
9	**Mali** (office in Bamako)	321	230	551
10	**Nigeria** (office in Abuja)	1,373	3,447	4,820
11	**Sierra Leone** (office in Freetown)	1,090	1,332	2,422
12	**South Africa**	502	125	627
13	**South Sudan** (office in Juba)	912	520	1,432
14	**Zambia** (office in Lusaka, joint programme with Norwegian Church Aid and DanChurchAid)	49	-	49
15	**Zimbabwe** (office in Harare)	941	644	1,585
	Spend on Africa regional programmes	56	719	775

		Grants £'000	Programme Support £'000	Total Costs £'000
	Latin America and the Caribbean	**4,795**	**2,332**	**7,127**
29	**Bolivia** (office in La Paz)	702	211	913
30	**Brazil** (office in São Paulo)	505	169	674
31	**Colombia** (office in Bogotá)	653	203	856
32	**Dominican Republic, the** (office in Santo Domingo)	227	62	289
33	**El Salvador**	306	-	306
34	**Guatemala**	144	-	144
35	**Haiti** (office in Port-au-Prince)	1,165	467	1,632
36	**Honduras**	256	-	256
37	**Nicaragua** (office in Managua)*	418	773	1,191
	Spend on Latin America and the Caribbean regional programmes	419	447	866

The programme support costs in these tables refer to money spent in our International Department.
This may exclude money that is spent outside of this department but is nonetheless integral to programme delivery.
Angola, South Africa, Pakistan and all Middle East programmes are managed from London.
* Our spend in El Salvador, Guatemala and Honduras is all managed from Nicaragua.
** Includes spend in Syria.

Highlights from our year



Our partnerships with supporters made everything possible.

50,000 collectors and 10,000 churches stood up for poor communities around the globe during Christian Aid Week.

3,500 churches switched to a clean energy supplier following the Big Church Switch campaign.

We helped thousands of poor communities adapt to climate change. We want everyone to have a **fair share in our constrained world.**

We have helped 1.3 million people in Burkina Faso and 380,000 in Ethiopia to plan and prepare for a changing climate.

We helped to end conflicts and protect vulnerable people from violence. We are committed to **tackling violence and building peace.**

In Colombia, our partners supported survivors of conflict to speak into peace talks. Thanks to the input of women, there is now no amnesty for perpetrators of sexual violence.

We empowered some of the most marginalised people to overcome inequality: we believe in **equality for all.**

As our multi-year Poorest Areas Civil Society programme in India ended, 9.6 million excluded people were reached.

We helped thousands of communities gain the **power to change institutions.**

In Nigeria, we helped people hold decision makers to account. 2.5 million people have benefited from improved public services as a result.

We responded swiftly and effectively to **humanitarian emergencies** around the world.

Our 44 emergency responses worldwide reached around 1.2 million people.

In South Sudan, we gave vital aid to 72,000 displaced people.

We helped thousands of people get the good quality healthcare they deserve because everyone has a **right to essential services.**

In Kenya and Malawi, our partners helped more than 30,000 vulnerable pregnant women access lifesaving healthcare.

Some of the figures record the impact of multi-year programmes that have been reviewed or finished this year.

Objective:

Power to change institutions

In Sierra Leone, we're using smart mobile technology to help communities gather data on public services. They're using this to demand the health, education and utility services they deserve.

Photographer:
Christian Aid/Tom Dixon

Objective:

Power to change institutions

We want to see all people having the power to influence institutions, so that the decisions affecting their lives are made responsibly and fairly.

What we want to achieve:

- Reduced inequality and reforms to international institutions that strengthen the position of developing countries in setting policies that affect their futures.
- Private and public institutions to base their decision-making on long-term thinking, aiming for environmental sustainability and to build secure, thriving communities.
- Poor and marginalised women and men to be included in decision-making at all levels.

Highlights from the past year:

Last year, we campaigned on climate change and argued for reform in the humanitarian sector, amplifying the voices of our partners and poor communities at the highest levels. Across the world, we worked with marginalised people who are often excluded from political decision-making, helping them to hold their governments to account and to demand their rights.

Tackling climate change

One year on from the Paris Agreement, we attended COP 22 (the UN's global climate change conference). We joined civil society organisations from across the world in solidarity, sustaining our pressure on global actors to make sure the Agreement is delivered. Despite the current political climate in the US, there continues to be overwhelming support for delivery of the Agreement from all other parties.

As well as speaking out at global conferences, we also influence governments worldwide. Our Spanish subsidiary InspirAction had considerable media coverage in Spain for its participation in COP 22, and as an influential member of the national climate alliance it has helped push the Spanish government to begin drafting a bill on climate change and clean energy.

At the international level, we published a baseline study on Multilateral Development Bank investments and their policies on energy, and are now starting to influence them to increase clean energy access. These include the World Bank, the Asian Development Bank, the African Development Bank and the Inter-American Development Bank, all of which finance development across the world.

We scaled up our Big Shift campaign this year, calling for an end to fossil fuel burning and a transition to clean energy. We released scorecards rating the investments of the top five UK banks and top ten asset managers. We had discussions with each company, giving them our ratings and recommending areas for improvement. We also launched a campaign, calling on the big four banks (Barclays, HSBC, Lloyds and RBS) to shift their investments in fossil fuels into renewable energy. Our church partners in the UK have continued their climate change advocacy: the Big Church Switch campaign saw a remarkable 3,500 churches change to a green electricity provider.

> 3,500 churches changed to a green energy provider after the Big Church Switch campaign.

We are ambitiously scaling up the Big Shift across the world, and have developed campaign plans for our three geographic regions (Latin America and the Caribbean, Asia and the Middle East, and Africa). We secured funding to work with regional partners to target regional development banks, calling on them to phase out fossil fuels and increase clean energy access. We are making progress securing funding for our partners to campaign nationally in five countries. We have already seen huge success in Kenya: thanks to our campaign, sustainable energy was a general election issue for all the main parties.

Improving the way humanitarian aid is delivered

Our humanitarian advocacy last year was focused on the World Humanitarian Summit in May 2016. Ahead of the Summit, we co-founded the Charter for Change with CAFOD and DanChurchAid, in which international NGOs made eight concrete commitments to increase our resourcing and respect for local actors. 29 international NGOs have signed up to the Charter, and 150 national NGOs have endorsed it.

> The UN and key donors pledged to allocate 25% of their humanitarian funding to local organisations by 2020.

Our campaign to increase the funding given to national and local development agencies was a success. At the Summit, the Grand Bargain was agreed, to which we are a signatory. This includes a pledge by key donors and UN agencies to allocate 25% of their funds to national and local organisations by 2020. 25% is a huge step forward from the current 0.2%.

Since May 2016, we have made concrete progress to meet our World Humanitarian Summit commitments. We've helped local and national NGOs to have a voice in Grand Bargain decision-making by including them in working groups. We are helping to set up a national NGO window of the Start Fund, which will cut out the middleman and get funding directly to local organisations. We are increasing cash transfer programming, giving communities the funds to address their needs in the best ways. We are also launching new advocacy to convince states to address the lack of protection afforded to people who are displaced inside their own countries. We're calling for responses to this issue in global agreements on refugees and migration.

Changing institutions in countries

In **Zimbabwe,** our partner the Zimbabwe Women's Resource Centre and Network has brought women together in three districts – Mutoko, Bulawayo and Kwekwe – to have a say in the local government's allocation of resources. Women from all the wards in these districts were invited to engage with the council on the budget process for the first time. Our approach of including women in political dialogues has already resulted in many gains. In Mutoko, facilities for clean water and sanitation in one local community have been installed. In Kwekwe, toilets have been built for marketplace vendors, raising hygiene standards. In Bulawayo, women successfully advocated for the safe relocation of girls living on the streets by the department of social services. Because women are providing reliable information on how services are doing, all three councils have indicated that they intend to continue involving women in their decision-making, a fantastic sign of long-term change.

In the **Dominican Republic** and **Haiti**, thanks to our advocacy efforts and a concerted effort between our local and international partners, expelled people secured improved access to identification papers. The Dominican Republic's government assured papers for 50 people and, after a verification process, these people were permitted to return to the country from Haiti. Our partners successfully lobbied the government to develop a plan which granted an extra year for 143,000 migrants – of which 98% are Haitian – to obtain their legal documentation. We also provided legal support and advice to support 200 more people in the Dominican Republic to attain legal documentation.

In the **Philippines**, our partner Urban Poor Associates helped communities to recover from Typhoon Haiyan by organising themselves. Communities learned to identify the issues affecting them and to find solutions by working collectively. Empowered, they claimed their rights, negotiating with land owners, the private sector and government agencies to make sure decent resettlements were built, rather than shabby relocation sites far from their original homes. In 2016, when the government planned to build a mega-dyke on Leyte island, evicting thousands of families, communities spoke up. Our partner joined forces with scientists and helped communities to delay the project's start date, pushing for resettlement to homes with basic services first.

Three of our major programmes in West Africa continued to empower communities to take control of their own development, to call for the rights and services they deserve (such as healthcare and education), and to hold decision makers to account. All three programmes were given at least an A rating by the Department for International Development on the basis of their strong performance and the change we have achieved.

In **Nigeria,** our **Voice to the People** programme has received £4m funding from UK aid, and runs until 2018. Our team in Nigeria is leading a partnership of state and civil society organisations to deliver this work, which was extended for a year based on its success. Better dialogue between citizens and the government has already generated huge improvements to public services: schools, health centres and roads have been built and renovated, and new medical staff and teachers have been appointed. The first phase, which ran only in Anambra state, directly reached over 85,000 people in two and a half years, and had an impact on as many as 2.5 million. Since the project was extended, a further 17,500 people have been directly reached in six months.

In **Ghana,** our **Strengthening Transparency, Accountability and Responsiveness** programme **(STAR-Ghana)** is a £22m programme funded by UK aid, the Danish International Development Agency and the European Union, and runs until 2020. Managed by a consortium led by Christian Aid, the programme's goal is to develop a vibrant, well-informed and assertive civil society which can push forward national development. Last year, the project promoted peaceful and inclusive elections: we worked with Ghana's electoral commission and the media to encourage political campaigning on issues, and helped make polling stations more accessible to disabled people, older people and pregnant women. We also raised the profile of land grabbing, illegal mining, and reforms to the Ghanaian media, helping to bring the interests of the poorest and most marginalised people onto the national stage.

In **Sierra Leone,** our **Strengthening Accountability, Building Inclusion** programme **(SABI)** is a £7m programme, funded by UK aid, and runs until 2020. The programme works in every district of the country with women, young people and disabled people – people traditionally excluded from power – and helps them create change in their communities.

These empowered people have been calling on the government to provide services like water, energy, healthcare, education and social protection. Our partners are helping them to do this with smart mobile phone technology and free computer programmes. We are using these to gather, analyse and share data on the services that citizens access. These findings are shared with communities, government officials and donors, encouraging decision makers to take the experiences of communities into account. In the past year, over 44,000 citizens have engaged directly in the programme. We estimate that over 520,000 people will benefit from the improved services in the year ahead.

> Over 44,000 citizens in Sierra Leone engaged with our SABI programme, using technology to encourage better services from their government.

Challenges and learning

Although bringing marginalised people into national and local dialogue remains a major part of our programming, there are continuing struggles in countries where the democratic space is weak, where groups cannot easily hold government and services to account.

A review of our **Voice to the People** programme in Nigeria taught us the importance of holding the government accountable at all levels, identifying and overcoming bottlenecks that communities faced, from the local level up to state and national government. The voices of marginalised people need to be heard, and open space for dialogue at multiple levels makes this possible.

Note on data

The figures in this report come from a mix of sources. Our evidence is carefully gathered from our own internal data systems, monitoring and evaluation reports, annual reports from countries in which we work, and external evaluations. Throughout the report, we have noted where figures are estimates, as well as where they record multi-year progress or simply reflect 2016/17. Some figures have been rounded, and we have strived to avoid double counting.

Objective:

The right to essential services

New mother Avery Chaluza Kondowe sits with her daughter Faith in Chilumba Rural Hospital in Malawi. Thanks to our project, Avery received medical support, and gave birth to Faith safely.

Photographer:
Christian Aid/Tomilola Ajayi

Objective:

The right to essential services

We will help people access services essential for healthy lives. We will focus on maternal and child mortality, and preventable diseases such as malaria, tuberculosis and HIV.

What we want to achieve:

- Governments increasing resources for good quality essential services that ensure equal access and community involvement.
- The most vulnerable and marginalised people, in particular women and girls, to access quality health services.
- Responses of faith and community-based organisations to be well-integrated with government systems and to increase the coverage and impact of service delivery.

Our work is guided by our Community Health Framework, which consists of three main approaches: we strengthen health services; we improve health governance, making health services accountable to the people they serve; and we tackle unequal gender and social norms that are harmful to health and wellbeing.

Highlights from the past year:

Last year, we implemented health programmes in nine countries, as well as a regional programme in Central America.

UK Aid Match 2.2, our programme to improve the health of mothers and babies in Kenya and Malawi, continued to achieve huge successes. With over £3m funding from the UK Government, the project will run from 2015-2018. The Department for International Development gave it an A rating for its first year, and 30,000 vulnerable pregnant women have now had access to lifesaving healthcare.

In **Kenya**, we also supported women to call on their local leaders and health authorities to prioritise maternal and child health. In Isiolo and Narok counties, community structures such as mother-to-mother groups are influencing local leaders and health authorities to make services respond to local needs. Our programme has four main strategies to mobilise power, shift attitudes and influence behaviour: local activism, media and advocacy, communications, and training. In Isiolo alone, 100 women were trained as community activists, holding 87 community dialogues which have reached thousands of men and women. As a result, a maternity ward was built and essential hospital equipment was provided. Women champions have also been incorporated into the management committees of one health centre, making sure that their needs are represented.

In **Malawi,** our work has resulted in a positive shift in knowledge, attitudes and practice around maternal and child health among both men and women. With the support of around 300 traditional leaders, women advocates have changed attitudes towards child marriage and promoted girls returning to school. Elderly women now have a better understanding of the links between harmful social norms and maternal mortality and support younger women to access maternal healthcare during and after pregnancy. Our work is saving lives: in Karonga district, thanks to our partner's contribution, no mothers have died in childbirth, compared to eight in the same six-month period in 2015.

> In Karonga district, Malawi, no mothers died in childbirth, compared to the same period in 2015.

In **El Salvado**r and **Honduras**, our partners are working on a four-year project to help women and girls to access sexual and reproductive healthcare, with a focus on marginalised communities. Working with Health Poverty Action and with funding from the EU, our partners have already seen huge progress.

Our priority is empowering women to claim their reproductive and sexual health rights. To achieve this, nearly 1,000 women have been united into Community Health Commissions and women's groups, networks which empower them to audit their local health provision and to call on their governments to provide the quality services they need. Around 550 community leaders are being trained to deliver advice on family planning and women's rights in their local areas. Our partners' education work is far-reaching, ranging from training thousands of teachers, students and parents to equipping over 200 health promoters and workers within marginalised communities to reach more women and girls.

Through an innovative marketing campaign, which included posters and brochures, radio coverage, a slot in a cable TV channel, t-shirts and bus adverts, our partners are raising awareness of HIV and other sexually transmitted diseases, underage pregnancy, and Gender Based Violence. Recognising that systemic change is necessary, we are advocating for change at the national level: in El Salvador, our campaign for comprehensive sexuality education, with an emphasis on teenage pregnancy, has led to discussion of a new law by the parliament.

Challenges and learning

We believe that health work can be strengthened by learning from our resilience approach to development (see p.17). The resilience principles which we use to prepare for and respond to emergencies – anticipate, organise and adapt – can also be applied to health issues. For instance, we encourage work on prevention rather than just responding to health challenges. As with resilience, the essential role communities play in their access to health services is beginning to be better understood. Building health systems which are both resilient and have people at the centre is vital to making healthcare stronger in developing countries.

Based on research into our integrated health work, we identified faith actors such as church networks as key players in our vision of a world where all can get the healthcare they need. We want faith-based organisations to use their influence to challenge social norms which perpetuate inequality, such as Gender Based Violence, family planning, gender justice and stigma.

DFID Programme Partnership Agreement:

Our **Programme Partnership Agreement** with the Department for International Development ended on 31 January 2017, with an overall A+ rating. During the programme – worth £36.2m over five years – we worked to improve the health of communities and their resilience to disaster. The programme

- worked with 172 partners across 22 countries
- encompassed 17 individual programmes
- reached over 8.4 million people.

We also managed to access more than £26m of funding from other institutions as a result, which allowed us to scale up our life-changing work. During the final phase last year, we reached more than 200,000 people (of which 120,000 were women). Throughout the programme, we strived to include marginalised groups and to involve poor communities in the decision-making that affects them, making essential services like healthcare respond to their needs.

Objective:

Fair shares in a constrained world

Our partners in Nicaragua are supporting poor cocoa farmers to adapt to a changing climate.

Photographer: Christian Aid/ Cristina Porras Bravo

Objective:

Fair shares in a constrained world

We will strive to transform unjust and unsustainable economic policies and practices, so that poor and vulnerable people can thrive. We will help the world's poorest to face disasters while protecting the natural resources on which all our futures depend.

What we want to achieve:

- Women and men living in poverty move beyond subsistence, and are able to take advantage of opportunities and better manage risks affecting their lives, resources and livelihoods.
- Poor and excluded people and communities secure greater shares of income, value and assets through markets and economies that function more fairly.
- Governments, private sector organisations and citizens adopt approaches to development based on justice, equality and sustainability.

To achieve these aims, we focus on building resilience. This means empowering individuals and communities to anticipate and organise for change, and to adapt when change happens.

Resilience work can take many forms, including helping communities adapt to climate change, reducing the impact of disasters, making markets more inclusive and responding to humanitarian emergencies. For more on our humanitarian work in the past year, see p.25.

Highlights from the past year:

Climate change hits poor and vulnerable communities first and hardest, and jeopardises the development gains they make. Resilience is a major theme in 19 of the countries in which we work, helping communities across the global South to adapt and to thrive.

In **Nicaragua**, which is heavily affected by climate change, our **Adapta** project is helping 1,000 poor honey and cocoa farmers to be resilient. We are running the project with our partner Centro Humboldt as well as Ingemann, a family owned and managed supplier of fine Nicaraguan cocoa. We're carrying out scientific research to determine how climate change is affecting cocoa and honey in specific locations. We are training farmers in this knowledge and providing loans to help them adapt and sustainably produce more cocoa and honey. The project is receiving $2.5m from the Inter-American Development Bank, runs from 2015-2019, and, we hope, will revolutionise agriculture and beekeeping in Nicaragua. So far, 800 producers have been trained on the effects of climate change, 20 of which will be collecting weather data for our research. We've completed studies on coffee seeds, cocoa seeds, and bee species, and producers have participated in two international chocolate fairs to raise the profile of their products.

In **Malawi,** we lead a consortium of development agencies and manage 11 experienced local partners to deliver the **Enhancing Community Resilience Programme (ECRP)**. The programme aims to eradicate extreme poverty and hunger, as well as making households less vulnerable to disaster. To do this, we are running a range of development projects, including helping communities to plan for risks and setting up early-warning systems for disasters. We're giving farmers training in innovative farming techniques such as conservation agriculture and low-carbon technologies, helping them to work sustainably. We're training farmers on the use of seed banks to conserve crop varieties, livestock management, irrigation, managing land after harvests and agro-forestry to incorporate trees into farmland. All of these techniques help communities to survive unpredictable weather and climate disaster. We have also helped farmers to unite and support each other in groups, and we have strived to include young and disabled people.

