

Christian Aid

Annual report and accounts

2020/21



christian
aid

Christian Aid exists to create a world where everyone can live a full life, free from poverty. We are a global movement of people, churches and local organisations who passionately champion dignity, equality and justice worldwide. We are the change makers, the peacemakers, the mighty of heart.

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Cover: A woman visits the Women and Girls Safe Space in Cox's Bazar, Bangladesh.

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Letter from the Chair

Last year marked Christian Aid's 75th anniversary, a milestone in our long history of tackling poverty and injustice. The world has changed dramatically in that period, but our goal of ending extreme poverty by tackling its root causes is every bit as immediate and urgent in 2021 as it was in 1945.

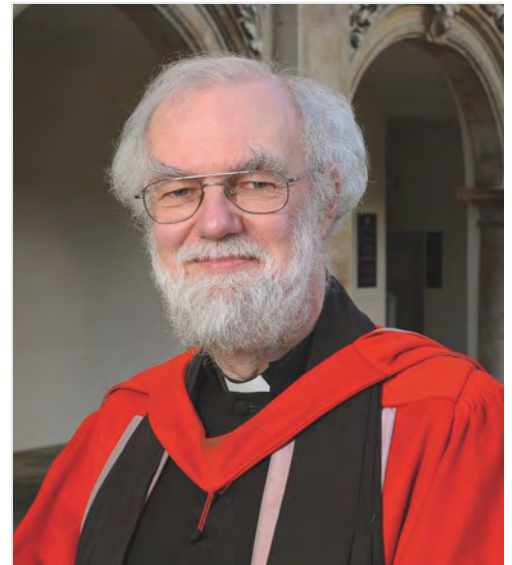
The challenge appears today in new ways as well as the more familiar ones. At the moment, Covid-19 and climate change are the primary drivers of extreme poverty, which is rising globally for the first time in decades. Our response so far has included a successful Global Hunger Appeal to help some of the 41 million people identified by the UN as being at risk of famine.

We have also concentrated some of our activities in the areas most dramatically affected by the ongoing pandemic, including India, where poor people have been hardest hit – from women and people with disabilities to Dalit communities. Migrant workers who were uprooted without warning and deprived of work because of the crisis have been especially vulnerable and, thanks to the generosity of our supporters donating to the Coronavirus Emergency Appeal, we were able to offer them effective support and advice.

The lesson we absolutely have to learn from the pandemic is that our safety and our neighbours' safety are inseparable. Christian Aid has worked with global faith leaders to call for swift international action to produce and distribute enough Covid-19 vaccines for the entire global population, and this call has had wide publicity.

During the last year, there have been major changes in UK aid and development policy. The merger of the Department for International Development and the Foreign and Commonwealth Office into a new Foreign, Commonwealth and Development Office was followed rapidly by a cut of over £4 billion in the aid budget, taking us from the legal level of 0.7% of gross domestic product to 0.5% for a still-unspecified period. We have been publicly critical of these changes, which we believe are bad news for people in the countries where we work. We shall continue to press for the UK to play a full and positive role in tackling global poverty; our duty to our neighbours remains what it always was under God, whatever the current political pressures.

More positively, the results of Christian Aid Week last year exceeded all our expectations. Christian Aid staff and supporters found all sorts of innovative ways to raise money and engage with communities, despite the unprecedentedly





Above: Chineke! Orchestra performing at St Paul's Cathedral during Christian Aid Week.

tough fundraising context of social distancing and lockdowns. We are very conscious of the need to continue refining and modernising our fundraising capacities and it is a big encouragement to see how much willingness there is to work at this.

As always, I want to thank all our supporters, staff and volunteers and partners, who have yet again demonstrated their commitment to our vision, mission and values.

On a personal note, I was privileged during Christian Aid Week to participate in the Song of the Prophets at St Paul's Cathedral with Chineke! Orchestra – a wonderfully innovative and moving presentation on the theme of climate change having its debut performance in the run-up to the G7 summit in Cornwall.

As we look ahead, the climate crisis unquestionably looks like the biggest challenge in our 75-year history. What can realistically be hoped for from the COP26 meeting in Glasgow this November is still very unclear, but we are putting a great deal of energy into our preparations and our advocacy around this event. By standing together, praying and taking action, we can still hope for a positive outcome, and I am confident that all our supporters and friends will be playing their part to do what can be done to honour our responsibility for the earth we share.

This November will see the end of my eight years as Chair of the Trustees of Christian Aid. It has been the greatest privilege to serve in this capacity. I have seen transforming work on the ground in various settings; I've had the chance to meet many local supporters across the country; and I've worked with

outstanding staff in the organisation, especially two exceptional CEOs in Loretta Minghella and Amanda Khozi Mukwashi.

I have also had cause to reflect on matters of racial injustice and the role that we must all play in eliminating its toxic effects. The Board of Trustees is committed to doing all that we can to tackle this injustice and support the ambition of Christian Aid to be an anti-racist organisation.

It is a joy to know that my successor will be John Sentamu, a dear friend and colleague, who will bring a rare level of passion and vision.

It has been a challenging period, and as an organisation we have had to weather many upheavals, internal and external. But it has been an inspiration to be brought back time and again to the basics: we are here for no other reason than to serve the priorities of the Kingdom of God, to share Good News with the poor and so to have our own ears and eyes opened for the signs of the Kingdom.

May that vision never be weakened so long as there are those who need our solidarity and service.

A handwritten signature in cursive script that reads "Rowan Williams".

Dr Rowan Williams

Chair of the Christian Aid Board of Trustees

Letter from the Chief Executive

Last year was tough for the international development and humanitarian sector. In the countries in which Christian Aid works, the Covid-19 pandemic deepened already-existing inequalities, plunging many further into poverty. In the UK, Covid-19 has claimed lives and livelihoods, and exacerbated the country's racial fault lines of inequality. Sadly, it is with the deepest regret that I report that we lost some of our dearest colleagues to Covid-19. The pandemic also reinforced global division and made visible the power and resource asymmetries between the north and the south. This was, and continues to be, felt acutely in the global distribution of Covid-19 vaccines.

The brutal murder of George Floyd and global Black Lives Matter protests have forced us to confront the scourge of racism and to identify it in the international development and humanitarian sector, in the global distribution of resources, and in our own organisation. We must determine the role we will each play to create an equal world rooted in dignity, love, equality and justice. In Christian Aid, a review of race and diversity resulted in our Integrity and Collaboration report. It will be important for us to equip our staff with the necessary levels of awareness, tools and skills to see racist behaviour, name it and call it out as injustice. Silence cannot be an option.

There remains no respite from the ongoing impact of the climate crisis. Millions of people have been displaced from their homes and communities because of extreme weather, uninhabitable conditions, and food and water scarcity. Adding to mass displacement, increased conflict in some countries has resulted in increased violence against women and girls and forced people to leave their homes to seek refuge.

Our humanitarian programmes continued to be at the forefront of our work and mission. This was recognised by our Core Humanitarian Standard being recertified in 2021. In addition, Nick Guttmann, who retired as Head of Humanitarian last year, was awarded an OBE for services to humanitarian crises.

Cyclone Amphan was the most powerful cyclone to strike eastern India and Bangladesh in 20 years. It wreaked massive destruction, but the death toll was just over 100 people, compared with 10,000 lives lost in the similar Cyclone Odisha in 1999. This is testimony to the advances made in local disaster preparedness, in which Christian Aid has played a supporting role.

In Ethiopia, our ACT Alliance partners responded to support communities directly affected by the war in Tigray and refugees



fleeing over the border into Sudan. In Myanmar, Christian Aid spoke out against the spiralling and intensifying violence and supported our traumatised staff who work there.

Our Nepal programme closed in March 2021. It transitioned from relief from the 2015 earthquake through recovery and rehabilitation. We directly reached more than half a million people, and the programme was entirely funded from our appeal and institutional sources.