Funded by UK aid, Irish Aid and the Norwegian Ministry of Foreign Affairs, the programme has received more than £14.4m over almost six years. So far, nearly 100,000 households have been reached, meaning more than 540,000 people are moving beyond survival to enjoy dignified, thriving lives.

In **Burkina Faso** and **Ethiopia,** we aim to help 5 million vulnerable people become more resilient to climate change through **BRACED,** a 3-year programme funded by UK aid, focussing on women and children. In Burkina Faso, we have already supported 1.3 million people to cope with the effects of climate extremes. In Ethiopia, over 380,000 people were helped to receive regular, reliable and understandable weather messages, helping them to plan and prepare for a changing climate.

In Burkina Faso, we have already supported 1.3 million people to cope with the effects of climate extremes.

In **Kenya,** we supported the development of County Climate Change Funds, making local government money available to vulnerable communities to adapt to climate change. In 2016, 21 investments, prioritised by the communities themselves, have been started in Kitui and Makueni counties. These have already benefitted over 100,000 women and men across 16 wards. One example is in Nguu Musumba in Makueni. After an assessment, the community decided that retaining water by building a dam along a dry river bed was a priority. They applied for and secured funding for this investment, then worked with the county government to hire a contractor. The community have remained involved throughout the dam's construction, holding the contractor and the county government to account on vital issues such as quality and price. The dam will ensure the community has access to water for longer periods between the erratic but heavy rains.

Our inclusive markets projects are also a vital part of our work to help vulnerable people to thrive. Across the world, we help poor women and men access new markets, get more money for their products, and access the support and finance they need.

Following lobbying by our partners, the Central Bank of Burundi agreed to impose an interest rate cap on loans to coffee companies.

Our coffee project in **Burundi** is just one example of our inclusive markets work. Coffee has huge market potential in the country with its favourable climate and relatively low sales. Between 2014-2019, we are organising around 10,000 small-scale farmers into cooperatives and enabling them to take advantage of this market potential. This year, following lobbying by our partners, the Central Bank of Burundi agreed to impose a cap on the interest rate that commercial banks can charge companies in the coffee sector. This meant a reduction to 10%, down from 16-18%, meaning that companies can afford to buy more coffee from producers. This policy win is likely to increase income for farmers in cooperatives, empowering some of the poorest people in Burundi.

Challenges and learning

Our drought impact assessment, covering our work in **Ethiopia** and **Nicaragua**, showed that access to early weather forecasts and drought warning, together with practical advice on building resilience, helped communities to improve their management of drought. We have shown that these measures tend to lead to higher levels of crop productivity, reduced crop damage and more efficient use of resources like labour, seed, manures and composts. We confirmed that it is vital for communities to have early warning about oncoming drought, to act early, and to include this in their risk assessments and their plans to increase their resilience. This inclusion of community voices has significant impact: it can result in increased access to official humanitarian aid and can help communities to recover from drought.

This year, we saw an unprecedented humanitarian situation exacerbated by intensifying climate change, environmental degradation and conflict. It therefore seems likely that 2017/18 will prove a pivotal year, with many challenges for our partners and the communities with whom we work. Moreover, the resurgence of climate change denial in the US also risks undermining progress. Work on meeting commitments made at the World Humanitarian Summit must continue, and we need to continue building evidence for the importance of climate resilience and adaptation under the Paris Climate Change Agreement.

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

Objective:

Equality for all

Excluded women in Jharkhand, India, have been united by our Poorest Areas Civil Society programme. We've helped them to know and demand their rights.

Photographer: Ranjan Rahi

Objective:

Equality for all

We will help to reduce structural and gender-based inequality. We will create a more inclusive world, where identity – gender, ethnicity, caste, religion, class, sexual orientation – is no longer a barrier to equal treatment.

What we want to achieve:

- Changes in the social and political environment to promote equal gender relations and women's empowerment.
- To challenge and change social and political factors that reinforce exclusion on the grounds of identity.
- To ensure that we integrate analysis of gender and exclusion into all aspects of our work and thinking.

Tackling gender inequality and other forms of exclusion is a key component of our work, and cuts across all our projects in all the countries in which we work.

Highlights from the past year:

Side by Side, the global faith movement for gender justice that we helped establish in 2015, has continued to grow. The movement officially launched its five-year strategic plan at the 61st UN Commission on the Status of Women in March, and now has forty-two member organisations across Latin America and the Caribbean, Asia and the Middle East, and Africa. Side by Side is well on the way to becoming a timely and relevant global interfaith movement aiming to address multiple aspects of gender inequality. This is reflected in the request from the Partnership for Religion and Sustainable Development for Side by Side to co-chair their interfaith civil society task group, a platform to ensure that international institutions support a faith response to the Sustainable Development Goals.

The establishment of national Side by Side chapters has, for the first time, galvanised a more coordinated and cooperative faith-based approach to gender justice issues across and within faiths. For example, the Side by Side chapter in **Kenya** is pursuing the implementation of the *Two Thirds Gender Principle* enshrined in the new Kenyan Constitution, the principle that no more than two thirds of a public body can be of the same gender. In **Zimbabwe,** the Gender and Faith Network is tackling Gender Based Violence. They are pursuing the implementation of the Domestic Violence Act, as well as addressing the underlying social norms, power dynamics and masculinities that are leading to the rampant cases of Gender Based Violence in the country. The **Burundi** chapter is implementing a Regional Advocacy Strategy following the UN Security Council Resolution on the reduction of Gender Based Violence in conflict and post-conflict settings. In **Ghana, Sierra Leone** and **Nigeria,** faith leaders united by Side by Side have been focusing on promoting women's participation and inclusion in political processes. The chapter in **Myanmar** has developed a programme to engage with faith communities on raising awareness of Gender Based Violence and related laws and policies. **India, Bangladesh** and **Afghanistan** are also looking at establishing Side by Side chapters. Across the world, Side by Side is helping to take strides forward for gender justice.

The Poorest Areas Civil Society programme reached 9.6 million excluded people.

In **India,** the **Poorest Areas Civil Society** programme worked in seven of the poorest states between 2009 and 2016. This programme worked to tackle the exclusion of disabled people, Muslims, scheduled tribes and castes as well as women. We aimed to help these communities to claim their rights and to reduce the welfare gap between them and the rest of the population. The change our partners created was profound, from giving marginalised people skills training and support to earn sustainable incomes to helping them to access government healthcare, education and nutrition schemes from which they were often excluded. In total, the programme worked with 225 partners from Indian civil society, covering over 22,000 villages and reaching 9.6 million people.

> Following our campaign, sanitary pads and tampons will be exempted from general VAT in Colombia, a huge win for women.

In **Colombia**, we supported the launch of a campaign, Menstruación Libre de Impuestos, which loosely translates to 'the right to have a period without being taxed'. The campaign was launched by a Roundtable on Tax and Gender led by our partners CEDETRABAJO and the Tax Justice Network. Its objective was to fully eliminate VAT on sanitary pads and tampons, which was achieved with the support of more than 50 members of Congress from 6 different political parties. In December 2016, the law we campaigned for was ratified, as the Colombian Congress approved a tax reform exempting these hygiene products from the general VAT of 19%. Now, these products will only be taxed at 5%, a huge win for women in Colombia.

Challenges and learning

Our approach to gender justice is non-binary, meaning we don't simply focus on inequality between men and women. Our gender work is also intersectional, meaning we are attentive to how people can experience discrimination for multiple, intersecting reasons, for example on the basis of their race, disability, and sexuality as well as their gender. We are working to develop an even more reliable set of interventions which propose how the cycle of exclusion and inequality in a given context can be permanently broken.

While our programmes and advocacy initiatives last year made significant impacts on inequality in local settings and kept inequality on the policy agenda, the longer term global trend has seen increased economic inequality, marginalisation, exclusion and violence – especially on the grounds of a person's ethnicity, religion and sexual orientation. Despite this, we have observed a significant, irreversible and positive global shift towards gender equality over the last few years.

The development sector has learnt that oppressive power dynamics have only been shifted by specific efforts to change what is socially acceptable. In 2017/18, we will try and focus more on how we can build social change into all our programmes, allowing us to challenge identity-based exclusion wherever we work.

Objective:

Tackling violence, building peace

Jack Grundy, a volunteer with our partner Peace Brigades International in Colombia, accompanies human rights defenders and helps them work safely.

Photographer: Christian Aid/Paula Plaza

Objective:

Tackling violence, building peace

We will help to protect vulnerable people from violence, identify and challenge its causes, and transform conflict peacefully.

What we want to achieve:

- Increased protection for those most vulnerable to violence – women, children, minorities and refugees. We want to equip them to address the causes of violence, tackle impunity and resolve conflict peacefully.
- The development of peaceful and effective alternatives to violence and armed conflict.
- Broad social movements for change with women at the centre, movements that successfully address the root causes of violence and act to transform them with justice.

Our work on tackling violence and building peace (TVBP) covers projects in over 20 countries in four broad areas: we want our development interventions to target the root causes of violence; we want to engage with national peace and reconciliation processes; we aim to make sure that humanitarian interventions are sensitive to conflict; and we are continuing to help communities to tackle Gender Based Violence.

Highlights from the past year:

In **Angola,** our partner is working in rural, pastoralist communities, helping to prevent and resolve conflicts including violence related to women's inheritance rights. Women in Angola are disadvantaged in terms of land rights, with widows often struggling to inherit from their late husbands. In Huila province, where we work, there were no reports of any widows left without their inheritances in 2016, and 3,600 women reported fewer episodes of Gender Based Violence.

In Huila province, Angola, 3,600 women reported fewer episodes of Gender Based Violence.

Since November 2012, our partners have been supporting **Colombia's** peace talks in Havana. In 2016, a successful peace agreement brought fifty years of armed conflict in Colombia to an end. Our partners have been supporting survivors, especially women, to make their voices heard in the peace agreement. For example, our partner Sisma Mujer sat on the talks' groundbreaking gender sub-commission. We also supported CONPAZ (a victim's collective) to attend the talks. The input of women's voices has led to real results: there is now no amnesty for sexual violence, and 'alternative sentences' have been approved, by which perpetrators restore the damage they did rather than just receiving punishment.

Colombia's draft peace agreement was narrowly defeated in a national referendum. It had to be passed in parliament instead, thus some measures to protect the rights of LGBTI people and women were weakened as part of negotiations. This is just one sign of how challenging building peace in Colombia can be, a context our partners must navigate as they help make the peace agreement a reality. Read more about our response to the situation in Colombia on p.34.

Palestinians continue to suffer human rights violations on a daily basis. To document this, our Israeli partner B'Tselem provided video cameras to 200 Palestinian volunteers, and trained them as citizen journalists. Their video is shared on B'Tselem's website and social media, both to raise awareness of the human rights situation and to inform B'Tselem's own advocacy work. In one example, video footage was taken of the shooting of a wounded, incapacitated Palestinian by an Israeli soldier in Hebron, March 2016. B'Tselem used the footage to publicise the case, making waves in Israel as well as sparking international discourse about the illegal use of force by Israeli military forces. The video was used as evidence in the military court case, leading to a verdict of manslaughter against the Israeli soldier. B'Tselem is harnessing the effectiveness of citizen journalism to try and hold those responsible for violations of international law to account.

Challenges and learning

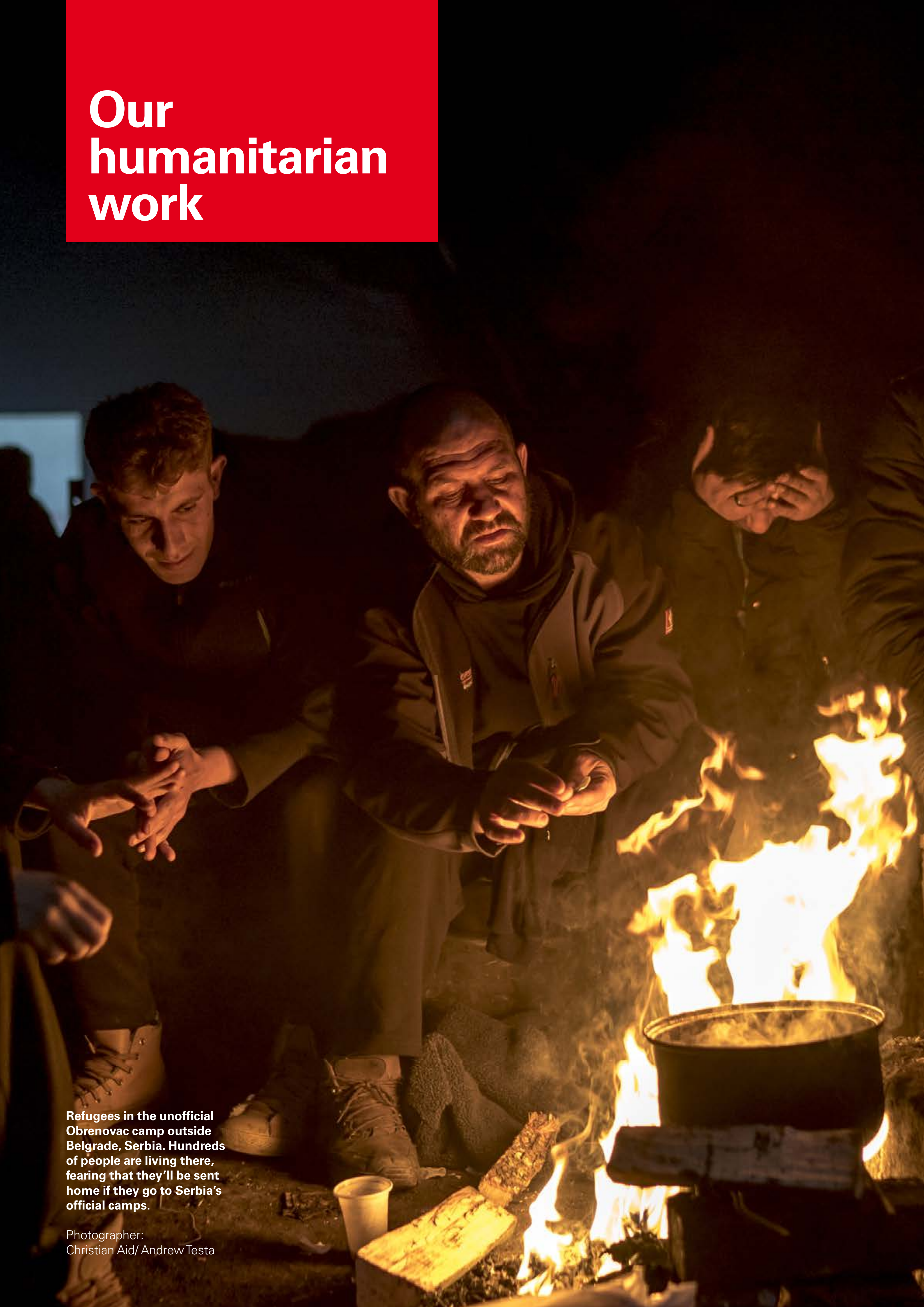
The nature of conflict has radically changed. With more child soldiers, armed groups which are not confined within a single country, and fewer clear front lines, wars have become less conventional. Protagonists in today's conflicts do not always want to win, profiting as they are from instability.

New forms of violence are emerging. In the Sahel, Angola and East Africa, tensions between poor herder and farming communities are breaking out into open violence, due to climate stresses as well as the continuing abuse of land rights. Often the end of militarised conflict leads not to peace, but to the beginning of other forms of violence. In Central America, for example, civil wars were ended by peace agreements, but violent crime still leads to many deaths in these countries.

In this challenging context, Christian Aid Ireland is leading our TVBP work, with financial support from Irish Aid. Our freshly launched TVBP strategy will involve collaboration across all areas of our work including programmes, policy and advocacy, churches, supporters and research, while we need to build our network with peer organisations. To respond to the changing nature of conflict worldwide, we are increasing the capacity of our country programmes to expand their work on issues of violence and peace.

We also recognise that women suffer worse under conditions of conflict: their experiences of war are often forgotten, and in many post-conflict settings they experience discrimination and have worse access to education and healthcare. Our TVBP strategy therefore addresses issues of gender in violent contexts, as well as power, inclusion and resilience more widely. We are also undertaking research efforts to build our capacity around Gender Based Violence. Our research will include field work in Myanmar, Nicaragua and Zimbabwe, with case studies from Colombia and the DRC, and will provide a thorough overview of current debates on Gender Based Violence. We will also investigate resilience in conflict contexts, methodologies for building peace in conflicts over land rights, illicit economies and the links between climate change and conflicts and fragile states.

Our humanitarian work



Refugees in the unofficial Obrenovac camp outside Belgrade, Serbia. Hundreds of people are living there, fearing that they'll be sent home if they go to Serbia's official camps.

Photographer: Christian Aid/ Andrew Testa

Our humanitarian work

In 2016, major crises and disasters affected millions of people around the world. According to the UN, hunger and conflict in Africa and the Middle East and natural disasters in the Caribbean and Pacific left 130 million people in desperate need of humanitarian assistance. The global refugee crisis has been building for many years, with 65 million people now forcibly displaced from their homes. This is the highest number of displaced people since the Second World War. The Syrian conflict, ongoing since 2011, has driven this acceleration. Large-scale humanitarian crises in Iraq, Nigeria, South Sudan and Yemen, coupled with decades-old instability and conflict in Afghanistan, the DRC and Somalia, mean that millions more people have been forced to flee. The overwhelming majority of those seeking refuge outside their own countries are hosted in developing countries.

Our 44 humanitarian responses across 26 countries reached an estimated 1.2 million people.

Sustainable development cannot be achieved without planning for disasters: humanitarian crises can reverse decades of progress in seconds. The goal of our humanitarian work is a significant reduction in the disaster losses of vulnerable people. We aim to empower those closest to disaster-affected communities to decide what is needed and how to deliver it. During the past year, our partners mobilised to meet basic and urgent needs of disaster-affected communities in multiple locations. We delivered a total of 44 humanitarian responses across 26 countries, reaching an estimated 1.2 million people.

Highlights from the past year

In **Nigeria,** according to the UN, violence displaced over 2 million people and left more than 5 million facing acute food insecurity in Adamawa, Borno and Yobe states. Our response was rapid, with funding from our partners in ACT Alliance and the UN World Food Programme. We supported Internally Displaced Persons (IDPs) and host communities across 15 areas. We reached over 109,000 IDPs, addressing their immediate needs for food security, nutrition, water, sanitation and hygiene. We also worked to enable early recovery, helping people to rebuild their lives.

In Nigeria, we helped 109,000 people get water, food, sanitation and hygiene.

This year has been incredibly challenging for **South Sudan,** with 5.5 million people experiencing severe food insecurity, according to the World Food Programme. Subsequently, famine was declared in parts of Unity state. Our partners have reached 72,000 displaced people in Unity and Bahr el-Ghazal states with food, water, sanitation, hygiene and cash. We have also provided fishing gear and vegetable seeds to help people to recover and reintegrate into communities.