Overall, we delivered highly impactful programmes, making positive changes in the lives of more than 4 million people and indirectly benefiting 36 million more, over half of them women.

In 2020/21, we finalised the last part of our change process that aimed to increase and focus the impact of our programmes in line with our global strategy, Standing Together, and to reduce costs. These changes had to be completed online due to lockdowns, which was difficult.

Working from home had many challenges, and restrictions on movement created challenges in keeping programmes running and delivering essential support to the most vulnerable. But our staff and partners never gave up. I want to give my thanks to our staff, many of whom were placed on furlough or reduced hours, with a reduction in pay. Due to their sacrifices, we were able to save more than £2.3 million, which enables us to continue to deliver programmes with a long-term impact.

We had moments of inspiration and encouragement. Christian Aid Week took place with no house-to-house collections or the usual church and supporter events. Thanks to their energy and creativity, supporters found innovative ways to use digital channels, fundraise and engage with churches. We raised over £4 million, £3 million above our pandemic-adjusted target, thanks to the sterling efforts of our supporters.

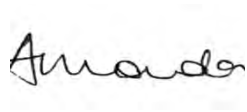
New ways of working also served to improve our church partnerships. Last year, we saw people from partners and churches from different countries come together in prayer during our biannual Church Consultation via Zoom. Our partners and supporters gave us the strength to navigate a changing landscape, speak out on climate justice and call for comprehensive debt restructuring that would allow poor countries to tackle Covid-19 and the climate crisis.

My special thanks to Dr Rowan Williams. His leadership, guidance and pastoral care have been a pillar of strength for me. I wish him every blessing as he continues to stand up for justice with love, integrity and dignity. I am sure that I speak on

behalf of all Christian Aid staff when I say he has been an inspiration for us all.

In the coming months and years, we will continue to stand together with churches and other faith-based organisations. With our supporters and partners, we will campaign for the needs of the most vulnerable to be central to the decisions taken at the UN Climate Conference (COP26) in December.

In our prayer book commemorating our 75-year history, *Rage and Hope: 75 Prayers for a Better World*, we state that while the world is broken, the positive actions that people all over the world take to fight injustice continue to lift and uphold hope as a beacon of light. I have certainly been encouraged by your support, prayers and letters, and the actions you have taken. Thank you.



Amanda Khozi Mukwashi
Chief Executive Officer



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Standing
together for
climate justice

Christian
aid #AmenToClimateJustice

I support a
new deal for
climate justice

Christian
aid #AmenToClimateJustice

Together
we stop this
climate crisis

#AmenToClimateJustice

COURAGE
CALLS FOR
COURAGE
EVERYWHERE

Objectives and activities

For more than 75 years, we have provided long-term development support and humanitarian relief worldwide, highlighting suffering, tackling injustice and championing people's rights. The need has never been greater than during the Covid-19 pandemic, which has affected so many people in the communities we serve.

Our vision and mission

Everyone is equal in the sight of God, yet we live in a world where the scandal of poverty, inequality and injustice persists. We believe we can end poverty and the world must be changed to one where everyone can thrive and share life in its fullness.

Our strategy

Standing Together, the strategy that guides our work until 2026, is upheld by three supporting pillars:

Poverty: reaching those most in need

Power: addressing the root causes of poverty

Prophetic voice: speaking truth to power and building local and collective agency.

Being unable to meet basic material needs is a symptom of a person's lack of power over their own life and prospects. Real progress will be made when the systemic and structural causes of poverty and powerlessness are challenged. As a faith-based organisation, anchored in church congregations and a network of partnerships across the world, we bear witness, using our global presence to create a movement of people who passionately champion dignity, equality, justice and love.

The power of partnership

We cannot change the world alone. We depend on the commitment and generosity of individuals and churches in Britain, Ireland and around the world. We deliver our work in trusted partnerships with organisations that include:

- local civil society organisations who understand the communities in which they work and are best placed to support them.
- faith groups, including our 41 sponsoring churches, interfaith networks and ACT Alliance, a coalition of churches working across the world.

Our values

Dignity

We believe that all people are created in God's image and have inherent value and worth. We fight for the dignity of others and support them to change their own lives.

Equality

Everyone is equal in the sight of God. We tackle the power imbalances that cause poverty, to create a world in which everyone has an equal voice, equal power and equal opportunities.

Justice

We stand with the most vulnerable and excluded to build a fairer world. Together, we amplify our voices to boldly speak truth to power, challenging systems and structures that oppress people.

Love

Love is the core of who we are. God's love transforms us: it gives us the strength to stand in solidarity with our global neighbours against poverty and injustice.

Previous page: Christian Aid campaigners, Dr Rowan Williams, bishops, MPs and peers joined in a prayer vigil for action on the climate crisis outside Parliament, shortly before the first Covid-19 lockdown.

To achieve even larger-scale, more inclusive and lasting change, we also seek partnerships with the private sector, government bodies, research institutions, cooperatives and trade unions. We believe it is by growing and deepening our partnerships that we have the best chance of achieving our ultimate goal: an end to poverty.

Below: In Nicaragua, young farmer Isaac Zelaya has been supported to start growing climate-resilient cocoa by Christian Aid partner Soppexcca.



Strategic report

Achievements and performance

The year was completely dominated by the Covid-19 pandemic. The health impacts of the virus are ongoing. While rapid vaccination roll-out offered an exit from lockdowns in the UK, massive vaccine inequality leaves most of the countries in which we work exposed to high levels of infection and death.

The greatest challenge to our work is the biggest rise in extreme poverty in a generation, caused by a lockdown-induced economic slump, which has reinforced inequalities that pre-date Covid-19. The prospects of recovery look much weaker for low-income countries than for high-income countries, and threaten a greater divergence between rich and poor.

For most of the year, our staff have had to work remotely, coping with ill health and the loss of loved ones, juggling work and home as schools closed and travel was restricted. In many cases, our staff and partners were placed under additional pressures, with restrictions on civic space and limited or no digital infrastructure for remote working.

Despite these challenges, we were able to respond to the crisis quickly and with considerable agility, with a focus on minimising health impacts, mitigating poverty and social impacts, and modifying our existing work to adjust to Covid-19. The generosity of supporters in the UK in responding to the Disasters Emergency Committee (DEC) and Christian Aid appeals enabled us to step up our response. The pandemic has valuable insights for our future work, including how we accelerate localisation of our humanitarian programmes and how to work with faith actors in public health emergencies. Some of these insights are drawn out in this report.

Poverty, power and prophetic voice

This was the second year of working to our new strategy, Standing Together, with its three pillars of poverty, power and prophetic voice upholding all our programmes. In uniquely testing conditions, the strategy continued to be relevant, and an important compass with which to navigate a fast-changing funding environment and operational context. During 2020/21, we also agreed a three-year plan to take forward detailed implementation of our strategic vision and goals.

The following reports illustrate the impact of this work. They showcase just a few examples from hundreds of development, advocacy and humanitarian projects across the 27 countries in which Christian Aid works.



Responding to Covid-19

In 2020, the coronavirus pandemic swept across the world, causing devastation, with loss of lives, struggling economies and huge negative social impacts. As countries imposed tight restrictions and lockdowns to reduce the spread of the virus, economic activity drastically fell. As a result, many countries are experiencing the biggest economic contraction in many decades, and extreme poverty rose for the first time in a generation. The effects have led to increasing food prices and deepening food insecurity for the most vulnerable communities in low-income countries. In November 2020, the World Food Programme estimated that 271.8 million people were acutely food insecure or were at high risk of becoming so.

Christian Aid country level staff and partners worked to rapidly adapt their existing programmes, where possible, to be Covid-19 safe and to respond to the unfolding situation. The strategy focused on working through faith leaders and other community voices to raise awareness, prevent spread of the disease and tackle misinformation, helping to meet immediate needs caused by the pandemic, and advocating to governments for inclusive social protection and access to healthcare. Our Covid response placed a strong focus on community engagement and a people-centred humanitarian response, in line with our commitments to Core Humanitarian Standard, Protection Principles and technical standards, including SPHERE.

Institutional funders, including the UK Government's Foreign, Commonwealth and Development Office (FCDO), the DEC and the START Fund, made £3.2 million available specifically for our Covid-19 response. This was complemented with generous donations from the public, totalling about £1.8 million to mitigate the effects of Covid-19. The DEC appeal funding was ringfenced for use in Afghanistan, Rohingya refugee camps in Bangladesh, the Democratic Republic of Congo (DRC), South Sudan and, more recently, India. In the first six months of our DEC programmes (August 2020 to January 2021), we:

- built 415 handwashing stations, which gave 32,000 people access to soap and clean water.
- distributed nearly 2,000 hygiene kits so families could keep themselves and their homes sanitised.
- gave Covid prevention information to approximately 240,000 people.
- trained more than 1,100 people, including faith leaders, teachers, community leaders and health workers, in infection prevention and control so they could share the information with their communities.

Previous page: A woman in Nigeria checking her cash transfer. As part of the C19 NALPER Covid-19 rapid response project, vulnerable households received emergency cash, which allowed them to access basic needs.

- gave 800 households cash and supported a further 950 households to generate income.

The funds from the Christian Aid appeal were used to support partners in country programmes that were not benefiting from the DEC funds. Small grants were given to community groups to implement activities of their own design to benefit the wider community, in line with our survivor and community-led response approach.

Christian Aid recognised the importance of a multi-agency approach, including faith institutions, government agencies, emergency management bodies, government Covid-19 response teams, media and other civil society organisations, including youth and community volunteer groups. This also laid the foundations for a stronger 'localisation' approach, with diverse actors playing different roles to ensure service delivery reached the most isolated communities. Our local partners on the ground could rapidly deploy and scale up. They had a deep understanding of the security challenges and access and trust with the communities, local government, and religious structures. This enhanced the effectiveness of our response.

Research commissioned in Bangladesh, in the context of mass displacement in Cox's Bazar where more than 800,000 Rohingya refugees are living, concluded that involving faith actors was not only a matter of harnessing the 'good' that a faith actor can do, but was also a way to effectively counter existing beliefs and practices that may support and facilitate poor public health practices. An internal learning review confirmed that faith actors were effectively challenging entrenched attitudes, primarily due to trust and long-term connections within communities.

Livelihood support in the DRC

Through our partners Communauté Baptiste au Centre de l'Afrique (CBCA), National Institute of Professional Preparations, Mayala Trades Center and Industrial Technical Institute of Kasabinyole, projects in the DRC helped 61,911 people (53% women) survive the economic challenges in areas affected not only by Covid-19, but also insecurity, conflict and a new variant of the Ebola virus.

Access to state support in India

In India, Covid-19 projects ensured the most vulnerable were able to benefit from the available support. While central and state governments provide various schemes to support families struggling to cope, such as direct cash transfers, subsidised food costs and ration distribution, many vulnerable people are

'I found my smile again because I was supported by the DEC project in the manufacture of reusable masks. This has allowed me to supplement my family's income. In two weeks, I sewed 300 masks and I earnt \$60 [£43] from them. Before the project, I was in crisis without money. I didn't know how to feed my children'

Kahindo was taught how to sew masks through the project implemented by Christian Aid and CBCA in the DRC

left behind in these schemes, due to lack of awareness or because of social stigma and discrimination. Additionally, many migrant workers who have returned to rural areas due to lockdowns in the cities are not registered for these schemes. Christian Aid partner Swadhikar developed an app-based survey to collect data on the schemes people had benefited from. By end of 2020, 1,390 marginalised households that had not been on the formal lists had received social welfare benefits, amounting to the equivalent of £35,000.

Tackling gender-based violence in Kenya

The pandemic also saw a rise in gender-based violence in many countries. In Kenya, the government reported that cases had risen by 75%, mainly in informal settlements. Our partner Coalition of Violence Against Women reached 362 survivors of sexual gender-based violence, offering them psychosocial support with professional counsellors.

Rapid response to the outbreak in Afghanistan and Nigeria

In 2020, lockdowns in Afghanistan and Nigeria significantly impacted the most vulnerable people. Unable to work, people could not meet their most basic needs – food, water and access to vital health services. This was made worse by misinformation about the pandemic and a distrust in public messaging.

We responded to the immediate needs of most vulnerable people in Herat, Kabul, Nangarhar and Badghis provinces in Afghanistan and Kaduna, Benue and Borno states in Nigeria. In Afghanistan 26,432 people (60% women) and in Nigeria 87,322 people (51% women) benefited directly from food distributions, access to water and sanitation, improved healthcare options, and cash support. The UK Government supported this work, which was delivered through our partners in both countries.

In Afghanistan, we also worked alongside 70 faith leaders to provide Covid-19 prevention messages through mosques, reaching internally displaced people and other vulnerable communities who distrusted information on the pandemic.

Gulnar lives with her eight children in an informal settlement in Kabul. She says: 'On one side there was nothing to eat and on other side there was Covid-19. The situation was really bad.' Through our partner, Gulnar and her family received much-needed food and hygiene kits.

In Nigeria, 170 community health workers (54% women) were trained in prevention. It is estimated that 50 million people were reached with Covid-19 awareness and prevention messages through television, radio and social media.

'This corona problem affected me in many ways. There is no more school, and the oranges that I sell to take care of my brothers, there is no one to buy them'

Imote loryue in Nigeria lost both of his parents at a young age and cares for his nine siblings. With funding from UK aid, Imote received cash support so that he could continue to provide for his family.

Supporting communities to respond to humanitarian crises

Gaza

When a disaster strikes, or in a long-term crisis, community members usually self-organise and try to help their neighbours and the wider community as much as they can. To respond in such situations, Christian Aid uses a survivor and community-led response (SCLR), which gives people in communities affected by crisis the resources to take charge of their own response.

In Gaza, Christian Aid collaborated with Local to Global Protection to support the response of local NGOs MAAN Development Center, Culture and Free Thought Association (CFTA) and EJ-YMCA in the West Bank, providing funding and expertise to complement the capacities and skills of community members in response to the impacts of the ongoing blockade.

Groups of volunteers formed committees and engaged with community representatives using a Participatory Action Learning approach to understand the collective needs and find solutions that could be funded through the initiative. Each committee received about £10,000, which was matched with locally sourced funding from community donations, volunteering, local government in-kind contribution with equipment and materials, and decreased prices by the private sector. This almost tripled the investment and helped meet the needs of more than 35,000 people by improving sanitation and hygiene, access to water, public health, safe spaces, psychosocial wellbeing, food distribution to poor families, and basic infrastructure repair.

A young man from Al-Mawasi says: 'I am unemployed, I have nothing to do. Being part of the initiative changed my life. Now, I wake up in the morning having a plan for the day. I felt the meaning of being alive.'

Christian Aid's survivor and community-led response builds on CFTA's experience and skills, and it has now been included in all the organisation's programming. The German Corporation for International Cooperation (GIZ) was impressed with CFTA's application of SCLR in its programmes and has decided to invest in SCLR work in seven new communities in Gaza.

'Being part of the committee has changed our role as women in the community. We are empowered and respected in our community. We stop in the street to respond to men's questions. This was impossible in the past'

Young woman from Al-Naser

Addressing extreme hunger in areas of conflict

Nigeria and the DRC

The devastating effects of extreme hunger affect children and mothers disproportionately, particularly in regions where war has torn people's lives apart. Two of the world's most complex food crises are in the DRC and Nigeria. In the DRC, decades of civil war have left millions of people severely short of food, including 5 million children. In the north-east of Nigeria, more than a decade of conflict has forced millions from their homes and livelihoods, and left at least 2.7 million people needing food assistance. In both countries, this dangerous situation has been further exacerbated by Covid-19, which has disrupted supply chains and caused food prices to soar. Christian Aid has partnered with the World Food Programme (WFP) to respond to the humanitarian needs of people who were displaced in these two contexts. The programme supplies food aid, unconditional cash transfers and electronic vouchers, and, where appropriate, agricultural and livelihoods support.