According to the UN, **Ethiopia** experienced its worst drought in 30 years, with over 9 million people affected. We responded by providing seeds, animal feed and by distributing cash in South Omo, Borane and Zuway Dugda in Oromia, reaching 31,000 people. We also provided school meals, feeding approximately 49,000 children, ensuring that they stayed in school during the dry season.

Since the beginning of the **Iraq** military operation to retake Mosul from IS, over 580,000 people have been displaced from the city. While some have returned to their homes in recently retaken East Mosul, ReliefWeb notes that 480,000 people remain displaced across Iraq. These families fled Mosul with next to nothing and reside in unfinished buildings. Our local partners provided food kits to those that were able to escape as well as to families that remained in the city during the fighting. We provided around 1,200 families with food kits and reached over 1,000 households with hygiene kits and health messaging.

Our partners in **Serbia** and **Greece** provided much needed assistance to refugee families throughout the year. Our partner in Serbia carried out targeted food distribution to vulnerable groups: pregnant and lactating women, babies and children. We provided a supplementary ration to ensure they received essential micronutrients. Our partners in Greece provided hot meals, clothing and temporary accommodation to refugees. They also provided social and community support, ensuring cohesion between refugee and host families.

Hurricane Matthew struck southwest **Haiti** on 4 October 2016, bringing heavy rainfall to the south, southeast and northwest regions. It created the largest humanitarian emergency in the country since the earthquake in 2010. According to the Haitian Government, 546 people died, 439 were injured and 2.1 million people were affected by the hurricane. Losses amounted to $2.8 billion, mostly affecting housing and agriculture. Our partners assisted people to evacuate to safe shelters before the storm hit and have since been responding to the aftermath in the south region. We secured a €340,000 grant from Irish Aid for our emergency response, which we used to provide cash for families to meet basic needs, materials to repair roofs so people had secure shelter, and water filters. Our emergency appeal raised almost £1 million, of which we spent half on emergency response activities and used the remaining funds to support affected people to rebuild their homes and farms. Our humanitarian assistance aims to help communities thrive in the long-term, and the houses we helped to rebuild after the earthquake withstood the hurricane well.

Challenges and Learning

It is increasingly recognised that cash transfer programming – giving cash directly to people struggling to survive in humanitarian crises – often increases the choice and dignity of affected people. Cash transfers also help humanitarian aid to be delivered quickly and effectively. We are committed to increasing our use of cash transfers in emergencies, adopting best practices and innovating; we have already trialled a digital platform for cash transfers in Nigeria. This platform is hugely promising, with benefits including greater accountability, less room for fraud or errors, and faster distribution, although it is still challenging to register beneficiaries on the system.

Supporter partnerships

Supporters gather at St Mary-le-Bow, London, before the start of the Circle the City sponsored walk for Christian Aid Week.

Photographer: Christian Aid

Supporter partnerships

The partnerships we nurture with supporters in Britain and Ireland are as important as our partnerships in our worldwide programme delivery. Our supporters are vital to our independence, sustainability and ultimately the success of our mission to end poverty.

Our mandate to help the world's poorest to thrive and to challenge and change the systems that keep people poor is given to us by 41 Christian denominations in Britain and Ireland. We deliver our mission in partnership with these sponsoring churches, a relationship which represents tens of thousands of individuals and hundreds of thousands of acts of support, ranging from worship to campaigning, from volunteering to generous giving.

We seek to inspire more of these transformational relationships. Our presence in the regions of Britain and Ireland and our direct communication with supporters nurture our relationships and inspires more people to step up as agents of change. Through brave storytelling and focused campaigning, we seek to expose the scandal of poverty and to demonstrate the impact our supporters have on poverty and its causes. We continue to develop a fundraising model fit for the 21st century, one which links supporters meaningfully to communities in the global South, grown out of the truth that our future is bound up with our neighbours around the world.

Our supporters raised £10.3m in Christian Aid Week 2016. A staggering 50,000 collectors and more than 10,000 churches stood up for poor communities across the globe.

Fundraising

Our supporters raised £10.3m in Christian Aid Week 2016. A staggering 50,000 collectors and more than 10,000 churches stood up for poor communities across the globe, in what remains one of the biggest acts of Christian witness in the UK. Our new community fundraising event, Big Brekkie, was launched successfully, and more than 2,000 people signed up to host one, sharing food and fellowship in solidarity with their global neighbours.

Thanks to the tireless commitment of churches and the gifts of individual supporters across the UK, we were able to raise £1m for our emergency response to the food crisis in East Africa. Our Harvest and Easter appeals also exceeded targets, while supporters gave an additional £600,000 to our Shortfall Appeal to help sustain our programmes, making a profound difference to poor communities across the globe.

Campaigning

In addition to raising money, our supporters take action to tackle the root causes of poverty and to change the structures that keep people poor. We worked with churches in England and Wales to launch our Change the Story campaign, tackling negative representations of refugees in the media. Meanwhile, hundreds of supporters organised Speak Up events in October 2016, speaking to MPs about energy and climate change, forming a major part of The Climate Coalition's campaign. In November, we launched the next phase of our Big Shift campaign, asking the four biggest UK banks to move their investments from fossil fuel into clean energy. At the end of 2016/17, nearly 2,400 supporters sent an email to at least one of the banks, churches returned 150 petition sheets, and 300 campaigners were trained to take local action outside bank branches. Bank visits began from April 2017, and momentum will build throughout the rest of the year.

Plans for the future

Partnership for Change and our objectives continue to drive our work and our approach to ending poverty. Some of our priorities for the year ahead are:

Climate change

Climate change remains a key corporate priority: in our advocacy, development programmes and through our own carbon footprint reduction.

The Big Shift will remain our campaigning priority as we aim to shift public and private investment to hit the global target of staying below 1.5°C of global warming. In 2017/18, while continuing our successful Big Shift campaign in the UK, we are continuing to extend it to our partners in Latin America and the Caribbean, Asia and the Middle East, and Africa. We will continue to put pressure on governments, private banks, multilateral banks and global institutions to make the shift to a zero-carbon world. We will continue to call for direct financing of action in communities, empowering people at the grassroots to create change.

We continue to work with partners worldwide to help communities respond to the direct impact of climate change on their lives and livelihoods. We will also seek to expand our promising work in harnessing alternative energy, particularly solar power, both for irrigation and to reduce the burden on women and children at the household level.

Gender and inequality

Working with faith actors to challenge inequalities on the basis of identity remains one of our priorities, as we aim to bring gender justice and the inclusion of all closer. One way of doing this will be through Side by Side. In the year ahead, we will be working to increase the global membership of the movement and to broaden the number of faiths represented.

We will continue to build the capacity of our staff and partners in gender and inclusive programming, in support of the Sustainable Development Goal principle of 'leave no one behind'. We want to see all our programme strategies reflecting this approach. We also aim to ensure that gender justice is effectively included in all our public policy positions and campaigns, including the Big Shift, our fiscal justice work and our emerging advocacy on refugees and migration.

Within Christian Aid itself, we aim to ensure that organisational design, talent and succession planning result in increased gender equality and inclusion across the organisation. Measures include monitoring the gender pay gap among our staff. We will also be implementing our commitments to the Modern Slavery Act.

Humanitarian work, including refugees

Having been successful in securing ambitious commitments at the World Humanitarian Summit, a key priority for us is to turn these pledges into action. We will work in coalition with our partners to influence decision-makers. Key events for us in 2017 and beyond will be biennial meetings of the Global Platform on Disaster Risk Reduction and annual meetings of the Grand Bargain, as well as meetings of its localisation and participation workstreams. Other important events in 2017 include the Charter for Change annual meeting in the Hague and the Global Humanitarian Policy Forum in New York.

With more refugees and displaced people in the world than ever before, our work on the needs and rights of displaced people remains a priority. The situation is grave: as the UN notes, out of the 65 million displaced people worldwide, more than 40 million remain in their own countries, where they are largely ignored by an international system set up to protect cross-border refugees. Millions are not even included in statistics. We are committed to a world where everyone is counted, and where everyone counts.

In September 2018, the UN will gather world leaders to sign two new agreements on refugees and migrants. This is an historic opportunity to bring legal conventions and the international system up to date for 21st century challenges. We will be working with our faith networks and partners in the global south to call for an ambitious deal for those who have been forcibly displaced, as well as better funding for agencies to respond on the ground.

Vision 2020

Our Vision 2020 Change Programme moves into its second year, with its three priorities – global partnership, digital transformation and financial resilience – starting to bring changes to our structure and how we work.

Our aspiration to have a greater impact on poverty by operating as a global partnership lies at the heart of

Vision 2020. This global partnership will be a network of organisations that share with us a common heritage, values and vision to eradicate poverty and social injustice. It will raise the quality of our programmes, increase our resources, and enable us to be more responsive to need. We will also have greater influence and more legitimacy across the world, as the global partnership enables voices from the local level to shape our global agenda. This evolution reflects our fundamental commitment to local agency, be it that of our partners or the communities we serve, and builds on our history of nurturing organisations that have gone on to become successfully independent.

We live in a digital world: digital communication technologies now influence every aspect of individual and organisational life. We need to continue to build our digital maturity by enhancing our digital capability and using new technology throughout our work in innovative ways.

We also need to upgrade or replace several systems, to help us better understand our data and how to use this to better meet the digital needs of our supporters and beneficiaries.

In terms of financial resilience, our objective is to increase our income – including in new ways – and to spend it in a way that will help us achieve strategic priorities in a financially sustainable manner. This includes trialling new fundraising products, engaging with new donors, and deepening relationships with our existing supporters. We also aim to better align the themes of our fundraising with our development work, so that we can more easily connect our donors and their gifts to the work their money makes possible.

Principal risks

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

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

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

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

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

There are a number of working groups that manage risks in high-risk areas, as defined in the risk register. In 2016/17, these included the business continuity group; the health, safety and security committee; the public policy group; the large programmes oversight committee; the data protection oversight committee and the anti-diversion oversight committee. Serious incidents and near misses are monitored and inform the ongoing development of risk management strategies.

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

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

To supplement the schedule of audits, internal audit has implemented an internal control self-assessment process. It requires overseas offices and programmes to confirm adherence to key controls and report on any material control breakdowns and actions to prevent their reoccurrence. This is intended to ensure the control framework is fully embedded internationally. Where gaps are noted, management is required to implement corrective actions and report on this to internal audit.

Where themes in these gaps are noted, they are reported to senior management and actions are taken to review and reinforce related policies and procedures. The results of the internal control self-assessment are reviewed with the audit and risk committee. A similar process is in place for our national and regional offices in Britain and Ireland.

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

The countries in which we operate

Risk

Working to eradicate poverty requires us to operate in places that are inherently challenging because of conflict, corruption, natural disasters, weak infrastructure and poor governance. A material change in international dynamics, or in the conditions of specific countries or regions where we work, can hamper our ability to operate effectively and safely in those locations. These changes may include: a reduction in support for civil society, economic or political collapse, conflict, or serious environmental disaster. In recent years we have seen an increase in insecurity across the globe, particularly in many of the places we are mandated through our humanitarian mission to work.

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

Management

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

All Christian Aid staff travelling to and within our overseas operations understand their personal responsibility for security and adhere to our corporate policies and procedures. All country programmes have up-to-date security policies, provide briefings to visitors and adjust security assessments, as appropriate, in response to major changes in the political and security environment. Having confidence in our policies and procedures as well as our staff gives us the confidence to work in some of the most challenging of locations. But, in the event of an escalation in insecurity and as a last resort, we may withdraw staff from insecure locations or delay the implementation of a programme.

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

Case Study: Building lasting peace in Colombia

The situation

The Colombian conflict was an internal armed conflict between the Colombian government, paramilitary groups and left wing guerillas, the main one being the Revolutionary Armed Forces of Colombia (FARC). The conflict started in the 1960s and has lasted for more than 50 years. According to the UN, there are 8 million victims of the conflict and more than 7 million internally displaced people. The peace process between the government and the FARC started in 2012 and resulted in a signed agreement in 2016, which is currently being implemented. The process is complex, on the one hand creating hope of a life without violence, where basic human rights can be enjoyed, but on the other hand seeing a significant increase in attacks against peace and human rights activists, with paramilitaries taking advantage of the power vacuum left by the FARC.

The risk

Colombia is the most dangerous place in the world for human rights defenders, accounting for a third of the total that are killed worldwide, according to the 2016 report from Front Line Defenders. They are at risk because of the work they carry out, which goes against the strong interests of power holders at both local and regional levels, people that have been involved in illegal activities or otherwise have something to hide from their past. These power holders perceive their status to be under threat, because one of the aims of the peace process is to dismantle the paramilitary groups and their support structures, including corrupted public servants and businesspeople. As a result, our partners and the communities we support experience a daily threat from those that would prefer to maintain the status quo.

How we dealt with it

Helping to protect our partners and the communities with whom they work is an integral part of our programme in Colombia. We opened our office in Colombia in 1995 and our principal objective is to challenge the structures that prevent the fulfilment of human rights for all. We have developed a number of tools to protect peace and human rights defenders. First of all, we provide public support to our partners and facilitate meetings with international actors, in particular the UK and Irish embassies and the EU delegation. We also ask these stakeholders to express public support in meetings, letters or via social media and to follow up with authorities on particular matters. This legitimacy that we help to build for human rights defenders is important, because all armed actors measure the costs of carrying out a potential attack on them: the better known the activist, the higher the costs and the less likely it is for an attack to be staged. We also directly contact authorities from time to time, either as Christian Aid or with other international NGOs, to express our concern and to give recommendations. We have also increased funding to our partner Peace Brigades International, which provides protection to partners and some communities with whom we work. Finally, we ensure that we operate to the highest standards of security for our own staff and when we engage with partners and communities.

The result

Overall, the situation in Colombia remains critical and fragile. However, despite security incidents, including threats and killings of local leaders, our partners and communities have largely been able to maintain the reach and the scope of their work, helping to build the foundations for a safer future for all. We have also seen increased international attention to the issues, and Colombian authorities have begun to take action to protect human rights defenders and peace activists. Internally, we have continued to maintain a strong security record based on rigorous security protocols and strong capacities to anticipate, analyse and deal with potential threats.

Advocacy and popular campaigning

Risk

We speak out against the causes of poverty. In some situations, this can put staff and partners at risk. If communications are inappropriate or poorly researched, or erroneous statements are made, this could risk lives, damage reputations or harm key relationships. Similarly, we could be challenged by those with vested interests who merely object to us telling the truth. Actions by our partners could also draw us into litigious or conflict-related situations, particularly when they publish materials or engage in actions with our financial support.

If we, or our partners, act in a way that is contrary to our public policy positions, this could seriously damage our reputation. In addition, poverty is a complex, multi-dimensional issue, and communicating it in interesting, accessible and engaging ways to supporters, the general public, donors and other stakeholders can be challenging.

Management

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

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

During the year we set up a Research, Evidence and Learning Hub, which is intended to deepen the connections between our programme practice and policy development, advocacy and campaigning, and to deepen the long term understanding of the impact of our work.

Working through and with partners

Risk

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

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

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

Management

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

We are a member of the certified Core Humanitarian Standard Alliance, which provides standards that are designed to promote the rights and dignity of vulnerable people and communities, and to enhance the effectiveness and impact of the assistance we provide. As such, we invite feedback from our beneficiaries.

We also commission and publish independent external evaluations of our work. We have a range of anti-fraud and corruption policies on matters including anti-diversion and abuse of funds, whistleblowing, anti-bribery, anti-money laundering, safeguarding of children and vulnerable beneficiaries, and misuse of funds. We have a process for fully investigating all incidents and ensuring that lessons are learned. During the year we developed compulsory online training to further embed our code of conduct framework with all staff and relevant volunteers.

The large programmes oversight committee monitors the performance of major service contracts and major grants, and reviews the supporting risk management procedures.

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

Economy, sector competition and financial strategy

Risk

Changes in the economy at home and overseas can have a significant impact on both the propensity to give and the causes that supporters and donors are willing to support. Perceptions of the wealth of middle-income countries might provide a distorted view of the reality for the majority of people living in those countries. This, along with increased competition for funds, may reduce the amount of income available for our programmes.

There is also a risk that donors may change their funding priorities to areas that are not aligned with our strategic priorities, or change the way in which their funds are disbursed. If we are unable to respond to the changing environment or fundraise in a way that engages current and new supporters and our income drops, we may need to reduce the scale of our programmes. During the year, while overall income was in line with budget, the level of unrestricted income has continued to reduce. We have planned for this trend in our business plan through to 2020 and have taken measures to strengthen our financial resilience to the impact of further reductions in unrestricted income.

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

We continue to carry a deficit in the closed final salary pension scheme according to the most recent scheme funding valuation. This could increase depending on economic and other factors. For further details please refer to note 23 of the Financial Statements.

Management

We have a reserves policy, which takes account of our principal risks. Performance against our reserves target is regularly reviewed with the board. We have income targets and regularly review our performance against them. We have a thorough planning process that challenges our income assumptions and how we spend our funds. We closely monitor our costs and seek opportunities to improve efficiency where possible. The operational management group, chaired by the Chief Operating Officer, monitors performance against our operational plans as well as related risks and opportunities. In response to the reduction in unrestricted income, we are developing strategies that ensure we continue to maximise our impact with the poorest and most vulnerable, while rebalancing activities with likely future funding. In doing this, we are aware of the impact of shifting Government priorities, and the economy more generally, as the process for the UK's exit from the EU begins. We have an established presence outside of the UK in EU member states: Spain and Ireland. This will enable us to retain our voice in Europe irrespective of the UK's membership status. We also have a strategy of working in networks and coalitions, including with ACT Alliance in Europe.

Case study: Developing our capability on Research, Evidence and Learning

The situation

We have long recognised the importance of being able to appropriately evidence and communicate our impact, added value and learning. Nevertheless, we have struggled to do this as effectively as we wish, in part because much of our evidence agenda has been driven by the specific needs of certain stakeholders as well as an emphasis in the sector on simple 'positive impact stories'. While these stories are important, we know that if we are to really understand how our programmes, policy and campaigning work contributes to shifting power, our evidence work needs to capture a more nuanced picture of complexity, setbacks and challenges. We also recognise some limitations to how research was being conducted or commissioned by different teams in Christian Aid. There was no centralised strategy to focus resources and to maximise innovation, learning and adaptation across the organisation.

The risk

Without investing in the skills to enable us to generate high quality evidence of our work, we were potentially limiting our ability to learn effectively, communicate appropriately and make sound programming decisions and policy propositions. We were also limiting the impact our work could have on the development sector, with others learning from and building on our understanding and practice. Finally, we risked not communicating effectively the complex and multi-dimensional issue of poverty and the profound change our work makes to peoples' lives.

How we dealt with it

In June 2016 we set up a Research, Evidence and Learning (REL) centre, made up of individuals with specialist skills whose careers have spanned academia and practice. These individuals formed a hub, with the aim of providing expertise across our global partnership to improve the quality of our research and evaluations and to deepen the connections between our programme practice and policy development, as well as our advocacy and campaigning work.

Over the last year, the REL hub has worked with other teams to conduct and commission high quality research and studies on a range of issues, from the use of different types of improved cookstoves in our programmes to the evolution of our business model in India. These learnings have been used to inform future work. We have also provided technical support and advice to colleagues from across the organisation.

Between January and March 2017, the REL hub piloted an Evidence for Development Professionals course, bringing together 20 colleagues from across Christian Aid as part of a wider strategy to improve evidence literacy within the organisation. Alongside this, the REL hub has been developing practical guidance and planning one-off workshops to support colleagues in their use of research and evaluation methods.

We have begun a long-term study in Colombia and Kenya with a view to understanding the changes in poor people's lives over a period of ten years. This will enable us to consider the long-term and sustainable impact of our work in both countries. Cross-cutting themes include the evolving role of Christian Aid, partners and communities, the shifting national policy contexts and an assessment of the extent to which power has shifted in favour of the poor and marginalised. The study will also contribute to our better understanding of how change can be evidenced and communicated.

The result

It is early days, but the findings from the various studies are already informing the way that we approach our international programmes and policy work. The pilot evidence course was rated highly by participants, and plans are in place to roll it out to a wider group. Participants now have a better understanding of the research cycle and the biases and limitations of the various methods available for generating evidence. This in turn is helping them to scope research and evaluations more effectively, and to ensure claims around the impact of our work can be clearly evidenced.

Our focus thus far has been on developing research, evidence and learning capacity within Christian Aid. Over time we plan to broaden our work across the wider development sector.

Our programme management information system helps fundraisers to understand where our programmes are most closely aligned with donor interests. The finance, fundraising and investment committee considers fundraising plans and performance. We continue to develop a model of working that seeks to identify in-country fundraising opportunities, following a review of our operational model in India in 2013. If this model proves successful, as indicators suggest it will be, it may be replicated elsewhere.

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

We keep abreast of changes to fundraising regulation and data protection law, and work hard to ensure that our interaction with supporters is compliant. We are reviewing options to implement a new Customer Relationship Management system, which is intended to support transformational change to the way that we interact with our supporters. We hope this new system will further deepen our relationships and provide greater connectivity with our work overseas through a more digitally enabled platform.

We actively manage our pension fund deficit, with an approved deficit recovery plan and a long-term de-risking strategy, supported by professional advice as appropriate and close working with the pensions trustee. The finance, fundraising and investment committee receives regular reports on investment performance and approves deficit and investment management plans.

Christian identity

Risk

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

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

Management

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

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

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

Regulatory compliance

Risk

We operate in many countries with many different jurisdictions. Failure to keep abreast of national and local laws and requirements could compromise our ability to continue working in these places.

We work in an increasingly demanding regulatory environment. Failure to demonstrate compliance with the regulatory framework, as it evolves, could damage our reputation and result in fines and other penalties. Regulatory pressure can also restrict our ability to respond quickly to the most vulnerable in times of conflict. The unintended consequences of the counter-terrorism legislation, which quite rightly seeks to reduce the risk of organisations and individuals inadvertently funding terrorism, is making it increasingly difficult to get funds to places where the need is greatest. This could mean a

Case Study: Emergency assistance to returnees in the Kasai Province – the Democratic Republic of Congo (DRC)

The situation

In December 2016, the town of Tshikapa (the capital city of Kasai province) and its surroundings experienced clashes between militia attributed to the traditional chief and the armed forces of the DRC. By January 2017, more than 600 deaths and 216,000 displaced people had been reported by the UN in Kasai province. Our local partners informed us that over 20,000 of these internally displaced people came to Tshikapa, while a larger proportion took refuge in the bush surrounding the town. To respond to the crisis in Tshikapa, we raised the alert through the Start Fund. We secured funds to provide rapid assistance in the form of food and agricultural kits to the displaced communities sheltering there. The project was implemented on behalf of Christian Aid by a local partner and member of Act Alliance.

The risk

Ongoing incursions by the militia rendered the project area incredibly insecure and unpredictable. This prevented traditional transport in and out of the region by air and road. In addition, the local price of basic food items intended for the distribution rose significantly, and supply was scarce. The local bank reduced its operations, fearing potential losses, which put the transfer of funds to our partner at risk.

How we dealt with it

We take security very seriously. We delayed deploying our staff to the region until a more secure air carrier became available. We developed a communication scheme with our partner and the other international NGO working in the area, Action Against Hunger, to monitor militia activities and threats. Only when we were satisfied that the risk had sufficiently reduced did we deploy our staff to the area.

We procured major food items in Kinshasa and arranged for our partner to transport them by road to Tshikapa. Whilst this covered 850km at the height of the rainy season, we were able to successfully and securely convey these items to the displaced people, using our new communication scheme.

To counter the delay in our partner receiving funds, we agreed a process with the bank headquarters in Kinshasa, making sure that the transfers were made in a timely manner.

The result

The most vulnerable 1,000 households were selected in 15 villages and received food assistance (60 tons of cornflour, 18 tons of beans, vegetable oil and salt) and agricultural kits composed of seeds and tools. This was done according to plan and within deadlines despite constraints including: the time taken to minimize the security risks, the lack of products in the local markets, strict restrictions on fund transfers to the region by the bank, and the highly vulnerable situation along the road between Kinshasa and Tshikapa.

As well as the direct delivery of food and agricultural items and our cooperation with Action Against Hunger, which was distributing non-food items, this project's most important achievement has been to inform the wider humanitarian community of the situation of internally displaced people in the Kasai. This meant that we contributed to the United Nations response to the situation earlier than would otherwise have been the case. It is hoped that this will result in further action to protect returnees that have been hiding in the bush for many months now.

failure on our part to provide impartial support wherever there is suffering, and lead to negative public perception of Christian Aid. Of course, if Christian Aid funds were to be diverted into terrorist hands, we would be inadvertently funding activities to which we are entirely opposed. This would also carry significant reputational, legal and financial risk.

Management

We have in-country teams in many of the places where we work, which are responsible for ensuring compliance with national and local requirements, including registration, tax compliance and statutory reporting. Where required, external audits of our country offices are performed.

We monitor changes to regulation, and review our response with our advisers and trustees as appropriate. We provide induction and training to new trustees and have processes in place to keep the board apprised of relevant changes in regulation. 'Statutory and regulatory updates' are a regular part of the audit and risk committee agenda.

During the year we have continued our work on counter-terrorism risk management. Our aim is to ensure that we continue to highlight the plight of and provide much needed support to those most in need, while ensuring we remain legally compliant. For defined high risk locations we have enhanced due diligence procedures that have been approved by the audit and risk committee. This work continues to be overseen by the anti-diversion oversight committee.

In May 2018 a new General Data Protection Regulation will come into force. We have appointed a Data Protection Manager and have developed a plan to ensure compliance with the new regulation. This work is overseen by the data protection oversight committee.

In compliance with the Modern Slavery Act, we have developed a public statement on the steps we have taken to identify and tackle modern day slavery in our work and in our supply chain. This statement is available on our website.

Human resources

Risk

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

Management

We have rigorous recruitment processes designed to help us select candidates who can best help us meet our core aims, and to ensure equal opportunities. Posts are advertised internally as a matter of course, and we use gender-balanced panels to interview job applicants. New staff sign our code of conduct and are inducted in a range of policies that underpin our work.

We have a structured performance management system that is designed to monitor individual performance and we have also invested in leadership development. We have human resources policies designed to promote employee wellbeing and we provide regular and open communication to employees.

We regularly obtain feedback from staff through surveys, and we respond, by department, to the issues raised.

In line with our practice in the global South, we have increased the opportunities for staff in Britain and Ireland to give anonymous suggestions and feedback.

Information systems and cyber security

Risk

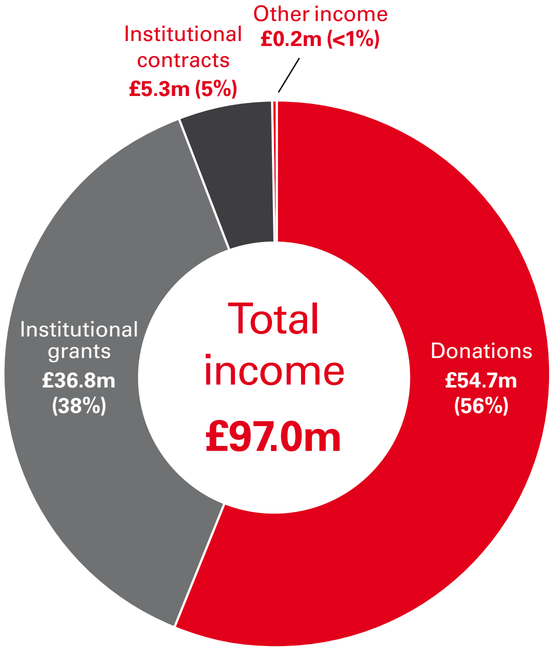
We live in an increasingly digitally connected world. Failure to keep pace with new technologies and ways of reaching our supporters and the communities we serve, in the way that they prefer, could reduce our impact and effectiveness. Failure to secure our information systems from malicious attacks could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

Management

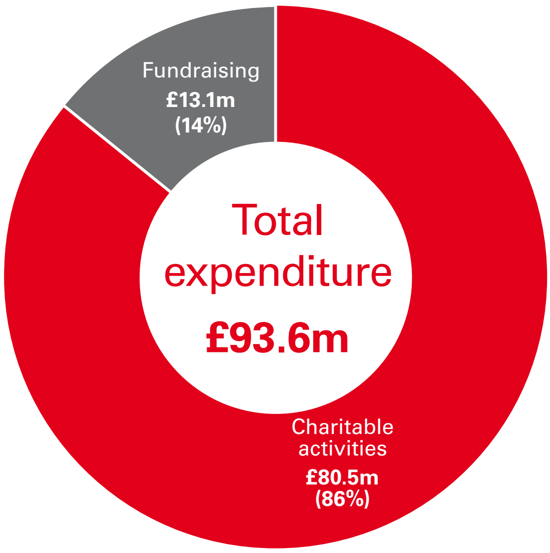
We have developed initiatives to embrace digital technology more effectively. The purpose is to ensure that we embed the use of technology more effectively in our work. We have structured information systems, policies and procedures that are embedded throughout the organisation and supported by training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

Financial review

This year we raised £97.0m from…



And we spent £93.6m on…



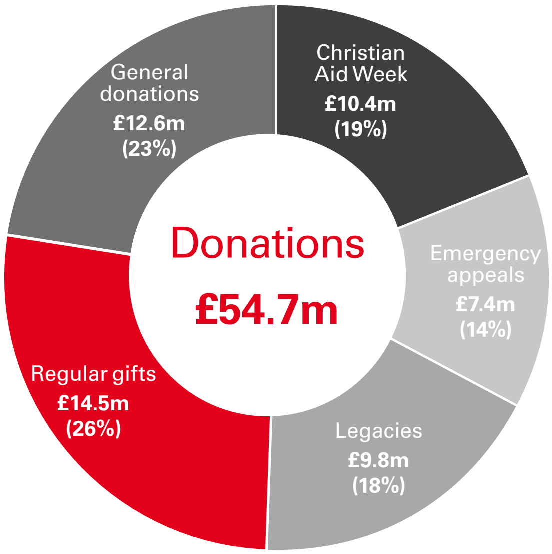
We worked with 475 partners in 37 countries, delivering long-term development programmes, responding to humanitarian crises and through campaigning, advocacy and education, achieving long-term change for the world's poorest communities.

Income

Total income for 2016/17 was £97.0m, slightly ahead of our plan but down £10.0m (-9%) on the previous fundraising year, which saw a record amount raised.

As highlighted in the table below, donations fell sharply, in a year with fewer high-profile humanitarian crises. However, institutional funding in the form of grants from institutions remains a growing source of income. With the end of the six-year (£27.0m) Poorest Areas Civil Society programme in India, income earned from institutional contracts also fell away.

Total income by type	2012/13	2013/14	2014/15	2015/16	2016/17	2016/17 Change
Donations	£55.6m	£59.5m	£56.9m	£62.6m	£54.7m	-13%
Institutional grants	£27.4m	£31.5m	£31.6m	£34.5m	£36.8m	7%
Institutional contracts	£11.6m	£12.0m	£10.5m	£9.5m	£5.3m	-44%
Other income	£0.8m	£0.6m	£0.4m	£0.4m	£0.2m	-50%
Total income	**£95.4m**	**£103.6m**	**£99.4m**	**£107.0m**	**£97.0m**	**-9%**



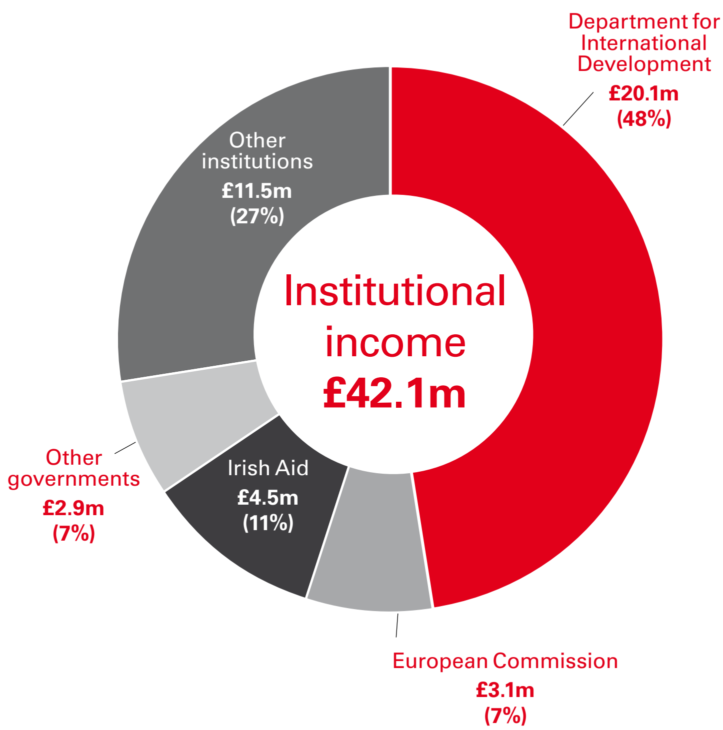
Donations

Donations were in line with our plan this year, but decreased by £7.9m (-13%) from £62.6m in 2015/16 to £54.7m. This reflects a year in which there were fewer emergency appeals for humanitarian crises and lower levels of giving to them.

- Legacies raised £9.8m in 2016/17, but overall legacies income was £3.0m less than last year. This was the result of an exceptional, single legacy worth £2.8m in 2015/16. Our legacy pipeline remains very healthy at £8.5m and is a small increase from 2015/16.
- The £7.4m we raised through emergency appeals in 2016/17 was £3.0m lower than the previous year. Our recent East Africa crisis appeal for the famine, together with the Disasters Emergency Committee (DEC) appeal, only commenced in March 2017, so the impact of increased funding will be seen in the 2017/18 financial statements. This is expected to be around £6.3m for the next financial year. Despite lower humanitarian fundraising, it was still a busy year, as we responded to many lower profile emergencies around the world. We continued much of our existing humanitarian work. We are working in Nepal, in response to the 2015 earthquake; in the Philippines, following the floods as noted in last year's report; and we are tackling the worsening situation in South Sudan. As well as the famine in East Africa, there were also food crises in Malawi and Nigeria. In Nigeria, we started a food distribution programme with the World Food Programme in the final quarter of the year.
- Our income from Christian Aid Week in 2016 was £10.4m, a decrease of £0.9m (-8%) compared to 2015. We launched our new fundraising event Big Brekkie nationwide with some success, and we continue to reach more churches each Christian Aid Week. However, our house-to-house fundraising model remains challenged in some communities. We launched a Shortfall Appeal in February 2017, raising an additional £0.6m and ensuring that programmes dependent on Christian Aid Week income could continue.
- We raised £14.5m from regular gifts, £0.6m less than the previous year. Several new regular giving products, such as World of Friends and Kingdom Journey, were launched or piloted during the year as part of our strategy to build our regular giving base.
- Our Christmas appeal met its target, raising £1m this year. Our Harvest Appeal exceeded expectations by raising £0.4m, which was more than double the previous year's income. Our Lent Appeal raised £0.4m, in line with the previous year.

Institutional income (grants and contracts)

Income from institutions, both grants and contracts, was £42.1m, down £1.9m on the previous year.



Institutional income	2012/13	2013/14	2014/15	2015/16	2016/17	2016/17 change
Number of grants and contracts submitted	136	173	119	143	125	-13%
Number of grants and contracts awarded	74	83	71	77	70	-9%
Value of grants and contracts awarded	£16.1m	£28.7m	£47.4m	£43.5m	£47.5m	9%
Income receivable in the year	**£38.0m**	**£43.5m**	**£42.1m**	**£44.0m**	**£42.1m**	**-4%**

The lifetime value of grants and contracts awarded during the year was £47.5m, up 9% on the previous year. Some highlights from the year included:

- We completed successful delivery of two significant programmes supported by UK aid through the Department for International Development, the five-year global Programme Partnership Agreement (PPA) programme and our Poorest Areas Civil Society (PACS) programme in India. Our PPA programme ended on 31 January 2017, with an overall A+ rating from DFID. Over the five-year funding period we reached over 8.4 million people, working with 172 partners across 17 programmes to improve the health and resilience of communities with a £36.2m budget. PACS was delivered across seven states in Northern India and challenged exclusion on the basis of caste status or ethnicity. It achieved its aims of increasing access to services and improving the understanding of the rights of 9.6 million of the poorest Indian women, men and children in nearly 22,000 villages.
- We started our Strengthening Accountability Building Inclusion programme in Sierra Leone. Operating nationally, it aims to improve access to basic health, education and social protection services.
- Our new DFID Aid Match programme on malaria prevention in Nigeria, funded partly by our 2015 Christmas appeal, started in September 2016 and will run for three years.
- Christian Aid Ireland secured funding from Irish Aid of €3.1m per year from 2017-2021 for a development programme focusing on governance, human rights and peacebuilding. This will be in Angola, Sierra Leone, Zimbabwe, Central America, Israel and the occupied Palestinian territory, and Colombia. Irish Aid also approved support of €1.65m per year from 2017/18 for humanitarian programmes in Burundi, Lebanon, the DRC, South Sudan and Myanmar, as well as €0.35m for unforeseen emergencies and rapid response.

The Scottish Government continues to support our work in Malawi, including a maternal and child health programme. We completed a three year water supply and resilience programme in Nsanje funded by the Climate Justice Fund. Christian Aid Scotland launched a Malawi Food Crisis appeal in July 2016, raising £134,000 which was match funded by the Scottish Government, for our partners to deliver emergency cash transfers to communities affected by the El Niño drought.

The European Commission has continued to support our humanitarian and development programmes across the world. This included support from European Civil Protection and Humanitarian Aid Operations (ECHO) to rebuild community infrastructure in Bangladesh following Cyclone Roanu and the next phase of our programme supporting the rights of Haitian migrants and stateless people in the Dominican Republic. In total, we secured six new awards worth €5m from the European Commission.

Our humanitarian programme in northeast Nigeria, supporting the needs of internally displaced people fleeing the fighting and conflict caused by Boko Haram, has been supported by the UN World Food Programme and ICCO. To date, it has reached 109,000 people with food aid, essential household items and water and sanitation.

Finally, the Multilateral Investment Fund, linked to the Inter-American Development Bank, is supporting two innovative projects with funding of $1.6m. These projects are supporting smallholder cacao and honey producers in Nicaragua to increase their productivity and income, while adapting to climate change by combining pioneering technologies with improved financing.