In the DRC, 578,459 people were reached with general food distributions in North and South Kivu, and 507,961 people were reached with cash transfers. The WFP has asked Christian Aid to take on distribution in another region this year, as a mark of its confidence in our staff and delivery channels.

In Nigeria, 779.5 tonnes of food supplements were provided to 22,818 pregnant and breastfeeding women and 908.9 tonnes of nutritional supplements were provided to 11,886 children under 2 years and children with malnutrition in Dikwa, Jere and Maiduguri. We also provided a range of other interventions, such as training people to set up their own businesses and village savings and loans schemes. The project has made significant progress in reducing food insecurity and malnutrition and is helping people to take the first steps away from the cycle of food aid and conflict and into a more settled life.

Marie Kenda Beya, from Muanga village in the DRC, says that the unconditional cash transfer meant she and her husband could buy pigs and goats, and she plans to start her own business at home. 'This assistance arrived at just the right moment in my household,' says Marie. 'Not only has it relieved me from the difficulties caused by the war but also, above everything else, it has helped me take care of my family, particularly my triplets. Thank you to all those who have assisted us from far or near.'

Thanks to the successful delivery of our programmes in Nigeria and the DRC, the WFP went on to partner with Christian Aid in Bangladesh, where hundreds of thousands of people live in refugee camps after years of escalating violence in Myanmar. With WFP support, we are now implementing a cash-for-work scheme as part of a multi-agency project designed to improve infrastructure and make the camps safer.

Building resilience in the face of climate change

Zimbabwe

The climate crisis is affecting nearly all the farming communities we work with around the world, amplifying shocks and stresses due to changing weather patterns, especially frequent droughts and more intense rainfall. In Zimbabwe, the changing climate is causing irregular rainfall patterns, more frequent floods and droughts, and unpredictable weather events, such as the unprecedented heavy rains and flooding caused by Cyclone Idai in March 2019.

Christian Aid is working with four partners, Bio-Innovation Zimbabwe, Community Technology Development Organisation, Nyahunure Community Trust and Silveira House, through the UNDP's Zimbabwe Resilience Building Fund. The project is helping farmers tackle these challenges, building their resilience to climate change and their capacity to add value and access markets.

Since 2017, the project has supported rural communities to increase the productivity and sustainability of their agricultural livelihoods through resilient livelihoods support, access to credit, support for livestock management and water catchment management. A resilience-focused planning process ensures interventions are locally led and address community priorities and risks, especially those of women and women farmers. In 2020, the project made an impact in the lives of 29,640 people in Mutoko and Mudzi districts in the north-east of Zimbabwe. About 60% of the programme participants were women and about 37% of the households were woman-headed.

The project also promotes the sustainable use of wild foods. As well as growing high-value organic crops, such as rosella and Kalahari melon, Agnes Machona leads a group of 41 wild food collectors, adhering to organic standards requiring good environmental management practices. These are enhanced by the development of Local Environment Action Plans across eight catchments to ensure the utilisation of wild food is consistent with sustainable watershed protection and

development. Wild foods are often harvested at lean times of the year, thus improving food security. Agnes and her group have seen returns grow from £143.60 in the first year of the project to £931.70 by year three.

The livelihoods support extends to off-farm enterprises. Chipo Kodogo from Kazingizi village underwent technical and vocational skills training. She now chairs the New Life Leatherwork enterprise group, making high quality shoes, handbags, belts and wallets.

Chipo explains: 'In the course of the technical and vocational skill training, I was introduced to leadership, business management and conflict resolution. I regard it as a privilege to be part of the Leatherwork enterprise, which is regarded as male dominated. This has changed a lot in my life and that of others. We are now able to pay school fees for our children, buy them proper school uniforms and, above all, provide meals for our families.'

Climate justice: The Big Shift Global campaign

The Big Shift Global campaign advocates for a shift in finance out of fossil fuels towards sustainable, renewable energy, prioritising affordable energy supplies for poor communities that lack access to modern forms of energy.

In 2020, the campaign's pressure on the African Development Bank contributed to a major success. The bank committed to investing \$50m in off-grid renewable energy to increase energy access across Africa. This decision encouraged a series of unprecedented commitments to invest in renewable energy at 'Finance in Common', the first global summit of the public development banks.

The Big Shift campaign also targeted the Asian Development Bank, which subsequently issued a draft policy statement signalling support for ending all funding for coal-fired power and for gas and oil exploration.

'For many years the Asian Development Bank has been pouring billions and billions of dollars into the fossil fuel industry in Asia,' says Lidy Napcil of the Asian People's Movement on Debt and Development. 'A new policy from the Asian Development Bank to stop funding coal is very important in our struggle to shift swiftly away from fossil fuels through a just transition. We can also use this victory to pressure other public financial institutions to do the same.'

Over the next two years, the Big Shift Global campaign will continue to target the multilateral development banks, as well as other public finance institutions, and will link up more with national campaigns. As the campaign has grown and more organisations around the world have joined the coalition, Christian Aid has moved to make the Big Shift Global campaign independent. The Big Shift Global campaign will now be led by Climate Action Network International, which has been involved from the start. Christian Aid has successfully secured funding to continue the campaign and will also remain on the steering group.

The long road to justice

Colombia

In our work on conflict transformation and peacebuilding, we often need to take a long view, because it can take years to deliver the change we are working towards. An example of this is in Colombia, where, for decades, Christian Aid and its partners have been advocating for the rights of people affected by the armed conflict. Impunity is tackled, and justice achieved, when there is public acceptance of guilt from perpetrators, concrete steps are made to protect vulnerable people and communities from further violence, and reconciliation is pursued among all sides. Real peace can only be achieved through a process of justice for victims.

Marginalised groups and people living in poverty – including indigenous groups, Afro-Colombians, poor farmers and women – had been excluded from peace negotiations and settlements until our long-term campaigning helped to convince the authorities to include them. The Peace Agreements ensure the rights of victims to truth, justice and guarantees of non-repetition. Now, victims of the conflict can see that the Colombian justice system is slowly taking action on the human rights violations that took place during the civil war.

Since 2010, Christian Aid has been partnering with the lawyers' collective Colectivo de Abogados José Alvear Restrepo (CAJAR), with funding from Irish Aid, to provide legal support to grassroots leaders of indigenous, rural and Afro-Colombian communities in their calls to demand their rights. Legal clinics were set up to support community leaders in building their casework on issues of human rights, territory and natural resources, and CAJAR lawyers have provided legal accompaniment for some of the cases in court. One of the significant initiatives has been to ensure protective measures for the safety of human rights defenders speaking out against their perpetrators. In 2020, there were 49 cases where

protective measures were provided as a result of legal work by CAJAR.

As well as working with victims in communities, CAJAR also brings cases of human rights defenders to court, including cases challenging the impunity of high-profile politicians who perpetrated human rights abuses. These cases have opened the door for further investigations of serious human rights violations during the armed conflict. In one of the main cases, CAJAR represented Senator Iván Cepeda, a human rights defender whose father was killed by paramilitaries, and who has consistently denounced the link between ex-President Uribe and paramilitaries. In a landmark decision in August 2020 by the Supreme Court, Uribe was placed under house arrest on the basis of evidence brought forward by CAJAR. The court case continues through the Colombian justice system.