Expenditure

Our total expenditure was in line with our plan but, following the drop in income, decreased by £6.8m (-7%), from £100.4m in the previous year to £93.6m this year.

Direct charitable expenditure at £80.5m represented 86% of our total expenditure.

In 2016/17 we spent £42.1m on long-term development, slightly less than the previous year, as our PACS programme in India ended. The breadth and depth of our development work is described on p.9 to p.24.

We spent £28.9m on our humanitarian work, in line with the previous year. This included continuing to respond to the impacts on communities following the earthquake in Nepal, as well as our work to tackle violence and build peace with war-affected communities in Syria, Iraq and in Israel and the occupied Palestinian territory. We also continued to help people recover from Typhoon Haiyan in the Philippines and the emerging food crises in Ethiopia, Malawi and Nigeria.

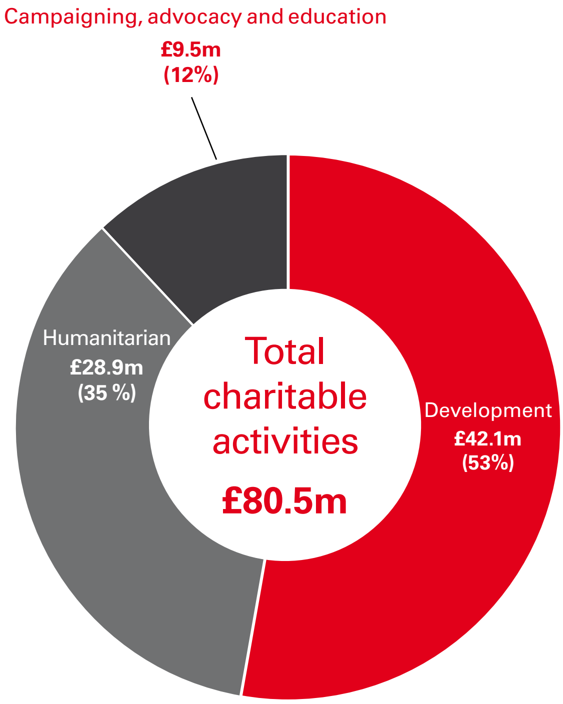
Our expenditure on campaigning, advocacy and education was £9.5m, in line with previous years. This figure includes education and raising awareness with churches and Christian Aid supporters about our work to tackle poverty and its causes. Our advocacy priorities remain climate change, economic justice, gender inequality and refugees.

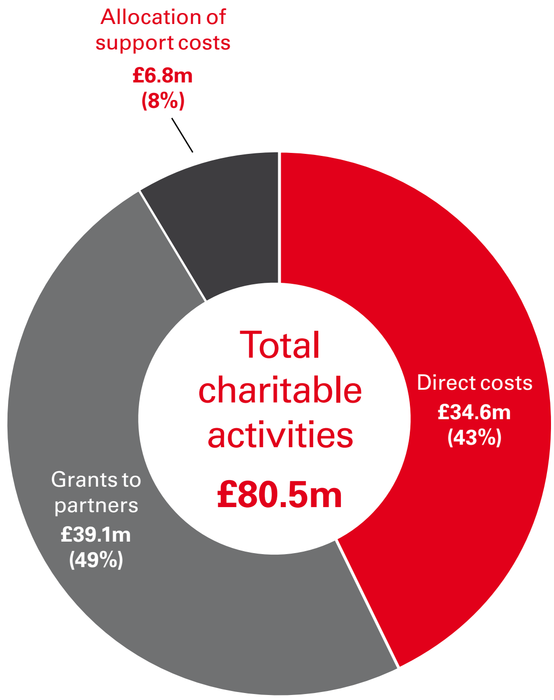
Fundraising costs as a percentage of total expenditure are 14%, in line with last year. Spend on fundraising decreased by £2.1m. This reduced level of activity reflected some cost savings and efficiencies, but also changes in approach following the sector-wide review of fundraising practices, particularly the use of telephone in communicating with supporters.

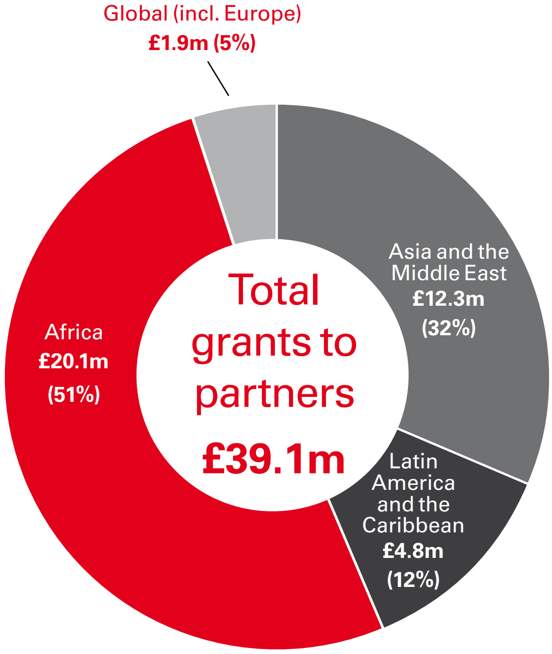
Expenditure on staff costs remained broadly in line with the previous year, although the Corporate Change Programme reduced establishment levels by close to 5% by the end of the year. As a consequence, we anticipate a reduction in staffing costs funded from unrestricted funds in the coming year.

Grants to partners were in line with our plans but were £3.9m (10%) less than the previous year. This was a consequence of the overall drop in total income raised.

Total expenditure	2012/13	2013/14	2014/15	2015/16	2016/17	2016/17 change
Direct charitable activity	£83.1m	£85.6m	£79.7m	£85.3m	£80.5m	-6%
Fundraising	£12.2m	£13.6m	£14.4m	£15.2m	£13.1m	-14%
Total expenditure	**£96.6m**	**£100.4m**	**£94.2m**	**£100.4m**	**£93.6m**	**-7%**


Campaigning, advocacy and education
£9.5m
(12%)
Humanitarian
£28.9m
(35 %)
Total
charitable
activities
£80.5m
Development
£42.1m
(53%)


Allocation of
support costs
£6.8m
(8%)
Total
charitable
activities
£80.5m
Direct costs
£34.6m
(43%)
Grants to
partners
£39.1m
(49%)


Global (incl. Europe)
£1.9m (5%)
Asia and the
Middle East
£12.3m
(32%)
Total
grants to
partners
£39.1m
Africa
£20.1m
(51%)
Latin
America
and the
Caribbean
£4.8m
(12%)

Reserves

Our operational reserves have risen to £14.5m. During the year, we reduced unrestricted expenditure to mitigate the impact of reduced unrestricted income on the operational reserves. The total unrestricted reserves have increased by £4.2m as we seek to strengthen them following a number of years of investment in operating priorities. In 2016/17 the trustees reviewed the reserves policy. This review was based on a benchmarking exercise comparing ourselves with other agencies in our sector, a review of the risks presently facing us and the latest Charity Commission guidance on reserves policies. Based on this assessment, our operational reserves target is now £16m, having been £20m in previous years. We also introduced a policy of allowing for a £2m range either above or below the target, in which to manage our funds.

In the previous financial year we created a foreign exchange stabilisation fund to mitigate the risk of future sterling fluctuation post-Brexit. The impact on programmes of the devaluation of sterling in 2016/17 has been met within our existing budgeting processes, through the use of hedging instruments. However, the ongoing impact of a weaker pound means we anticipate drawing down on the stabilisation fund in the coming year.

The final salary pension fund surplus increased to £5.6m last year. This follows changes in economic assumptions, principally the discount rate. These have decreased the liabilities in the scheme. The scheme assets have increased as a result of continued strong market performance and as we continue to contribute funds in line with the recovery plan agreed with the Pensions Trust. The surplus in the scheme cannot be recognised in the balance sheet under FRS 102 as it is not recoverable.

Restricted reserves have decreased by £3.8m (-17%). While the level is lower than in the previous year, trustees are content that the fund balance held against each programme is appropriate to the stage of the life-cycle of the programme.

Reserves	**2014/15**	**2015/16**	**2016/17**	**2016/17 change**
Operational reserve	£13.9m	£11.6m	£14.5m	25%
Foreign exchange stabilisation fund	£0.3m	£1.2m	£1.2m	0%
Fixed asset reserves	£7.9m	£7.7m	£8.3m	8%
Other unrestricted reserves	£0.6m	£0.8m	£1.5m	88%
FRS 102 calculated pension deficits	(£6.5m)	£0m	£0m	0%
Unrestricted reserves, net of pension benefit	**£16.2m**	**£21.3m**	**£25.5m**	**20%**
Restricted reserves	£17.9m	£22.9m	£19.1m	-17%
Total reserves, net of pension deficit	**£34.1m**	**£44.2m**	**£44.6m**	**1%**

Structure, governance and management

Organisational structure

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

Our Board of Trustees consists of a Chair and Vice 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 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. In keeping with good governance practice, one-quarter of the trustees retire at each annual general meeting and are eligible to be re-appointed for further terms of office, usually limited to eight consecutive years. This process does not apply to the nominees from the national committees and Churches Together in Britain and Ireland.

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

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

The nominations and procedures committee is responsible for nominating new trustees for election to the members (the sponsoring churches) at the annual general meeting and for reviewing the performance of the board. It also ensures that the board develops and sustains effective work processes.

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

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

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

The remuneration committee reviews the principles governing the pay and benefits of all Christian Aid employees. It also makes recommendations to the board on the broad policy framework and overall costs of the remuneration of the key management personnel, consisting of the Chief Executive and directors.

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

The board reports to the members at the annual general meeting. The members are the 41 sponsoring churches, as listed in the 'Acknowledgements' section on p.95.

Charitable companies in the Republic of Ireland and Northern Ireland are responsible for the affairs of Christian Aid in Ireland. Although two legal forms exist, Christian Aid Ireland operates as a single pan-Ireland development charity working in close cooperation with Christian Aid. The Irish sponsoring churches, the Irish Council of Churches and Christian Aid are members of Christian Aid Ireland.

All three boards include some members in common. Christian Aid Ireland operates under the Christian Aid name through a licence agreement with Christian Aid. Christian Aid is registered with the Office of the Scottish Charity Regulator in recognition of our fundraising activities in Scotland.

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

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

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

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

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

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

New trustees undertake a comprehensive induction programme, which covers the formal governance arrangements and includes our legal structures and obligations, charitable priorities and work. Trustees are regularly updated on specific areas of our 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.

During 2016/17 the board engaged with the public consultation on changes to the Charity Governance Code and reviewed its own governance practice against the proposals. In line with good governance best practice, the board will adopt the principles of the Code. This will be undertaken proportionately to the charity's circumstances. In the case of any divergence from the Code's recommendations, an explanation will be provided in future annual reports.

We have also closely monitored the changing fundraising environment throughout the year, contributing and responding to a variety of sector consultations and meetings held by the Information Commissioner's Office and the new Fundraising Regulator. We are working across the organisation to understand the impact of and to prepare for the European Union's General Data Protection Regulation (GDPR), due in May 2018. This regulation will strengthen our supporters' control of their relationship with us. Our fundraising policy continues to evolve under the oversight of the board's finance, fundraising and investment committee to ensure robust governance over our fundraising practices.

Trustee attendance register	Board		Other committees	
	Total	Attended	Total	Attended
Hazel Baird	2	2		
Helene Bradley-Ritt	2	2		
Alexis Chapman[2,3,5]	8	8	9	8
Jennifer Cormack[2,4]	8	7	7	6
John Davies	8	3		
Robert Fyffe[4]	8	7	4	4
Bala Gnanapragasam[1]	8	7	3	3
Pippa Greenslade[3,5]	8	7	6	6
Victoria Hardman[1]	8	8	3	3
Tom Hinton[2]	8	6	3	3
Mukami McCrum	1	1		
Mervyn McCullagh	8	8		
Alan D McDonald	8	8		
Amanda Mukwashi[1]	8	6	3	2
Morag Mylne	4	2		
Wilton Powell	8	6		
Paul Spray	8	8		
Valerie Traore	8	6		
Rowan Williams[*1,2,3,4]	8	7		
Trevor Williams	8	8		

Legend:

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

*Ex-officio

Public benefit

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

Our objectives are:

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

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

The activities that we carry out to further our charitable purposes for the public benefit are concentrated on providing grants to and otherwise supporting 475 partner organisations in 37 countries for long-term development and responding to emergencies, as well as vital campaigning, advocacy and education work on the causes of poverty.

Policies

Under the Charities (Accounts and Reports) Regulations 2008 the trustees have undertaken to give details of various financial policies of the organisation. These are detailed below.

Reserves policy

Our reserves fall into two types.

Restricted funds are generated when the donor stipulates how their donation may be spent. In most cases there will be a time lag between when such funds are received and when they are expended. In particular, with many of the recent emergency appeals there is the need for immediate relief work, followed up with longer-term rehabilitation and development activities, in line with the appeal request. This means part of the appeal money is 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 2017.

At 31 March 2017, restricted funds totalled £19.1m.

Unrestricted funds are generated when the donor does not stipulate how the income may be spent. Within certain operating needs, the trustees' policy is to ensure that such funds are expended as soon as possible, while guaranteeing these resources are used effectively. Unrestricted funds include designated and other funds where the trustees have set aside money for a specific purpose or to cover possible risks. At 31 March 2017, the principal funds were as follows:

The operational reserve is held to cover any temporary shortfall in income, unforeseen rise in spending requirements or other financial contingency, so that the charity – and in particular funding to partners – can continue to operate at any time. The level of this reserve is based on the trustees' assessment of the likelihood of such financial contingencies and the impact they might have. Following a review of the reserves policy, the trustees have set a target operational reserve of £16m (previously £20m), with a £2m range either side of that figure. The reserve currently stands at £14.5m, which is an increase of £2.9m on the previous year.

General funds represent other unrestricted reserves held separately from the operational reserve in connected charities and subsidiary undertakings. At 31 March 2017, general funds held by these entities was £1.6m.

The foreign exchange stabilisation fund created in 2015/16 to cover the risk of future currency fluctuations remains at £1.2m. This is a designated fund created in 2015/16 to protect against the ongoing devaluation of sterling following Brexit.

The fixed asset designated reserve comprises the funds invested in fixed assets to allow the organisation to carry out our work effectively. At 31 March 2017, the level of this reserve was £8.3m 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 use them elsewhere within the charity.

The pension surplus of £0.7m last year has grown into a surplus of £5.6m in the final salary pension scheme as valued under FRS 102 as at 31 March 2017. Surpluses linked to closed defined benefit pension schemes are not recoverable and therefore cannot be recognised in the balance sheets under FRS 102. More details can be found in the 'Christian Aid pension schemes' section p.86 and in note 23 to the financial statements.

At 31 March 2017, unrestricted funds totalled £25.5m, an increase of £4.2m over the year.

Investment and foreign exchange policy

We manage our investments within our ethical guidelines. This is done on a combined income-and-capital basis, and is subject to the need for short-term realisability of funds and a degree of measured risk.

Short-term cash is managed internally, and held on overnight and term deposits with a range of approved banks. Longer-term cash is held in an Epworth Affirmative Deposit account. This is a Charity Commission-approved pooled fund, consisting of deposits held with a number of financial institutions.

A proportion of the longer-term cash is managed by investment managers CCLA on a mandate which has as a prime objective the preservation of capital. It is invested in a portfolio of government and corporate bonds, which is consistent with our ethical investment standards.

The investment policy set by us requires CCLA to observe restrictions with the aim of controlling financial risk, as well as meeting our ethical criteria.

These restrictions mean that bonds in the portfolio are lower yielding, on average, than those in the benchmark portfolio. Consequently, the portfolio's returns tend to be lower than those of the benchmark.

Our main operating currency is sterling. However, our overseas offices and partners operate with a range of currencies and so face foreign currency exchange-rate fluctuations. When a significant exchange risk is identified, we may enter into forward cover contracts to purchase currencies for planned grants. Responsibility for identifying when to hedge specific currency risks rests with the Chief Operating Officer. At the end of March 2017, we had forward contracts covering risks against US dollar exchange-rate variations. Further details are disclosed in note 18 of 'Notes to the financial statements'.

Grants policy

The majority of our charitable work is carried out by making grants to partner organisations. Grants are made within our agreed strategies.

Grants for development programmes tend to be given on a three-year basis.

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

In recent years, we have started acting as a sub-contractor for a number of governments, including the UK Government. Under these contracts, we disburse grants to a range of donor-approved grantees. The selection, monitoring and evaluation of the performance of these grantees are subject to contract-specific performance measures.

Christian Aid pension schemes

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

Contributions to the closed final salary scheme during 2016/17 were based on the triennial valuation at September 2014 and the recovery plan put forward and agreed by the pension trustees.

In addition, the scheme actuary carries out a separate annual valuation in line with the accounting standard FRS 102. This is calculated using different assumptions and may result in a different funding position. The 31 March 2017 valuation under this method showed a surplus of £5.6m compared with a surplus of £0.7m in the previous year. This resulted from an increase in the discount rate assumption, which decreased the estimated present value of the scheme liabilities and an increase in the value of the scheme assets. As mentioned above, the surplus cannot be recognised in the balance sheet. Details are shown in full in note 23 of 'Notes to the financial statements'. We continue to set the level of our target operational reserve to reflect risks attached to the pension scheme.

The Pensions Trust (Verity Trustees Limited) acts as trustee to the final salary scheme. Assets in the scheme are managed in line with The Pensions Trust ethical investment policy, which has been developed with our support. The bulk of 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.

Communicating with staff and volunteers

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

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

We are committed to open and accountable management of our employees, where development and recognition is acknowledged. Employees can also raise concerns through their manager or through senior management, including the Chief Executive or anonymously through the whistleblowing policy and suggestion box. All staff are regularly informed and consulted about changes and developments within the organisation. The V2020 process has had a specific engagement plan, supported by a staff member.

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

Volunteers

We seek to work in partnership with volunteers and give them opportunities to make suggestions or raise concerns. All volunteers have a supervisor and there is a clear process for raising any issues. Volunteers receive a quarterly e-newsletter and those based in offices have access to the same news and information as paid staff. We have recently launched a volunteers' extranet site and volunteers are able to comment or add items to the intranet newsfeed.

Over the last year we have sought to expand the involvement of volunteers in our work. In addition to the thousands of people who gave time to Christian Aid in their churches and local communities, we also benefited from the contribution of volunteers who offered a range of skills, including speaking, teaching, administration, research, undertaking projects, and a number of specialist roles in our head office. A total of 490 people volunteered in these roles and gave around 15,000 hours of their time.

Health, safety and security

We are mandated to work on relief, development and advocacy for the eradication of poverty. This work takes our staff, partners and volunteers to some of the most hostile and complex places on earth to support those in need. We are committed to safeguarding the health, safety, security and wellbeing of all of those carrying out their duties, and to ensuring that they are given adequate training, support and information. We continue to take steps to ensure we comply with current regulations and are committed to further developing a positive safety culture for everyone. From our Directors to our dedicated volunteers and partners, everyone is responsible for making sure health, safety and security is considered in the planning of all that we do.

We recognise a degree of work pressure as natural and healthy: it motivates people to work and perform at their optimum. However, when the level of pressure leads to stress their experience can be detrimental. We provide assistance to our staff to ensure they receive the type and level of support to meet their particular situation. Our Employee Assistance Programme is a free, confidential service that offers expert advice, information, counselling and support to all staff and their families. We will be building on this over the coming year to incorporate peer training and awareness for psychosocial support, continually striving to improve our services in an ever-changing environment.

During 2016/17 many aid agencies experienced exceptionally challenging working conditions while responding to humanitarian emergencies. This was particularly true in places such as South Sudan, Syria, Afghanistan, the DRC, Nigeria, and the Chad basin. Christian Aid staff were directly affected by one particular incident in South Sudan in July 2016, which lead to a temporary evacuation of staff and to remote working from Kenya. Through the effectiveness and resilience of our staff and partners within South Sudan, we were soon able to resume our work with little impact on our programme.

Elsewhere in the world, insecurity within countries continues to challenge us and we are constantly reviewing our contingency plans to ensure they are relevant to the context which presents itself.

Health and safety has been another success. We have greatly reduced the number of incidents, especially road traffic accidents both in the UK and overseas. Again, we put much emphasis on awareness, especially around safe driving. In light of this, we have developed a driver training package with ACT Alliance which will be rolled out in the final quarter of 2017.

Staff matters

Our ability to deliver impactful programmes and activities around the world is dependent on the capability, skills and wellbeing of our staff. 2016/17 was a crucial year, with several changes in our external operating environment which have challenged us to rethink how we organise and deliver our work. Highlights of our staff related activities, interventions and initiatives over the year fall into following themes.

Employee Engagement and Support:

- We established a staff engagement strategy and ran a series of surveys over the year to enable and assess wider staff understanding and engagement with Vision 2020.
- We ran a series of discussion groups which brought non-managerial staff and colleagues based internationally together from across the organisation.

People Development:

- We continue to give prominence to the development of our staff and managers in the areas of leadership and management.

Organisational Performance:

- We started work to strengthen management decision-making through improved people data analytics.
- Our digital transformation programme is gaining traction.

Change Management:

- We introduced a recruitment freeze early in the year and successfully concluded a global Corporate Change Programme to identify and secure financial savings.
- The Corporate Change Programme also helped to clear the path for achieving our long term Vision 2020 objectives, which include new agile and flexible ways of working, reducing expenditure and reducing our reliance on core income.

Compliance:

- We continue to proactively respond to a range of UK and international employment and labour legislative requirements, for example UK gender pay reporting obligations.

Remuneration Policy

Our remuneration policy is publicly available to view on our website and is overseen by the Remuneration Committee of the Board. Specifically, the Remuneration Committee has delegated authority to provide governance oversight and input into principles and policies governing the pay and benefits of Christian Aid staff. Our remuneration policy looks to set salaries at the median quartile of comparators. A half per cent pay rise was awarded to UK staff for the 2017/18 pay year, effective from April 2017. International staff salaries are adjusted to give increases guided by International Monetary Fund figures and the recommendations of our country offices, within an equivalent funding envelope for our International Department as a whole.

Setting and Deciding Key Senior Management (Chief Executive and Directors) Remuneration:

The Chief Executive's remuneration level is reviewed and decided by the remuneration committee and ultimately the full board in line with Christian Aid's remuneration policy. Remuneration for directors is decided by the Remuneration Committee in concert with the Chief Executive and in line with our remuneration policy. The following guiding principles are used in determining Chief Executive and senior management remuneration:

- Transparency.
- Appropriateness and benchmarking against external comparators.
- Expertise and experience.
- Competitive recruitment and talent retention.

Diversity and inclusion

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

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

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

We are using gender pay reporting requirements in the UK as a platform to work towards more visible organisation-wide gender pay profiling and reporting.
This signals our continued commitment to fairness, equality and consistency across our entire workforce.

Modern slavery

We have a long history of taking action against slavery.

During our Trade Justice Campaign, we made the case for tackling modern slavery, identifying poor working conditions as a key driver of global inequality. We've since continued to monitor labour conditions in diverse settings. As a founding member of the Ethical Trading Initiative and as a member of the Corporate Responsibility Coalition, we supported the creation of the Modern Slavery Act that became law in 2015.

This year we produced our first statement outlining the steps we have taken to ensure that slavery and human trafficking does not take place in any part of our business and supply chains. Our statement identifies our policies, risk assessment and commitments for the year ahead that will be reported on in subsequent years. It summarises our advocacy work, both in the UK and through our international partners.

We hope our statement, available on our website, will encourage others to take a proactive and transparent approach to tackling modern slavery.

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year in accordance with applicable law and FRS 102, the Financial Reporting Standards applicable in UK and Republic of Ireland.

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

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

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

Information provided to auditors

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

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

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

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

The annual report and accounts, including the strategic report, is approved by the Board of Trustees on 19 September 2017 and signed on its behalf by the Chair of the Board:

Rowan Williams

Dr Rowan Williams
Chair of the Christian Aid Board of Trustees
19 September 2017

Auditor's report

We have audited the financial statements of Christian Aid for the year ended 31 March 2017, which comprise Consolidated Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of trustees and auditor

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

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

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

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

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report and Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the trustees' annual report.

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

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

Naziar Hashemi
Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor

22 September 2017

London

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 2017

	Notes	2017 Unrestricted funds £'000	2017 Restricted funds £'000	**2017 Total funds £'000**	2016 Unrestricted funds £'000	2016 Restricted funds £'000	2016 Total funds £'000
Income							
Donations and legacies							
Donations from individuals	2	44,030	10,670	**54,700**	44,290	18,359	62,649
Institutional grants	3, 19-22	1,828	34,987	**36,815**	1,559	32,922	34,481
Charitable activities	4	5,296	-	**5,296**	9,505	-	9,505
Other trading activities		87	-	**87**	237	-	237
Investments		34	38	**72**	50	41	91
Other		54	6	**60**	13	-	13
Total income		**51,329**	45,701	**97,030**	55,654	51,322	106,976
Expenditure							
Raising funds		12,779	333	**13,112**	14,828	337	15,165
Charitable activities							
Development	5	18,607	23,455	**42,062**	24,419	21,192	45,611
Humanitarian	5	4,072	24,842	**28,914**	4,653	24,255	28,908
Campaigning, advocacy and education	5	8,328	1,217	**9,545**	9,986	774	10,760
Total expenditure		43,786	49,847	**93,633**	53,886	46,558	100,444
Net gains on investment		**105**	**-**	**105**	209	-	209
Net gains/(losses) on currency forward purchase	18	**(410)**	**(23)**	**(433)**	120	-	120
Net income		**7,238**	**(4,169)**	**3,069**	2,097	4,764	6,861
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension scheme	23	2,499	-	**2,499**	3,705	-	3,705
Removal of pension surplus	23	(5,552)	-	**(5,552)**	(696)	-	(696)
Exchange translation difference arising on consolidation		49	408	**457**	34	214	248
Net movement in funds		**4,234**	**(3,761)**	**473**	5,140	4,978	10,118
Reconciliation of funds							
Total funds brought forward at 1 April		21,290	22,888	**44,178**	16,150	17,910	34,060
Total funds carried forward at 31 March	**14,15**	**25,524**	**19,127**	**44,651**	21,290	22,888	44,178

There are no recognised gains or losses, or movements in funds, other than those disclosed above.
The notes on p.61 to p.92 form a full part of these financial statements.

Balance sheets
as at 31 March 2017

		Consolidated group		Parent charity	
	Notes	**2017**	2016	**2017**	2016
		£'000	£'000	**£'000**	£'000
Fixed assets					
Intangible assets	8	**136**	79	**136**	79
Tangible assets	8	**8,128**	7,620	**8,051**	7,599
Investments	9	**19,079**	15,782	**19,290**	15,816
		27,343	23,481	**27,477**	23,494
Current assets					
Stocks		**148**	-	**148**	-
Debtors	10	**12,179**	15,005	**10,915**	14,173
Short-term cash deposits		**115**	2,298	**28**	2,298
Cash at bank and in hand		**10,558**	9,078	**7,198**	5,739
		23,000	26,381	**18,289**	22,210
Liabilities					
Creditors: amounts falling due within one year	11	**(4,561)**	(4,392)	**(4,772)**	(4,348)
Net current assets or liabilities		**18,439**	21,989	**13,517**	17,862
Total assets less current liabilities		**45,782**	45,470	**40,994**	41,356
Creditors: amounts falling due after more than one year	11	**(585)**	(525)	**(585)**	(525)
Provision for liabilities	11	**(546)**	(767)	**(546)**	(765)
Net assets excluding pension liability		**44,651**	44,178	**39,863**	40,066
Defined benefit pension scheme liability	23	**-**	-	-	-
Net assets including pension liability		**44,651**	44,178	**39,863**	40,066
Restricted funds					
Appeals and other donations	15	**14,617**	16,104	**13,282**	15,332
Institutional grants	15	**4,510**	6,784	**2,629**	4,269
Total restricted funds		**19,127**	22,888	**15,911**	19,601
Unrestricted funds					
Unrestricted funds excluding pension reserve		**25,524**	21,290	23,952	20,465
Pension reserve	23	**-**	-	**-**	-
Total unrestricted funds	14	**25,524**	21,290	**23,952**	20,465
Total funds		**44,651**	44,178	**39,863**	40,066

The notes on p.61 to p.92 form a full part of these financial statements. The financial statements were approved on the authority of the board and signed on its behalf by:

Dr Rowan Williams
Chair of the Christian Aid Board of Trustees
19 September 2017

Consolidated statement of cash flows

for the year ended 31 March 2017

	Notes	**2017**	2016
		£'000	£'000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities		**3,206**	(523)
Cash flows from investing activities			
Interest from investments		**72**	91
Proceeds from the sale of fixed assets		**60**	13
Purchase of fixed assets		**(873)**	(362)
Proceeds from the sale of investments		**6,306**	2,402
Purchase of investments		**(9,498)**	(1,515)
Net cash provided by/(used in) investing activities		**(3,933)**	629
Change in cash and cash equivalents in the reporting period		**(727)**	106
Cash and cash equivalents at the beginning of the reporting period		**11,376**	10,902
Change in cash and cash equivalents due to exchange rate movements		**24**	368
Cash and cash equivalents at the end of the reporting period		**10,673**	11,376
Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period before net gains on investments		**3,249**	6,532
Depreciation charges and amortisation of intangible fixed assets	8	**500**	647
Gains on investments		**(72)**	(91)
Profit on the sale of fixed assets		**(60)**	(13)
(Increase)/decrease in debtors	10	**2,826**	(4,305)
Increase in creditors		**8**	279
Increase in stocks		**(148)**	-
FRS 102 defined benefit pension contributions	23	**(3,185)**	(3,183)
Growth plan sale	23	**-**	(755)
Amounts related to the defined benefit pension schemes included within the statement of financial activities	23	**88**	366
Net cash inflow/(outflow) from operating activities		**3,206**	**(523)**
Analysis of cash and cash equivalents			
Cash at bank and in hand		**10,558**	9,078
Short-term cash deposits		**115**	2,298
Total cash and cash equivalents		**10,673**	**11,376**

The notes on p.61 to p.92 form a full part of these financial statements.

Notes to the financial statements

for the year ended 31 March 2017

1. Accounting policies

A description of the nature of the entity's operations and its principal activities is disclosed in the annual report accompanying the financial statements.

a. Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market valuation. The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

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

The statement of financial activities and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line-by-line basis. No separate income and expenditure account of the charity has been presented, as permitted by Section 408 of the Companies Act 2006 and paragraph 15.11 of the SORP. The gross income of the charity for the year was £91.6m (2016: £102.8m) and its gross expenditure was £88.4m (2016: £96.2m).

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

b. Fund accounting

Reserve policies are given on p.50 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. Income

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

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

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

d. Expenditure

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

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

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

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

e. Intangible fixed assets

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

f. Tangible fixed assets and depreciation

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

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

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

g. Stocks

Stocks consist of gifts in kind, held pending distribution, and are valued at the lower of cost and net realisable value.

h. Pension costs

The amounts charged in the statement of financial activities for the defined benefit pension scheme are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs and other finance costs have been recognised immediately in the statement of financial activities. Actuarial gains and losses are recognised immediately in 'Other recognised gains and losses'. This is in accordance with FRS 102.

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

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

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.

i. Taxation & irrecoverable VAT

Christian Aid is a registered charity and as such is potentially exempt from taxation of its income and gains to the extent that they fall within the charity exemptions in the Corporation Taxes Act 2010 or Section 256 Taxation of Chargeable Gains Act 1992. No tax charge has arisen in the year. A tax charge of £45,000 has arisen in our Indian subsidiary Change Alliance which is a fully owned for-profit organisation. No tax charge has arisen in other subsidiaries due to their policy of gifting all taxable profits to Christian Aid each year.

In common with many other charities, Christian Aid is unable to recover the majority of VAT that is incurred on purchases of goods and services in the UK. The amount of VAT that cannot be recovered is included within the appropriate underlying cost and was £0.8m for the year (2016: £1.0m).

j. 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.

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.

m. Critical accounting judgements and key source of estimation uncertainties

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

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

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

Pension liabilities: the charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 23.

n. Financial instruments

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

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

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

o. Provisions

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

p. Preparation of the accounts on a going concern basis

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

2. Donations from individuals

	2017 Unrestricted £'000	2017 Restricted £'000	**2017 Total £'000**	2016 Unrestricted £'000	2016 Restricted £'000	2016 Total £'000
Christian Aid Week	10,362	-	**10,362**	11,322	-	11,322
In Their Lifetime	143	807	**950**	162	921	1,083
Denominational appeals	138	960	**1,098**	160	998	1,158
Christian Aid humanitarian appeals	-	3,556	**3,556**	-	6,586	6,586
Disasters Emergency Committee appeals	-	2,706	**2,706**	-	5,400	5,400
Legacies	9,649	142	**9,791**	9,989	2,834	12,823
Regular gifts	14,454	2	**14,456**	15,125	17	15,142
Other donations	9,284	2,497	**11,781**	7,532	1,603	9,135
Total donations	**44,030**	**10,670**	**54,700**	**44,290**	**18,359**	**62,649**

Total donations of £54.7m (2016: £62.6m) includes £4.4m of tax recovered through tax efficient giving (2016: £5.2m).
Legacies of which we have been notified, but not recognised as income, are valued at £8.5m (2016: £8.1m).
Total donations include gifts in kind valued at £325,124 (2016: £496,269).
Donations received from the public in the Isle of Man (excluding Government grants) during 2016/17, included above, were £131,247 (2016: £26,242), including a legacy valued at £80,000.

3. Institutional grants

	Notes	2017 Unrestricted £'000	2017 Restricted £'000	**2017 Total £'000**	2016 Unrestricted £'000	2016 Restricted £'000	2016 Total £'000
Department for International Development	19	341	14,737	**15,078**	144	15,465	15,609
European Commission		332	2,719	**3,051**	281	2,482	2,763
Irish Aid		-	4,491	**4,491**	-	3,531	3,531
United States Agency for International Development (USAID)		13	108	**121**	249	429	678
Scottish government		-	592	**592**	-	581	581
Isle of Man Overseas Aid Committee		5	48	**53**	-	132	132
Guernsey Overseas Aid Commission		-	20	**20**	1	74	75
Jersey Overseas Aid Commission		-	-	**-**	-	60	60
Other governments and public authorities		37	2,116	**2,153**	38	1,572	1,610
Total government and public authorities		728	24,831	**25,559**	713	24,326	25,039
ACT Alliance		-	719	**719**	-	707	707
Bread for the World		-	-	**-**	-	29	29
Church of Sweden		2	340	**342**	-	-	-
Comic Relief	20	-	212	**212**	-	625	625
ICCO*	21	16	614	**630**	23	438	461
START Network**	22	185	2,342	**2,527**	250	2,625	2,875
Other institutions		897	5,929	**6,826**	573	4,172	4,745
Total institutions		1,100	10,156	**11,256**	846	8,596	9,442
Total institutional grants		**1,828**	**34,987**	**36,815**	1,559	32,922	34,481

Total institutional grants of £36.8m (2016: £34.5m) includes gifts in kind valued at £1.3m (2016: £341,246).

Funding of £47,408 was contributed by ACT members in 2016/17 towards the ACT security coordinator (Finn Church Aid £858 (€1,000), Norwegian Church Aid £2,500, ICCO £2,531 (€1,646 and $1,400), LWF £8,953 ($11,200), ACT £8,515 ($10,652), DanChurchAid £1,998 ($2,500), Church of Sweden £20,242 ($26,200), Swedwatch £560 ($700), The Salvation Army £761 ($942). Expenditure on the ACT security coordinator in 2016/17 was £68,174. (2016: £59,003).

*ICCO is an interchurch organisation for development cooperation based in the Netherlands.
**The START network is a network of 42 aid agencies supporting humanitarian work around the world.

4. Charitable activities

	2017 Unrestricted £'000	2017 Restricted £'000	**2017 Total £'000**	2016 Unrestricted £'000	2016 Restricted £'000	2016 Total £'000
Department for International Development						
PACS civil society programme in India	758	-	**758**	6,693	-	6,693
Action2020 multi-country accountability programme	2	-	**2**	1,393	-	1,393
SABI accountability programme in Sierra Leone	842	-	**842**	-	-	-
STAR accountability programme in Ghana	3,393	-	**3,393**	1,265	-	1,265
ENCISS civil society programme in Sierra Leone	-	-	**-**	19	-	19
Save the Children International						
Primary health care	293	-	**293**	-	-	-
Other organisations	8	-	**8**	135	-	135
Total incoming resources from charitable activities	**5,296**	**-**	**5,296**	9,505	-	9,505

5. Total expenditure

		Grants to partner organisations	Other direct costs		Allocation of support costs			
		£'000	Staff costs £'000	Non staff costs £'000	Staff costs £'000	Non staff costs £'000	**2017 Total £'000**	2016 Total £'000
	Notes	5.1			5.2	5.2		
Raising funds		-	6,740	4,755	1,055	562	**13,112**	15,165
Charitable activities:								
Development		18,552	11,047	8,262	2,916	1,285	**42,062**	45,611
Humanitarian		19,152	3,951	4,346	504	961	**28,914**	28,908
Campaigning, advocacy and education		1,390	5,154	1,814	760	427	**9,545**	10,760
Total charitable activities		39,094	20,152	14,422	4,180	2,673	**80,521**	85,279
Total expenditure		39,094	26,892	19,177	5,235	3,235	**93,633**	100,444

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

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

5.1 Grant expenditure analysed by region

	2017 £'000	2016 £'000	**2017 %**	2016 %
Africa	**20,144**	19,866	**52%**	46%
Asia and the Middle East	**12,298**	16,513	**31%**	39%
Latin America and the Caribbean	**4,795**	5,082	**12%**	12%
Europe	**1,160**	1,013	**3%**	2%
Global	**697**	495	**2%**	1%
Total grants to partner organisations	**39,094**	**42,969**	**100%**	**100%**

5.2 Allocation of support costs (headcount)

	2017 £'000 Staff cost	2017 £'000 Other costs	**2017 £'000 Total**	2016 £'000 Total
Facilities management	113	1,259	**1,372**	1,546
Finance teams	1,300	248	**1,548**	1,517
Human resources	1,550	286	**1,836**	2,069
Information systems	909	848	**1,757**	2,000
Pension scheme and financial management	772	397	**1,169**	560
Governance costs	591	197	**788**	883
	5,235	**3,235**	**8,470**	8,575

6. Staff and trustee costs

Staff costs of Britain-, Ireland- and Spain-based staff	**2017 £'000**	2016 £'000
Salaries	17,931	19,072
Pension contributions	1,235	1,435
National Insurance contributions	1,738	1,836
Benefits in kind	19	27
Total staff costs (Britain-, Ireland- and Spain-based)	**20,923**	22,370
Staff cost of overseas based staff	**11,204**	10,064
Total staff costs	**32,127**	32,434

Total staff costs include £884,279 of redundancy and termination payments (2016: 354,781).