Although the road to justice is long and arduous, the developments have given local communities and activists a sense of hope. It begins a process of historical clarification and truth-finding on crimes committed on all sides during the armed conflict. It increases the prospect of a rebuilding of trust in the legal institutions, and repair to the relationship between the state and poor and marginalised citizens, by starting finally to address their trauma caused by loss of lives and livelihoods from the conflict.

This is long-term work which aims to help build a peaceful, just and inclusive society.

Youth as agents for peace

Myanmar

The fragile political context and recurrent conflicts in Myanmar create and perpetuate political tensions and social exclusion, distrust, and discrimination. The Covid-19 pandemic has worsened the situation, by creating ideal conditions for the spreading of false information, accusations and harmful messages.

Many young people have been keen to participate in locally driven efforts towards peace and strengthening social cohesion on the ground. Christian Aid and its local partners Organisation for Building Better Society, Peace and Development Initiative (PDI), Development Alliance Myanmar, Koe Koe Tech and Treasure Land Development Association recognise the role and influence of youth in the social narrative. Together, they have worked with more than 2,905 empowered young people (75% women and girls) over the last 18 months to advocate for peace

and challenge hate speech in Rakhine, Mon and Mandalay. This initiative is funded by the UN Peacebuilding Fund.

'Conflict itself is not a problem. It is there,' says Myat Yu Mon, Peace Education Trainer at PDI in Rakhine. 'However, if we cannot handle the conflict, that can turn into violence.'

Youth groups from Muslim, Buddhist and secular institutions were provided with virtual and in-person training on peace education and media literacy. The young people gained media literacy skills, and learned about the deep-rooted biases perpetuated through hate speech and inaccurate content on social media. This allowed them to identify disinformation and misinformation online and decide whether to share it. Participants said this was particularly valuable as the 2020 election approached in Myanmar.

'This training opened my eyes that the journalists and media have to take both accountability and responsibilities along with ethical principles,' says Su Su Hliaing, who participated in the training in Rakhine. 'Media literacy is important because many of us are using social media largely and hence all the users need to be able to verify between good or bad.'

The courses covered ways to resolve conflict using the tools of dialogue facilitation and visual storytelling to build trust and relationships that would enhance interfaith and inter-ethnic cooperation. The project has resulted in a positive shift in attitudes and a growing hope for coexistence among the diverse communities.

'I used to look down on people who are different from my culture or ethnicity. I have my own doctrine that Rakhine and Muslim communities are always enemy, but right now I have my sympathy that tells me that they are also human beings like me exactly,' explained a participant.

Helping mothers provide for their children

Burundi, Sierra Leone, South Sudan, Nigeria and Kenya

The three-year Ellis-Hadwin Health Legacy programme came to an end this year. It has been implemented in five African countries – Burundi, Sierra Leone, South Sudan, Nigeria and Kenya. The programme addressed a wide range of health-related challenges faced by mothers, including adolescent girls, struggling to ensure that their children grow into healthy adults. Key areas of intervention included infant nutrition; access to water, sanitation and hygiene; nutrition counselling; sexual and reproductive health messaging; preventing gender-based violence; setting up village savings and loan schemes; and promoting women's rights.

As a result, mothers were able to make better decisions, and there were many examples of their increased confidence, with some taking leadership positions in their communities. The programme also helped mothers engage with local chiefs, health workers and faith leaders to ensure that their voices are being heard, recognising that communities are better narrators of change as they experience it themselves. In every country, our local partners also spearheaded engagements with their county governments in support of the women they represent.

In Burundi, 14,070 women and adolescent girls participated in activities on good nutrition practices. Malnutrition screening identified 12,146 children who needed further support and, as a result, the malnutrition rate in the target communities was halved, from about 5% at the start of the project to about 2.5% by the end of 2020. In addition, 2,885 households were able to start vegetable gardens, giving them a more balanced diet. Finances improved, with 3,831 women starting 130 village savings and loan associations, which helped build members' capital from £48,699 in 2019 to £163,765 in 2020.

In Kenya, 2,414 adolescent girls benefited from nutrition training and information on sexual and reproductive health, delivered at school and in the community. The programme supported young mothers and pregnant girls, referring 139 pregnant adolescent girls to antenatal services and teaching them about parenting and breastfeeding, while 693 young mothers were given nutrition counselling and screening for themselves and their babies. Children with malnutrition (and their mothers, where needed) were referred to supplementary feeding programmes. Over three years, the programme reached 7,717 young mothers and their children, and the malnutrition rate for children under 2 years dropped from 8.1% at the start of the project to 7.2% by the end of 2020.

In Sierra Leone, the programme implemented the Gender Model Family approach which trains couples on gender and inclusion and how families can model a gender-sensitive family life to the community through shared roles and responsibilities. Through this approach, Christian Aid contributed to reducing gender-based violence cases among couples from an average of 20 cases in 2017/18 to between zero and two cases in the target communities in 2019. An evaluation in 2020 showed a 33% increase in attendance and uptake of health services, from 24,392 to 36,349 patients from 2018 to 2019. In addition, the project facilitated the participation of community members in the national and district level budgeting process and enabled partners to lobby the government to create a specific nutrition budget line that included adolescent nutrition in the national budget.

In Nigeria, the programme improved the nutrition status of 8,155 vulnerable children over the three years by providing supplementary feeding for malnourished infants, and delivering nutrition counselling to 4,908 caregivers, 75% of whom were women. This was achieved by training 24 frontline healthcare workers and 48 community health agents on case identification and health education on nutrition, and equipping 20 primary health centres to manage malnutrition in children.

In South Sudan, Christian Aid partners improved community hygiene and sanitation by rehabilitating 12 boreholes and constructing two public latrines, ensuring 86 households have a safe way to dispose of faecal matter. The programme also provided opportunities for conversations on harmful social norms such as polygamy, wife inheritance and child marriages. It promoted greater awareness of gender-based violence, increased referrals of abuse cases to the chief's courts and provided psychological support to survivors of gender-based violence. This work led to an overall reduction of 40% in cases of gender-based violence in the target groups.

Holding decision makers to account on services to the most excluded

Myanmar, Nigeria and Zimbabwe

Accessing basic services, such as education, health and water, is often hardest for people who are the most marginalised in society. Their needs are unheard and unmet. For example, people who use drugs, LGBT+ populations, rural women, young people and people with disabilities are more likely to face extreme poverty and have the least power and influence to transform their situation.

Evidence and Collaboration for Inclusive Development (ECID) is one of Christian Aid's flagship programmes working to improve access to services for the most marginalised people. ECID is a global consortium of eight national and international organisations led by Christian Aid and funded by the UK Government since 2018.¹ The project works in Myanmar, Nigeria and Zimbabwe.

In each country, analysis to identify the most excluded communities has enabled the programme to reach people who find it most difficult to access services and support from their governments. The project strategy has been to enable community members to generate evidence of their experiences and bring it to the attention of local and national decision makers. Official data collection rarely focuses on the lived experience in this manner; therefore, policymakers lack the evidence needed to take action.

In Zimbabwe and Nigeria, our community-based reporters have been gathering stories during the Covid-19 pandemic. Local civil society partnerships in Myanmar, Nigeria and Zimbabwe have been using data to push for change at a local level and they have sustained this collective action beyond the ECID project. In Nigeria, partners used data about loss of farm produce during floods to successfully lobby the commissioner for agriculture to commit to the construction of a storage facility. This will save indigenous rural farmers' produce from annual flooding, protecting their livelihoods.

Brian Damba, a community-based reporter who lives with a disability, says: 'People within my community now have a platform that gives them a chance to speak their mind about challenges they are facing due to economic hardships. People have the chance to comment on government policies and this will help the world to understand the situation of Zimbabwe at grassroots level.'

Unfortunately, recent UK Government cuts mean that the ECID programme will not be completed and it will close in October 2021. ECID has been one of Christian Aid's most innovative projects, providing us with significant learning on how to use data more effectively for change. We hope we will be able to maintain this learning through other projects addressing the accountability of decision makers to the most excluded.

¹ The consortium was led by Christian Aid and included the African Women's Development and Communication Network (FEMNET), Frontline AIDS, The Global Network of Civil Society Organisations for Disaster Reduction (GNDR), Ipsos Mori (until November 2020), On Our Radar, Open University (OU), Social Development Direct (SDDirect) and Womankind.

Side by Side: a year of change

In 2015, Christian Aid co-founded the Side by Side faith movement for gender justice. The aim is to achieve gender equality through the collective voice and actions of faith leaders around the world. Across the 14 national chapters, in sub-Saharan Africa, Scotland, India and Haiti, Side by Side has influenced new policies and laws, such as the minimum age for a girl to be married in northern Nigeria and Tanzania, and gender parity in political representation in Uganda and Kenya. Members have also influenced religious institutions in Zimbabwe, Sierra Leone and Nigeria to adopt more gender-equitable practices and to actively promote gender equality in their organisations.

The Covid-19 pandemic presented challenges to Side by Side's advocacy work and put an additional burden on faith leaders as they shepherded their congregations. Despite this, Side by Side facilitated online training with members World Vision and the All Africa Conference of Churches to strengthen coordinated responses to Covid-19. It also supported faith leaders from Christian and Muslim communities in Nigeria to condemn rising gender-based violence during the lockdown and to provide psychosocial support to survivors.

Side by Side also engaged remotely in the UN Commission on the Status of Women to amplify the prophetic voices of members and partners. It worked with the International Partnership on Religion and Sustainable Development, the UN Population Fund and the governments of Sweden, Denmark, Germany and Argentina to collectively call for all nation states to tackle harmful social norms and patriarchal power structures that keep people poor. A co-commissioned report, *Looking Back to Look Forward*, highlighted how progressive religious actors can be critical changemakers for gender justice, especially in a context where there is a deep and relentless pushback on women's rights from fundamentalist religious groups.

After five years of being hosted at Christian Aid, this year Side by Side moved to a new host organisation, We Will Speak Out South Africa. This will ensure Side by Side is more rooted among its national chapters. Christian Aid remains a committed member of the movement.

At Side by Side's recent celebration of the handover to We Will Speak Out South Africa, Prof Azza Karam, General Secretary of Religions for Peace, shared this reflection: 'The Divine that creates does not distinguish or discriminate. Patriarchy is perhaps the oldest pandemic known to humankind, so as

people of faith, let's come together to sustain and uphold gender justice, side by side.'

People-powered change

A review of our campaigning in 2018 renewed our commitment to people-powered campaigning in the UK. We redoubled our efforts to build and support movements capable of advocating for changes in the systems and structures that keep people in poverty. Equipping and empowering Christians and churches to create change has been at the heart of this work. During the last year, we have developed new training programmes and expanded our work with young people and Black Majority Churches.

Across the year, more than 300 Christian Aid supporters took part in online training events to build their skills in campaigning and community organising. These were delivered remotely in partnership with networks across different faith communities. It was also our first full year of our Prophetic Activist scheme. This provided training and support for 25 young adults aged 18–30 to launch their 'Stop Fuelling the Fire' campaign, which called on the UK Government to stop financing of fossil fuels overseas. The initiative joined forces with many other people and organisations, including CAFOD, Global Justice Now and Global Witness, as part of the UK Overseas Fossil Fuels campaign. The wider campaign culminated in the UK Government announcing it would stop financing fossil fuels around the world and won the 'David & Goliath' award at the Sheila McKechnie Foundation's National Campaigner Awards 2021.

Our Global Neighbours scheme launched in 2018 to support schools in equipping children with the knowledge, skills and confidence for courageous advocacy. It reached a milestone this year, with 100 schools achieving accreditation. In those schools, 16,500 young people have now had high-quality learning opportunities to explore the causes and consequences of poverty and take action for a more just and sustainable world. With more than 850 schools now registered for the scheme, we expect to hear much more of what thousands of children have been learning and doing over the past year as many of those schools apply for accreditation in the coming year.

Recognising that the climate justice movement fails to reflect the diversity of Britain and the experiences and concerns of Black Christians, a new programme funded by the European Climate Foundation was launched to support Black Christians to take their place at the heart of the climate movement in the

build-up to COP26. This included delivering a landmark study into the attitudes, experiences and perspectives of Black British Christians in relation to climate justice, which demonstrated the readiness of Black Christians to engage and the barriers they face. New resources were developed, sharing the testimonies of Black church leaders and equipping Black Christians to raise the profile of climate justice in their churches.

Events with the Faith Forum, the Diocese of Southwark and the Centre for Black Theology at the Queen's Foundation drew more than 500 Black Christians and church leaders into conversations about how to ensure their witness is visible. One of the foundational achievements of the programme has been the assembly of a group of pre-eminent Black church leaders and theologians to help steer and co-develop the work programme.

Our hope is that this work will contribute to a more diverse and inclusive climate movement that recognises the contributions of all God's children.

Plans for the future

Covid-19 dramatically disrupted our work and the external environment in which we operate. The early part of 2020/21 required us to complete the wholesale organisational restructure that had begun in September 2019, while we also placed most UK-based staff either on reduced hours or on furlough. We had to shift almost overnight to online working among staff and partners, and to digital engagement with supporters.

Over the course of the year, we were able to adapt and continue our programmes, advocacy and campaigns while we completed the exit from 12 country offices; put in place our new organisational structure; sustained our voluntary income despite the major disruption to Christian Aid Week in May; and weathered sudden cuts to UK aid.

We will continue to make the safety and security of our staff and partners a priority while carrying out our activities when countries are affected by new crises, such as those arising in Afghanistan, Haiti and Myanmar in 2021.

Although our external environment changed dramatically during the year, our strategic goals continued to underpin our work. We agreed and began implementation of a three-year plan that sets out to:

- strengthen impact, and evidence of impact, for people living in poverty.
- help catalyse and support movements for social and political change that tackle the root causes of poverty.
- shift power to national civil society and to communities we support, and develop our work with faith actors.
- increase our reach and efficiency by working with others, especially through the ACT Alliance, achieving economies of scale by cooperating with agencies who share our values.
- recover our unrestricted income and grow our UK supporter base.
- stabilise and diversify our institutional income.



Principal risks and uncertainties

Our work to eradicate poverty is inherently risky, particularly in fragile or conflict-prone countries, or when speaking out on difficult issues. Effective risk management is therefore critical.

Extreme poverty is political and caused by an abuse of power. Tackling the root causes of poverty, resourcing local civil society organisations directly and speaking truth to power opens us up to risks from those who seek to prevent us and our partners from having our desired impact – particularly at a time when populism and polarisation continue to increase across the globe and commitments from governments (including the UK) on international development are reversed.

In the UK, trust in all institutions, including international non-governmental organisations and churches, has fallen in recent years and brings the risk of losing supporter trust or failing to attract new supporters, at a time when communities globally are facing increased challenges caused by a range of factors including conflict, climate change and disease.

The Black Lives Matter movement has exposed the endemic structural and systemic inequalities faced by black, Asian and other minority ethnic groups. The ongoing Covid-19 pandemic poses a risk to our income and programme work due to the consequences of lockdowns across the globe, losses caused by illness and death, and the onset of a worldwide recession. The impact of the pandemic on the poorest people is expected to reverse past gains, with progress across 70 developing countries being set back 3-10 years (UN Department for Economic and Social Affairs).

Our global strategy, *Standing Together*, directly addresses these issues through its focus on poverty, power and prophetic voice. It articulates Christian Aid's transformative role worldwide, and anchors this in our values. It provides a clear framework through which we make change happen, demonstrate impact, and continue to put the experience of communities and partners at the heart of our work. The framework is underpinned by a corporate plan and financial framework that is approved annually by the board and includes key performance indicators and strategic initiatives to support and demonstrate the delivery of our strategy.