Benefits in kind include £4,000 of company car benefits (2016: £8,000), the corresponding costs (leasing costs mostly) are reported in supporter costs in note 5.

Headcount by location	**2017**	2016
Britain-, Ireland- and Spain-based staff	**508**	556
Overseas-based staff	**423**	402
Total headcount	**931**	**958**

Full-time equivalent (FTE) by location	**2017 FTE**	2016 FTE
Britain-, Ireland- and Spain-based staff	**462**	507
Overseas-based staff	**422**	400
Total staff FTE	**884**	**907**

The key management of the charity comprises the Chief Executive and the five directors of the organisation (Corporate Services, Policy and Public Affairs, Programme Innovation and Funding, Supporter and Community Partnerships and International). The total remuneration and benefits, including salary, employer's National Insurance and employer's pension contributions, of the key management personnel of the charity was £682,092 (2016: £686,656).

The salary of the Chief Executive, the highest paid employee, was £127,711 (2016: £127,711). The CEO's expenses were £2,658 (2016: £7,317) mainly in respect of overseas travel as a representative of Christian Aid and visiting partners.

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

	2017	2016
£120,000 to £129,999	**1**	1
£110,000 to £119,999	**-**	-
£100,000 to £109,999	**-**	-
£90,000 to £99,999	**2**	1
£80,000 to £89,999	**4**	5
£70,000 to £79,999	**3**	-
£60,000 to £69,999	**11**	9

Contributions in the year for the provision of defined contribution pension schemes to higher paid staff were £134,675 (2016: £123,730).

Trustees expenses and number of trustees who claimed expenses during the year

	2017 Number of trustees	**2017 £'000**	2016 Number of trustees	2016 £'000
Trustees' expenses – parent	**14**	**14**	16	12
Trustees' expenses – other group charities	**17**	**4**	16	6

No emoluments are paid to trustees. Trustees are reimbursed for their incidental expenses in attending board, executive and other meetings. Additionally, trustees may occasionally visit Christian Aid partners and programmes overseas with costs of such trips being met by the charity. One trustee made such a visit during the year, incurring total expenses of £1,300. Other than this, no individual trustee claimed more than £1,000 in expenses during the year. Three trustees are based outside of the UK, therefore travel for meetings exceeds the usual; during the year incurring total expenses of £9,000. The total expenses paid to trustees was £18,000 (2016: £18,000).

Donations received from trustees during the year amounted to £29,230 (2016: £5,085), which includes a single donation of £25,000 from one trustee.

7. Statement of financial activities

Net movement in funds is stated after the following charges:

	Consolidated group		Parent charity	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Auditors' remuneration (exclusive of VAT)				
Fees payable to parent charity's auditors for the audit of the charity's annual accounts	**54**	54	**54**	54
Fees payable to parent charity's auditors for the audit of the charity's subsidiaries pursuant to legislation	**4**	4	-	-
Total audit fees	**58**	58	**54**	54
Other services	**28**	6	28	6
Total fees payable to parent charity's auditors	**86**	64	**82**	60
Rental costs in relation to operating leases – land and buildings	**68**	62	**205**	205
Investment manager's fee	**23**	25	**23**	25

8. Fixed assets

8.1 Intangible fixed assets

	Computer software £'000	**Total £'000**
Cost		
At 1 April 2016	2,569	**2,569**
Additions	96	**96**
Transfers between categories	-	**-**
Disposals	(3)	**(3)**
At 31 March 2017	**2,662**	**2,662**
Amortisation		
At 1 April 2016	2,490	**2,490**
Charge in year	39	**39**
Disposals	(3)	**(3)**
At 31 March 2017	**2,526**	**2,526**
Net book value		
At 31 March 2017	**136**	**136**
At 1 April 2016	79	79
Held by parent charity	**136**	**136**
Held by subsidiaries	**-**	**-**

8.2 Tangible fixed assets

	Central office freehold £'000	Other leasehold/ freehold property £'000	Leasehold £'000	Computer equipment £'000	Office furniture, fittings and equipment £'000	Motor vehicles £'000	**Total £'000**
Cost							
At 1 April 2016	6,498	272	2,919	2,206	831	1,241	**13,967**
Additions	-	-	9	540	175	245	**969**
Transfers between categories	-	-	-	-	-	-	**-**
Disposals	-	-	(5)	(2)	-	(123)	**(130)**
At 31 March 2017	**6,498**	**272**	**2,923**	**2,744**	**1,006**	**1,363**	**14,806**
Depreciation							
At 1 April 2016	52	93	2,725	2,026	596	855	**6,347**
Charge in year	26	3	59	139	86	148	**461**
Disposals	-	-	(5)	(2)	-	(123)	**(130)**
At 31 March 2017	**78**	**96**	**2,779**	**2,163**	**682**	**880**	**6,678**
Net book value							
At 31 March 2017	**6,420**	**176**	**144**	**581**	**324**	**483**	**8,128**
At 1 April 2016	6,446	179	194	180	235	386	7,620
Held by parent charity	6,420	176	133	570	290	462	8,051
Held by subsidiaries	-	-	11	11	34	21	77

9. Investments

	Consolidated group		Parent charity	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
As at 31 March				
Gilts – UK	**3,100**	7,435	**3,100**	7,435
Fixed-interest securities	**5,475**	2,703	**5,475**	2,703
Floating-rates notes	**199**	199	**199**	199
Sterling deposits	**10,014**	5,173	**10,014**	5,173
Unlisted investments	**151**	151	**151**	151
Investments in subsidiary undertakings	-	-	**211**	34
Programme-related investments	**140**	121	**140**	121
Total investments	**19,079**	15,782	**19,290**	15,816
Movements during the year				
At the beginning of the year	**15,782**	16,460	**15,816**	16,492
Cost of acquisitions	**9,498**	1,515	**9,673**	1,515
Disposals	**(6,306)**	(2,402)	**(6,306)**	(2,402)
Unrealised gain/(loss)	**105**	209	**107**	211
Total investments	**19,079**	15,782	**19,290**	15,816

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

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

	2017 £'000	**2017 %**	2016 £'000	2016 %
UK Treasury 1.5% 22/01/2021	**2,566**	**24.0**	-	-
Network Rail Infrastructure Finance 1% 07/12/2017	**1,008**	**9.4**	1,008	9.5
KFW 5.625% 25/08/2017	**580**	**5.4**	605	5.7
UK Treasury 1.75% 22/07/2019	**534**	**5.0**	-	-
UK Treasury Government Bond 4% 07/09/2016	**-**	**-**	3,784	35.7
UK Treasury 1.25% 22/07/2018	**-**	**-**	654	6.2

The historic cost of investments at 31 March 2017 was £19,121,000 (2016: £15,967,000).

10. Debtors

	Consolidated group		Parent charity	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Prepayments	**1,053**	1,301	**1,031**	1,277
Accrued income	**8,812**	10,070	**6,091**	7,766
Other debtors	**2,314**	3,634	**2,152**	3,398
Amounts due from subsidiary undertakings	**-**	-	**95**	191
Amounts due from connected charities	**-**	-	**1,546**	1,541
Total debtors	**12,179**	15,005	**10,915**	14,173

11. Liabilities

11.1 Creditors: amounts falling due within one year

	Consolidated group		Parent charity	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Interest-free loans from supporters	**117**	117	**117**	117
Trade creditors	**1,545**	1,642	**1,502**	1,630
Deferred income	**1,087**	415	**1,087**	415
Tax and social security	**621**	571	**574**	563
Other creditors	**622**	844	**963**	757
Accruals	**569**	803	**528**	714
Amounts due to subsidiary undertakings	**-**	-	**1**	147
Amounts due to connected charities	**-**	-	**-**	5
Total creditors	**4,561**	4,392	**4,772**	4,348

Movement on deferred income during the year:

	Consolidated group		Parent charity	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Balance brought forward	**415**	539	**415**	539
Released to income	**(415)**	(539)	**(415)**	(539)
Received in year	**1,087**	415	**1,087**	415
Balance carried forward	**1,087**	415	**1,087**	415

11.2 Creditors: amounts falling due after more than one year

Christian Aid has recognised £585,000 (2016: £525,000) of creditors falling due after more than one year. This amount relates to pension benefits due to overseas staff.

11.3 Provision for liabilities

Christian Aid has recognised a liability of £546,000 (2016: £767,000) for the cost of all benefits to which employees are entitled at the end of the reporting period that have yet to be paid. Provision for liabilities includes a liability for paid annual leave, paid sick leave and termination benefits.

12. Future commitments

In addition to the amounts shown as creditors in these accounts, there are also commitments to projects which have been accepted in principle by Christian Aid's board and are expected to be recommended for funding in 2017/18.

	Consolidated group		**Parent charity**	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Commitments	**3,057**	3,719	**3,057**	3,719

13. Operating lease income and commitments

At 31 March 2017 the total of future minimum operating lease income receivable under non-cancellable operating leases amounted to:

	Consolidated group		**Parent charity**	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Land and buildings – within one year	**130**	-	**130**	-
Land and buildings – between two and five years	**371**	-	**371**	-
	501	**-**	**501**	**-**

At 31 March 2017 the total of future minimum lease commitments payable under non-cancellable operating leases amounted to:

	Consolidated group		**Parent charity**	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Building leases – within one year	68	65	205	205
Biuilding leases – between two and five years	105	65	205	410
Operating leases on equipment – within one year	3	3	-	-
Operating leases on equipment – between two and five years	3	7	-	-
Operating leases on motor vehicles – within one year	5	-	-	-
Operating leases on motor vehicles – between two and five years	8	-	-	-
	192	140	**410**	615

14. Unrestricted funds

	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Transfers £'000	**Closing balance £'000**
Consolidated group						
General funds – Christian Aid (Operational reserve)	11,622	49,368	(42,041)	(322)	(4,118)	14,509
General funds – Christian Aid Trading Ltd and BICT Ltd	39	-	-	-	-	39
General funds – Christian Aid Ireland	548	1,762	(915)	44	-	1,439
General funds – InspirAction	44	159	(160)	6	-	49
General funds – Change Alliance	174	40	(170)	16	-	60
Foreign exchange stabilisation fund	1,164	-	-	-	-	1,164
Fixed asset fund	7,699	-	(500)	-	1,065	8,264
Pension reserves*	-	-	-	(3,053)	3,053	-
Consolidated group total unrestricted funds	**21,290**	**51,329**	**(43,786)**	**(3,309)**	**-**	**25,524**
Parent charity						
Unrestricted funds excluding pension reserve	20,465	49,368	(42,501)	(327)	(3,053)	**23,952**
Pension reserves	-	-	-	(3,053)	3,053	**-**
Parent charity total unrestricted funds	**20,465**	**49,368**	**(42,501)**	**(3,380)**	**-**	**23,952**

*The pension actuarial loss of £3.0m is disclosed net of the removal of the pension surplus of £5.6m.

15. Restricted funds

Consolidated group	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Currency translation £'000	**Closing balance £'000**
In Their Lifetime	1,315	807	(1,363)	-	**759**
Denominational appeals	298	960	(379)	-	**879**
Christian Aid humanitarian appeals:					
Ebola Crisis West Africa 2014	567	3	(125)	-	**445**
East Africa Crisis Appeal 2017	-	1,097	(328)	-	**769**
Gaza Middle East 2012	921	5	(464)	1	**463**
Hurricane Matthew Haiti 2016	-	896	(439)	-	**457**
Iraq Crisis appeal 2014	357	86	(202)	-	**241**
Malawi Food Crisis 2016	-	146	(112)	-	**34**
Nepal Earthquake 2015	3,162	47	(138)	8	**3,079**
Philippines Typhoon Haiyan 2013	1,595	6	(995)	7	**613**
Refugee Crisis Appeal 2015	1,208	283	(655)	-	**836**
South Sudan Crisis Appeal 2015	27	522	(113)	1	**437**
Syria Crisis 2013	1,647	380	(1,009)	-	**1,018**
Other Christian Aid appeals	-	85	(24)	-	**61**
Disasters Emergency Committee appeals:					
Gaza Crisis Appeal 2014	242	262	(504)	-	**-**
Ebola Crisis West Africa 2014	260	-	(260)	-	**-**
Nepal Earthquake 2015	291	1,158	(1,154)	-	**295**
Philippines Typhoon Haiyan 2013	706	491	(1,197)	-	**-**
Yemen Crisis 2017	-	795	(262)	-	**533**
Legacies	3,268	142	(393)	-	**3,017**
Other donations	240	2,543	(2,198)	96	**681**
Appeals and other donations	16,104	10,714	(12,314)	113	**14,617**
Institutional grants	6,784	34,987	(37,533)	272	**4,510**
Total restricted funds	**22,888**	**45,701**	**(49,847)**	**385**	**19,127**

At 31 March 2017 institutional grants (funds in deficit) amounted to £1.9m (£1.3m at 31 March 2016). Funds are in deficit when, at the end of the reporting period, spends have occurred on a fund but the related income does not meet the recognition criteria.

Parent charity	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Currency translation £'000	**Closing balance £'000**
Appeals and other donations	15,332	9,043	(11,093)	-	**13,282**
Institutional grants	4,269	33,143	(34,783)	-	**2,629**
Total restricted funds	**19,601**	**42,186**	**(45,876)**	**-**	**15,911**

16. Analysis of net assets

Fund balances as at 31 March 2017 are represented by:

	Unrestricted funds		Restricted funds	**Total**
	Designated £'000	Other £'000	£'000	**£'000**
Consolidated group				
Fixed assets	8,264	-	-	**8,264**
Investments	-	19,079	-	**19,079**
Current assets	-	3,873	19,127	**23,000**
Current liabilities	-	(4,561)	-	**(4,561)**
Long-term liabilities	-	(585)	-	**(585)**
Provision for liabilities	-	(546)	-	**(546)**
Pension liability	-	-	-	**-**
Total net assets	**8,264**	**17,260**	**19,127**	**44,651**
Parent charity				
Fixed assets	8,187	-	-	**8,187**
Investments	-	19,290	-	**19,290**
Current assets	-	2,378	15,911	**18,289**
Current liabilities	-	(4,772)	-	**(4,772)**
Long-term liabilities	-	(585)	-	**(585)**
Provision for liabilities	-	(546)	-	**(546)**
Pension liability	-	-	-	**-**
Total net assets	**8,187**	**15,765**	**15,911**	**39,863**

17. Subsidiary undertakings and related party transactions

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

Christian Aid Ireland Ltd (Northern Ireland) (CA NI)
A charitable company limited by guarantee, incorporated in Northern Ireland, Christian Aid Ireland (Northern Ireland) was established by the Irish Churches and Christian Aid to further develop the work of Christian Aid in Northern Ireland. Christian Aid Ireland (Northern Ireland) is consolidated on a line by line basis in the Christian Aid group financial statements, in line with FRS 102. The Christian Aid Ireland (Northern Ireland) year end was 31 March 2017.

Christian Aid Ireland Ltd (Republic of Ireland) (CA ROI)
A charitable company limited by guarantee, incorporated in Republic of Ireland, Christian Aid Ireland (Republic of Ireland) was established by the Irish Churches and Christian Aid to further develop the work of Christian Aid in Republic of Ireland. Christian Aid Ireland (Republic of Ireland) is consolidated on a line by line basis in the Christian Aid group financial statements, in line with FRS 102. The Christian Aid Ireland (Republic of Ireland) year end was 31 March 2017.

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 FRS 102. The Christian Aid International year end was 31 March 2017.

The British and Irish Churches Trust Ltd (BICT)
A charitable company limited by guarantee, incorporated in England and Wales, which owns the freehold title to Interchurch House on behalf of Christian Aid and Churches Together in Britain and Ireland (CTBI). The year end of this company was 31 December 2016, the date of CTBI's year end. The figures below represent Christian Aid's 71.25% interest. The reserves retained within BICT are related to the management of Interchurch House.

Christian Aid Trading Ltd (CAT)
A company limited by share capital, incorporated in England and Wales. Its two shares are held by Christian Aid. Christian Aid Trading Ltd carries out the trading and commercial promotional activities of Christian Aid, the incorporated charity. The net taxable profit is transferred by Gift Aid to Christian Aid. The Christian Aid Trading Ltd year end was 31 March 2017.

Change Alliance (CH A)
A company limited by share capital, incorporated in India. Its shares are held by employees of Christian Aid as nominees. Change Alliance India is a for-profit organisation which, with partners, is currently undertaking Christian Aid's activities in India. The Change Alliance year end was 31 March 2017.

17.1 Subsidiary undertakings and related party transactions

	2017 CA NI £'000	2017 CA ROI £'000	2017 CA INT £'000	2017 BICT £'000	2017 CAT £'000	2017 CH A £'000	2016 CA NI £'000	2016 CA ROI £'000	2016 CA INT £'000	2016 BICT £'000	2016 CAT £'000	2016 CH A £'000
Total incoming resources	2,232	5,605	350	513	166	1,299	2,560	4,615	263	513	193	989
Total resources expended	(2,142)	(5,334)	(351)	(513)	(28)	(1,266)	(2,591)	(4,772)	(301)	(513)	(26)	(874)
Net incoming resources	**90**	**271**	**(1)**	-	**138**	**33**	**(31)**	**(157)**	**(38)**	**-**	**167**	**115**
Revaluation on translation	-	-	6	-	-	-	10	234	8	-	-	-
Gift Aided to Christian Aid	-	-	-	-	(138)	-	-	-	-	-	(167)	-
Retained surplus/ (deficit) for the year	**90**	**271**	**5**	-	-	**33**	**(21)**	**77**	**(30)**	**-**	**-**	**115**
Total assets	1,807	4,112	99	53	129	289	1,808	3,676	92	52	220	234
Total liabilities	(817)	(466)	(26)	(39)	(104)	(70)	(914)	(714)	(24)	(38)	(195)	(48)
Total funds	**990**	**3,646**	**73**	**14**	**25**	**219**	**894**	**2,962**	**68**	**14**	**25**	**186**

17.2 Related party transactions

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

	2017 £'000	2016 £'000
1. Grants received from subsidiary undertakings		
Christian Aid Ireland (Northern Ireland)	2,377	1,435
Christian Aid Ireland (Republic of Ireland)	2,225	1,239
InspirAction	-	16
Total	**4,602**	**2,690**
2. Grants made to subsidiary undertakings		
Christian Aid Ireland (Northern Ireland)	593	57
Christian Aid Ireland (Republic of Ireland)	393	203
Total	**986**	**260**
3. Donations received under Gift Aid from subsidiary undertakings		
Profit donated by Christian Aid Trading Ltd	**138**	**167**
4. Payments made to subsidiary undertakings for services rendered in connection with Christian Aid's programme in India		
Christian Aid Intercompany Consultancy Fees	**1,529**	**982**
5. Payments made to subsidiary undertakings for rental of InterChurch House		
The British and Irish Churches Trust Ltd	**205**	**205**
6. Payments received from subsidiary undertakings for licence fees		
Christian Aid Trading Limited	**1**	**1**
7. Payments made by subsidiary undertakings under Deed of Gift for support services		
Christian Aid Ireland (Northern Ireland)	56	58
Christian Aid Ireland (Republic of Ireland)	61	57
Total	**117**	**115**

18. Financial instruments

a. Basic financial instruments

At the balance sheet date the charity held financial assets at amortised cost of £13.1m (2016: £15.0m), financial assets at fair value through income or expenditure of £19.1m (2016: £15.8m) and financial liabilities at amortised cost of £3.3m (2016: £3.2m).

b. Other financial instruments – forward contracts

Christian Aid uses derivative financial instruments to manage its exposure to foreign currency exchange risks, including foreign exchange forward contracts.