In view of the specific risks presented by the Covid-19 pandemic, the board has approved a three-year gradual recovery plan, and progress against this is monitored by the

Previous page: Collins Lopa (left) with his trainer, Peterson Nyongo in Malaka, Malawi. Collins had always wanted to be a tailor and training through a Christian Aid-supported scheme has allowed him to achieve his dream and provides him with a reliable source of income to support his family.

board. During the year, we commissioned an independent review of our approach to race and diversity. This revealed systemic issues within our organisation that we are committed to addressing, including with the appointment of a new race and diversity lead role. This work is strongly endorsed by the board, which is itself reviewing its own mechanisms for ensuring equity and inclusion in all aspects of governance.

While we face many challenges, we are confident that through the dedication of our staff, partners, and loyal and committed supporter base, we will remain resilient to shocks presented by the external environment and continue to serve those communities that are central to the delivery of our core purpose.

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, are regularly reviewed and systems and procedures have been established to manage those risks.

The Board of Trustees 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 audit, risk and assurance function. Senior management ensures that day-to-day risk management processes are embedded across the organisation, through the effective implementation of policies and procedures and the maintenance of appropriate risk registers. 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 at each of its meetings. The board formally reviews the effectiveness of our approach to risk management and approves the corporate risks register annually. During the year, the board also considered the risk register as part of its review and approval of the corporate plan.

A number of working groups manage risks in high-risk areas. In 2020/21, these included the Health, Safety and Security Committee, the Large Programmes Oversight Committee, the Safeguarding Governance Group, the Data Protection Oversight Committee, the Financial Crime Risk Committee and the Digital and IT Steering Group.

Serious incidents and near misses are monitored and inform our risk management strategies. There is a crisis management procedure for responding to any major incident. Internal audit

is responsible for assessing the effectiveness of internal controls against a schedule of audits approved by the audit and risk committee. Results are reported to management and the directorate and summarised for this committee. Management is responsible for implementing actions arising from the internal audit process. Progress is tracked and reviewed by the directorate and the audit and risk committee. Every year, the Audit and Risk Committee receives an annual assurance statement from the directorate, which details key controls in place during the year and includes an audit opinion from internal audit. This is supported by completion of the Charity Commission's internal financial controls for charities checklist.

This table identifies the principal risks and uncertainties facing Christian Aid in the medium term and the steps we take, given our business model and risk appetite, to manage these.

Principal risk	Control and mitigation
<p>Covid-19 pandemic</p> <p>The pandemic is a global shock, with the health crisis leading to a worldwide recession. This presents risks to our funding model, to the health and wellbeing of our staff and partners, to opportunities for effective collaboration, to civil society space, and, most importantly, to those communities who suffer the most extreme poverty and who are the most likely to be affected by political, economic and social threats.</p>	<ul style="list-style-type: none"> • A Covid-19 Incident Management Group is in place to manage our global operational response to the pandemic, including remote working and staff wellbeing. • We have staff wellbeing resources and promote collaboration through a 'one Christian Aid' approach to our work. We promote learning opportunities and monitor staff retention and unplanned turnover. • We have adapted our advocacy and programming to ensure relevant and effective responses to the challenges posed by the pandemic and safety first for those coming into contact with our work. • We are implementing a gradual recovery plan under the oversight of the board, including integrated fundraising and prioritisation of themes for programme work during and after the pandemic.
<p>The countries in which we operate</p> <p>Working in challenging and insecure locations and contexts risks our personal and financial security, our reputation and our accountability to perform impactful work with those most in need of humanitarian and other developmental support. The strategic choice to focus our work on the countries and regions of greatest need raises the likelihood that risks will materialise.</p>	<ul style="list-style-type: none"> • We work with and through local partners, faith-based organisations and other actors with roots in local communities in the implementation of our work; we invest in maintaining access to up-to-date information and relevant networks; we focus on creating a culture able to respond quickly to changes in contexts. • Where local partners are not present, we implement directly through Christian Aid staff, as long as this is appropriate to the context or donor requirements and we can build capacity of local partners for the future. • We have dedicated, highly experienced security resources and we ensure we have up-to-date security policies and procedures embedded through training and protocols. We participate in and lead sector-wide humanitarian security structures. • We test our crisis management procedure periodically. The procedure has been actively used in response to specific events internationally that have posed direct threats to our staff, partners and work, most recently in response to events in Afghanistan in August 2021.
<p>Advocacy and campaigning</p> <p>Advocacy and campaigning can risk putting Christian Aid and others connected with our work into conflict with actors who do not agree with us. If we make statements that are not well researched or are erroneous, we risk litigation and reputational damage.</p>	<ul style="list-style-type: none"> • We have an internal public policy and media sign-off protocol for approving and guiding our public policy and media products intended for external audiences. • We ensure all our communications are well researched and compliant with regulations. • We provide clear guidance to country programmes around partner publications. • We have our own research and learning function, whose role is to deepen the connections between our programme practice and policy development, advocacy and campaigning, to ensure our research and evidencing work is well designed, and to support Christian Aid to better understand the long-term impact of our work.

Principal risk	Control and mitigation
<p>Working through and with partners</p> <p>There is a risk that Christian Aid partners may lack the capacity to deliver effectively the work that we support or to comply with new or more complex donor requirements. This may result in lack of impact, misuse of funds, accountability or safeguarding risks and could thereby damage our reputation.</p> <p>Failure to invest time and effort in strengthening our key partnerships, including with governments, civil society organisations and the private sector, could reduce our overall impact.</p>	<ul style="list-style-type: none"> • We have partnership agreements between Christian Aid and partners that define shared values, standards and joint strategies. • We have a due diligence process for funded partners, including an organisational capacity and risk assessment framework. • We monitor and evaluate all projects and require external audits for all partners funded more than £50,000 in any year. • We commission and publish independent external evaluations of our work. • We have a range of anti-fraud and corruption policies on matters including financial crime and abuse, whistleblowing, anti-bribery, safeguarding and fraud and misuse, which are all available to partners. Our requirements in relation to safeguarding, fraud and corruption are included in our funding and reporting agreements with partners. • We have a process for investigating incidents of safeguarding, financial crime and corruption, taking appropriate actions that include reporting to statutory agencies and ensuring that lessons are learned. • We have a Large Programmes Oversight Committee that monitors the performance and risk management of major contracts and grants. • We have our own supplier terms and conditions, which include a code of conduct and other ethical and environmental considerations.
<p>Accountability to the people we serve</p> <p>There is a risk that the communities in whose name we act are excluded from influencing or benefiting from our programmes or are harmed or negatively impacted by them.</p>	<ul style="list-style-type: none"> • Our values and code of conduct are shared with partners and communities so that they are aware of the behaviours that they can expect from anyone representing Christian Aid. • Our commitment and certification to the Core Humanitarian Standard, underpinned by our quality standards, promotes the rights, dignity and centrality of the vulnerable people and communities that we serve. • We require all partners to have an appropriate code of conduct and safeguarding policy, and to respond to feedback and complaints in communities where we work. A procedure for community-based accountability assessments is being rolled out across international programmes in late 2021. We are implementing a feedback and complaints database to automate, where possible, processes that were previously manual to promote cross-organisational learning and further embed the effective application of our quality standards. • We have a responsible data group that supports the application of data protection principles within our programme work.
<p>Programme design, quality and effectiveness</p> <p>There is a risk that if we fail to design and deliver our programmes to the highest standard or fail to understand and comply with specific donor requirements, we will not deliver the greatest impact to communities or donors may lose trust in our work and cease future funding. If we fail to ensure issues of diversity and inclusion are central to our programme design and ways of working, we risk compromising our values, mission and ability to reach those most in need.</p>	<ul style="list-style-type: none"> • We have structures, policies, procedures and systems within a programme quality framework to ensure that we carefully design our work and select our partners, taking account of community needs, diversity and inclusion, the local economic environment, and lessons from earlier work. • We have monitoring and evaluation systems and conduct external evaluations. • We have processes to ensure that donor requirements are understood and applied by our local teams and implementing partners.