The fair value of these instruments is calculated at the balance sheet date by comparison between the rate implicit in the contract and the exchange rate at that date.

At 31 March 2017, Christian Aid had commitments to buy $6m in foreign exchange forward contracts, with an unrealised loss of £57,294 recognised in the statement of financial activities (2016: commitments to buy $9m in foreign exchange forward contracts, with an unrealised gain of £376,186 – fair value calculated as at 31 March 2016).

19. Department for International Development funding

In the year ended 31 March 2017, grants totalling £15.1m (2016: £15.6m) were received by Christian Aid from the Department for International Development, as follows:

	2017 Unrestricted £'000	2017 Restricted £'000	**2017 Total £'000**	2016 Total £'000
Programme Partnership Arrangement	-	5,433	**5,433**	7,256
UK Aid Match – Kenya and Malawi	-	1,181	**1,181**	802
UK Aid Match – Nigeria	-	625	**625**	-
European Interagency Security Forum	2	76	**78**	34
For specific programmes in:				
Burkina Faso	219	2,252	**2,471**	2,376
Ethiopia	72	1,452	**1,524**	1,249
Malawi	-	2,755	**2,755**	3,307
Nepal	-	-	**-**	15
Nigeria	48	963	**1,011**	570
Total	**341**	**14,737**	**15,078**	**15,609**

20. Comic Relief funding

In the year ended 31 March 2017, grants totalling £212,000 (2016: £625,000) were received by Christian Aid from Comic Relief, as follows:

	2017 Unrestricted £'000	2017 Restricted £'000	**2017 Total £'000**	2016 Total £'000
People Living Positively	-	(20)	**(20)**	20
For specific programmes in:				
Angola	-	-	**-**	8
Kenya	-	-	**-**	409
Zimbabwe	-	232	232	188
	-	**212**	**212**	**625**

21. ICCO* funding

Consolidated group	Opening balance	Incoming resources	Resources expended			**Closing balance**
			Salaries	Other costs	Grants to partners	
	£'000	£'000	£'000	£'000	£'000	**£'000**
Civil society organisations (CSOs) Capacity Strengthening	12	-	-	(12)	-	**-**
Ebola crisis appeal	(21)	-	-	(76)	97	**-**
Philippines Typhoon Haiyan appeal	8	-	-	(8)	-	**-**
Humanitarian response to internally displaced people in northeast Nigeria	24	-	-	(6)	(18)	**-**
Una Generation para la Paz	4	-	-	(5)	-	**(1)**
Create Alternative Livelihood Options by Scaling Up Aloe Value Addition Enterprises	-	55	-	(8)	(53)	**(6)**
ICCO Nigeria Dutch Relief Alliance II	-	445	(41)	(33)	(244)	**127**
EU Volunteers Capacity Building	-	79	(19)	(35)	(17)	**8**
Ethiopia crisis appeal 2016	-	51	-	(9)	(42)	**-**
Total ICCO funding	**27**	**630**	**(60)**	**(192)**	**(277)**	**128**

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

22. START Network* funding

In the year ended 31 March 2017 grants totalling £2.5m (2016: £2.9m) were received by Christian Aid from the START Network*, as follows:

	2017 Unrestricted £'000	2017 Restricted £'000	**2017 Total £'000**	2016 Total £'000
START Build:				
Linking Preparedness, Response and Resilience in Emergency Contexts	16	240	256	392
Strengthening Emergency Preparedness	41	460	501	274
Preparedness and Early Response to Public Health Emergencies in the Gambella Region of Ethiopia	13	183	196	236
START Fund:				
Emergency Responses	85	1,292	1,377	980
START Response:				
Migration Emergency Response Fund	5	60	65	-
West Africa Ebola Preparedness	25	107	132	442
Western Balkans Refugee Response	-	-	-	552
Total START Network funding	**185**	**2,342**	**2,527**	**2,876**

*The START Network is a network of 42 aid agencies supporting humanitarian work around the world.

23. Pensions

23.1 Defined benefit (final salary) funded pension scheme

The employer operates a defined benefit scheme in the UK. The scheme is closed to future accrual with effect from 30 June 2007, but has retained the salary link for active members. A full actuarial valuation was carried out at 30 September 2014 and updated to 31 March 2016 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.This most recent scheme funding valuation showed a deficit of £10.6m. The employer has agreed with the Trustees that it will aim to eliminate the deficit over a period of 2 year 11 months from 1 April 2015 by the payment of annual contributions of £3,089,600 in respect of the deficit. Also, in accordance with the actuarial valuation, the employer has agreed with the Trustees that it will pay £93,000 per annum to cover expenses of the scheme. In addition, levies to the Pension Protection Fund will be paid separately by the employer.

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:

	2017 £'000	2016 £'000
Present value of funded obligations	**(71,475)**	(58,861)
Fair value of plan assets	**77,027**	59,557
Surplus/(deficit)	**5,552**	**696**
Amounts in the balance sheet:		
Liabilities	-	-
Assets	-	-
Net liability	**-**	**-**

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

	2017 £'000	2016 £'000
Opening defined benefit obligation	**58,861**	63,359
Current service cost*	**132**	145
Interest on obligation	**2,042**	1,950
Actuarial losses/(gains)	**11,599**	(5,548)
Benefits paid	**(1,159)**	(1,045)
Defined benefit obligation at end of year	**71,475**	**58,861**

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

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

	2017 £'000	2016 £'000
Opening fair value of scheme assets	**59,557**	57,448
Expected return	**2,120**	1,814
Actuarial gain/(loss)	**13,324**	(1,843)
Employer contributions	**3,185**	3,183
Benefits paid	**(1,159)**	(1,045)
Fair value of scheme assets at the year end	**77,027**	59,557

The actual return on the scheme assets over the period ended 31 March 2017 was £15,444,000. The best estimate of contributions to be paid by the employer for the period commencing 1 April 2017 is £2,925,000. This includes an allowance for expenses. The Pensions Protection Fund levy is payable in addition by the employer. The current arrangements as regards to contribution levels are described in the Schedule of Contributions dated 17 December 2015.

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

	2017 £'000	2016 £'000
Current service cost	**(132)**	(145)
Past service cost		
Expected return on scheme assets	**2,120**	1,814
Interest on obligation	**(2,042)**	(1,950)
Total amount charged within net incoming/(outgoing) resources	**(54)**	(281)
Actuarial gain/(loss)	**1,725**	(6,813)
Total amount charged to the statement of financial activities	**1,671**	(7,094)

	2017 £'000	2016 £'000
Net cumulative actuarial losses since 1 April 2002	**13,975**	15,700

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

	Value at 31 March 2017 £'000	**Proportion %**	Value at 31 March 2016 £'000	Proportion %
Equities	**37,900**	**49%**	28,927	49%
Bonds	**38,656**	**50%**	29,340	49%
Cash	**471**	**1%**	1,290	2%
	77,027	**100%**	59,557	100%

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

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

	2017 £'000	2016 £'000
The actual return on the scheme assets in the year	**15,444**	(29)

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

	2017	2016
Discount rate	**2.65%**	3.50%
Rate of increase in salaries	**4.30%**	4.00%
Rate of increase of pensions: LPI 5%	**2.35%**	2.10%
Rate of revaluation of deferred pensions in excess of the Guaranteed Minimum Pension	**3.30%**	3.00%
Inflation assumption – Retail Price Index	**3.30%**	3.00%
Inflation assumption – Consumer Price Index	**2.30%**	2.00%

The mortality assumptions adopted at 31 March 2017 imply the following life expectancies:	**2017 Years**	2016 Years
Male retiring at age 65 in 2017	**23.2**	23.1
Female retiring at age 65 in 2017	**24.9**	24.8
Male retiring at age 65 in 2037	**24.9**	24.8
Female retiring at age 65 in 2037	**26.4**	26.3

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

	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000
Defined benefit obligation	(71,475)	(58,861)	(63,359)	(48,694)	(48,068)
Scheme assets	77,027	59,557	57,448	46,577	40,098
Surplus/(deficit)	5,552	696	(5,911)	(2,117)	(7,970)
Experience gain/(loss) on scheme liabilities	1,689	310	(2,699)	226	340
Actual return less expected return on scheme assets	13,324	(1,843)	6,794	2,047	2,825

23.2 Defined contribution pension scheme

The total cost of the defined contribution pension scheme to the charity was £1.06m (2016: £1.2m). There were no outstanding or prepaid contributions at 31 March 2017.

24. Prior year unrestricted funds

	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Transfers £'000	**Closing balance 2016 £'000**
Consolidated group						
General funds – Christian Aid (Operational reserve)	13,939	53,999	(52,295)	209	(4,230)	**11,622**
General funds – Christian Aid Trading Ltd and BICT Ltd	39	26	(26)	-	-	**39**
General funds – Christian Aid Ireland	378	1,457	(1,317)	30	-	**548**
General funds – InspirAction	76	165	(203)	6	-	**44**
General funds – Change Alliance	59	7	-	-	108	**174**
Foreign exchange stabilisation fund	257	-	789	118	-	**1,164**
Fixed asset fund	7,888	-	(647)	-	458	**7,699**
Pension reserves*	(6,486)	-	(187)	3,009	3,664	**-**
Consolidated group total unrestricted funds	**16,150**	**55,654**	**(53,886)**	**3,372**	**-**	**21,290**
Parent charity						
Unrestricted funds excluding pension reserve	22,057	53,999	(52,254)	327	(3,664)	**20,465**
Pension reserves	(6,486)	-	(187)	3,009	3,664	**-**
Parent charity total unrestricted funds	**15,571**	**53,999**	**(52,441)**	**3,336**	**-**	**20,465**

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

25. Prior year restricted funds

Consolidated group	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Currency translation £'000	**Closing balance 2016 £'000**
In Their Lifetime	2,109	921	(1,715)	-	**1,315**
Denominational appeals	390	998	(1,095)	5	**298**
Christian Aid humanitarian appeals:					
Ebola	774	35	(242)	-	**567**
East Africa food crisis	94	-	(94)	-	**-**
Indian Cyclone Phailin	20	-	(20)	-	**-**
India floods 2013	16	-	(16)	-	**-**
Iraq crisis	932	38	(629)	16	**357**
Philippines Typhoon Haiyan 2013	2,099	25	(609)	80	**1,595**
Refugee crisis	-	1,889	(681)	-	**1,208**
Nepal earthquake	-	4,173	(1,011)	-	**3,162**
Middle East (Gaza)	1,347	20	(465)	19	**921**
South Sudan appeal	-	33	(6)	-	**27**
Syria	1,909	414	(694)	18	**1,647**
Disasters Emergency Committee appeals:					
Ebola	132	911	(801)	-	**242**
Gaza crisis	42	575	(357)	-	**260**
Nepal earthquake	-	2,117	(1,826)	-	**291**
Philippines Typhoon Haiyan 2013	(92)	1,797	(999)	-	**706**
Syria crisis	31	-	(31)	-	**-**
Legacies	1,021	2,834	(587)	-	**3,268**
Other donations	485	1,620	(1,854)	(11)	**240**
Appeals and other donations	11,309	18,400	(13,732)	127	**16,104**
Institutional grants	6,601	32,922	(32,826)	87	**6,784**
Total restricted funds	**17,910**	**51,322**	**(46,558)**	**214**	**22,888**

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

Parent charity	Opening balance £'000	Incoming resources £'000	Resources expended £'000	Currency translation £'000	**Closing balance 2016 £'000**
Appeals and other donations	10,442	17,062	(12,172)	-	**15,332**
Institutional grants	4,074	31,701	(31,506)	-	**4,269**
Total restricted funds	**14,516**	**48,763**	**(43,678)**	**-**	**19,601**

26. Prior year analysis of net assets

Fund balances as at 31 March 2016 are represented by:

	Unrestricted funds		Restricted funds	**Total 2016**
	Designated £'000	Other £'000	£'000	**£'000**
Consolidated group				
Fixed assets	7,699	-	-	**7,699**
Investments	-	15,782	-	**15,782**
Current assets	-	3,493	22,888	**26,381**
Current liabilities	-	(4,392)	-	**(4,392)**
Long-term liabilities	-	(525)	-	**(525)**
Provision for liabilities	-	(767)	-	**(767)**
Pension liability	-	-	-	**-**
Total net assets	**7,699**	**13,591**	**22,888**	**44,178**
Parent charity				
Fixed assets	7,678	-	-	**7,678**
Investments	-	15,816	-	**15,816**
Current assets	-	2,609	19,601	**22,210**
Current liabilities	-	(4,348)	-	**(4,348)**
Long-term liabilities	-	(525)	-	**(525)**
Provision for liabilities	-	(765)	-	**(765)**
Pension liability	-	-	-	**-**
Total net assets	**7,678**	**12,787**	**19,601**	**40,066**

Reference and administrative details*

Executive officers

Chief Executive
Loretta Minghella

Chief Operating Officer
Martin Birch

Directors
International
- Paul Valentin
Policy and Public Affairs
- Cistine Allen
Programme Innovation and Funding
- Martin Kyndt
Supporter and Community Partnerships
- David Pain

Registered office

Interchurch House
35 Lower Marsh
London SE1 7RL

Professional advisers

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

Solicitors
Bates Wells & Braithwaite
2-6 Cannon Street
London EC4M 6YH

Gregory Rowcliffe Milners
1 Bedford Row
London WC1R 4BZ

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

HSBC
165 Fleet Street
London EC4A 2DY

Standard Chartered Bank
6th Floor
1 Basinghall Avenue
London EC2V 5DD

Barclays
1 Churchill Place
Canary Wharf
London E14 5HP

Investment managers
Epworth Investment
Management Limited
9 Bonhill Street
London EC2A 4PE

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London EC4V 4ET

Investment and pension advisors
Lane, Clark, Peacock LLP
30 Old Burlington Street
London W1S 3NN

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

* Staff details are correct as of September 2017.

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

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

Directorate

Chief Executive
Loretta Minghella

Head of Corporate Change Team
Graham Curtis

International Department

International Director
Paul Valentin

Head of Programme Delivery and Operations
Robin Greenwood

Head of Africa
Karimi Kinoti

Head of Asia and Middle East
Ray Hasan

Head of Humanitarian
Nick Guttman

Head of Latin America and Caribbean
Mara Luz

Corporate Gender Champion
Clare Paine/Josh Levene

Corporate Services Department

Chief Operating Officer
Martin Birch

Governance Manager
Josie Oppong

Head of Contracts and Procurement
John Ward

Head of Finance
Patrick Barker

Chief Technology Officer
John Milsom

Head of Internal Audit and Risk Management
Gaynor Miller

Head of Global HR Services
Ola Fajobi

Acting Head of Organisational Development, Internal Communications and Planning
Lynda Burns

Policy and Public Affairs Department

Director of Policy and Public Affairs
Christine Allen

Head of Advocacy
Laura Taylor

Head of Church Advocacy
Dionne Gravesande

Head of Policy
Alison Doig

Head of Economic Development
Toby Quantrill

Supporter and Community Partnerships Department

Director of Supporter and Community Partnerships
David Pain

Deputy Head of Christian Aid Wales
Mari McNeill

Head of Performance and Development, England
Libby Gordon

Chief Executive, Christian Aid Ireland
Rosamond Bennett

Head of Christian Aid Scotland
Sally Foster-Fulton

Head of Strategic Communications
Claire Aston/Deborah Auty

Head of Supporter Engagement
Ian Livett

Head of Performance Development and Insight
Elizabeth Drakulich

Programme Innovation and Funding Group

Director of Programme Innovation and Funding
Martin Kyndt

Head of Programme Funding
Dominic Brain

Acting Head of Large and Complex Programmes
Seth Lartey/Rebecca Sinclair

Head of Philanthropy
Karen Aycinena

Acting Head of Private Sector
Kenneth Boyce

Research, Evidence and Learning Hub

Head of Research, Evidence and Learning
Kate Bingley (international)/Kate Newman (organisational)

Central Office

35 Lower Marsh
Waterloo
London SE1 7RL
Tel: +44 (0)20 7620 4444

National Offices

Northern Ireland

Christian Aid Ireland
Linden House
Beechill Business Park
96 Beechill Road
Belfast BT8 7QN
Email: belfast@christian-aid.org
Tel: +44 028 9064 8133

Republic of Ireland

Christian Aid Ireland
Canal House
Canal Road Dublin 6
Email: dublin@christian-aid.org

Scotland

Christian Aid Scotland
First floor Sycamore House
290 Bath Street
Glasgow G2 4JR
Email: glasgow@christian-aid.org
Tel: +44 (0) 141 221 7475

Wales

Christian Aid Wales
3 Church Road
Whitchurch
Cardiff CF14 2DX
Email: cardiff@christian-aid.org
Tel: +44 (0) 29 2084 4646

Acknowledgements

Sponsoring churches

Baptist Union of Great Britain
Baptist Union of Scotland
Baptist Union of Wales
Cherubim and Seraphim Council of Churches
Church in Wales
Church of England
Church of God of Prophecy
Church of Ireland
Church of Scotland
Congregational Federation
Council of African and Afro-Caribbean Churches
Council of Oriental Orthodox Christian Churches
Countess of Huntingdon's Connexion
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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

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

We want to give special thanks to the following supporters.

Individual supporters

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

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

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

Institutions, agencies and trusts

ACBAR
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ACT EU
ActionAid
AMREF
Bread for the World
British Council
Bruderhof
Comic Relief
DanChurchAid
Department for International Development (DFID)
Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ)
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Fondation Ensemble
Global Fund to Fight AIDS, Tuberculosis and Malaria
Health Poverty Action
HEKS
Helpage International
ICCO
International Institute for Environment and Development (IIED)
Irish Aid
Isle of Man International Development Committee
JC Flowers Foundation
Latin American Children's Trust
Maurice and Hilda Laing Charitable Trust
MIF – Multilateral Investment Fund (IDB group)
Muslim Aid
Norwegian Church Aid
Open Society Foundations
Oxfam GB
Oxfam Intermon
Save the Children UK
Scottish Government
START Network
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Swiss Federal Department of Foreign Affairs (FDFA)
The Ashden Trust
The Band Aid Charitable Trust
The Blandford Lake Trust
The Faroe Islands Ministry of Foreign Affairs
The Ford Foundation
The J A Clark Trust
The Roddick Foundation
The Turing Foundation
The Zochonis Charitable Trust
Trocaire
UNICEF
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In Sierra Leone, our partners are empowering young people to reach out to their communities, helping to hold providers of public services like healthcare and education to account.

Photographer: Christian Aid/Tom Dixon

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