Principal risk	Control and mitigation
<p>Economy, sector competition and financial strategy</p> <p>There are risks that change in the economy and the wider narrative in relation to international development in the UK and globally. These can have an adverse impact on people's propensity to give, and on institutional funding priorities and international cooperation more generally. These can reduce the income available and wider support for our programmes.</p> <p>This risk has been exacerbated by Brexit and UK aid cuts and threatens a significant decline in institutional funding for our work.</p> <p>There are risks arising from increasing competition for the shrinking pool of mostly ageing supporters among our natural constituency of churches.</p> <p>We have a closed final salary pension scheme, which could give rise to future unmatched liabilities requiring additional funding, depending on economic and other factors.</p>	<ul style="list-style-type: none"> • We have a reserves policy and regular board review of financial and fundraising performance including by the Finance, Fundraising and Investment Committee. • We are engaged in advocacy, working with networks and coalitions, including Bond, to minimise the negative impacts of the UK aid cuts, and shape a positive development vision for the UK. • We have an established presence outside the UK in our sister agency Christian Aid Ireland and through ACT Alliance EU, enabling Christian Aid to retain its voice in Europe. • We retain a pipeline of institutional funding and monitor progress on securing opportunities to diversify funding with a range of donors through effective programme design and delivery, and as part of an integrated fundraising strategy. • We are implementing a new supporter management system that will enhance the supporter journey with Christian Aid, the digital interface with our supporters and the ability to match people with opportunities they are most interested in supporting in a timely way. • We encourage our many loyal supporters to give, act and pray in solidarity with the communities living in poverty we support. We ask for, and respond to, feedback on our marketing, communications and fundraising activities through a variety of channels. • We keep abreast of changes to fundraising regulation and data protection law, to ensure supporter interaction is compliant. • We have active management of our pension fund liability with a long-term de-risking strategy that is approved by the Finance, Fundraising and Investment Committee, supported by professional advice as appropriate and close working with the pension trustees.
<p>Christian identity</p> <p>There is a risk that negative external perceptions of Christianity and differences of opinion with churches on key issues could have a detrimental impact on our work. Tensions between states and churches, should they arise, could adversely impact our own relationship with governments. We could also fail to make the most of our opportunities to engage the churches in the fight against poverty.</p> <p>There is a risk that the growth in religious extremism could hamper our ability to work in some locations and the effectiveness of our programmes.</p>	<ul style="list-style-type: none"> • 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. Our policy positioning draws on theological insight and reflection not only to strengthen our arguments, but also to provide a deeper understanding for the Christian constituency. • Christianity underpins our core values. We have a role to promote understanding and tolerance of others regardless of race, gender or faith, using our faith as a force for change and contributing to interfaith cooperation for the benefit of those in poverty.

Principal risk	Control and mitigation
<p>Regulatory compliance</p> <p>Failure to keep abreast of national and local laws and requirements could compromise our ability to continue working internationally.</p> <p>Failure to demonstrate compliance with the regulatory framework, as it evolves, could damage our reputation and result in fines and other penalties.</p> <p>Regulatory pressure could restrict our ability to respond quickly to the most vulnerable, especially in conflict situations or in locations where terrorist groups are known to operate.</p> <p>If Christian Aid funds were diverted into terrorist hands, it would carry significant reputational, legal and financial risk and undermine the application of our core values.</p>	<ul style="list-style-type: none"> • Our in-country teams 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 provide induction and training to new trustees and have processes in place to keep the board apprised of relevant changes in regulation. • We have a range of committees to oversee regulatory compliance including the Health, Safety and Security Committee, Financial Crime Risk Committee, Data Protection Oversight Committee and Safeguarding Governance Group. • We are actively engaged with government and the financial sector to ensure that the regulatory environment relating to financial crime does not preclude legitimate humanitarian action. • Statements on our compliance with the Modern Slavery Act and gender pay gap reporting are available on our website. • Our policy on reporting serious incidents to the Charity Commission is approved and monitored by the Audit and Risk Committee.
<p>Human resources</p> <p>If we do not provide effective leadership and management, and if we do not look after the wellbeing of our staff or ensure that we are diverse and truly inclusive, the implementation of our strategy could be significantly compromised and our reputation damaged.</p>	<ul style="list-style-type: none"> • We have rigorous recruitment processes designed to help select candidates who can best help us meet our core aims, and to ensure equal opportunities. Our recruitment policies include structured gender sensitive and racially diverse panel interviews and the taking up of references. Staff sign our code of conduct and have a structured induction. • We are using the output from the independent review to strengthen our approach to race and diversity and the mechanisms we have to ensure our values are truly reflected in all our systems, processes and ways of working. • We have a structured performance management approach designed to support and monitor individual performance. • We have human resources policies designed to promote employee wellbeing and the provision of regular and open communication to employees. Throughout the Covid-19 pandemic we have implemented a range of measures to promote staff wellbeing and have conducted staff surveys to test levels of satisfaction with our response. • We regularly obtain feedback from staff through surveys and feedback boxes. We respond, by department, to issues raised.
<p>Information systems and cybersecurity</p> <p>Failure to keep pace with new technologies and ways of reaching supporters and affected communities in the way they prefer could reduce our impact and effectiveness.</p> <p>Failure to delivery IT projects to time and budget could undermine organisational benefits. We have been challenged by the implementation of our supporter management system, which has not gone fully to plan.</p> <p>Failure to secure our information systems from attack could lead to loss of service, loss of data and even put people at risk, leading to reputational damage, regulatory breach and fines.</p>	<ul style="list-style-type: none"> • The Digital and IT Steering Group oversees digital strategy and investment. It also provides oversight of cybersecurity risk management. • We commissioned an independent evaluation of the implementation of the supporter management system and have taken on board the lessons learned for this and future investments. • All our staff and volunteers are required to follow IT policies and procedures and there are regular updates on cybersecurity risks. Online data protection and cybersecurity training is mandatory for all staff. • We undertake regular testing of our IT security through a third-party consultant.

Financial review

Please note that all the comparisons below refer to the restated 2020 financials after the exclusion of Christian Aid Ireland (refer to note 1a of the financial statements for further details).

Income and expenditure overview

Christian Aid's income has decreased by 13% to £86.4m in 2020/21, primarily due to a reduction in institutional grants and government contracts (described as charitable activities in the financial statements).

	2020/21	2019/20	Variance
Income	£'m	£'m	%
Donations from individuals	42.3	44.1	(4%)
Institutional grants	40.4	48.8	(17%)
Charitable activities	2.7	5.9	(54%)
Other	1.0	0.7	43%
Total income	86.4	99.5	(13%)

The 17% decline in institutional income reflects lower levels of UN humanitarian activity, reductions in UK Government development opportunities, the first quarter outside the EU transition period with DG ECHO, and completion of key projects that have not been replaced by new work. We secured and delivered Covid-19 focused grants, including FCDO Rapid Response Funding for Afghanistan/Nigeria that partly offset these declines. The UN World Food Programme remains a key partnership in Nigeria, the DRC and Bangladesh. We agreed two large new EU Development grants in Bangladesh (on gender and rights) and Malawi (on resilience and climate risk reduction). New grant approvals secured during the year were £31m (2020: £34m).

Although income from UK Government contracts declined, we successfully completed two key contracts for the Foreign Commonwealth and Development Office in Sierra Leone (SABI) and Ghana (STAR – Strengthening Transparency, Accountability and Responsiveness). Replacement contracts were not secured.

	2020/21	2019/20	Variance
Total donations by type	£'m	£'m	%
Christian Aid Week	4.1	7.6	(46%)
Appeals	9.8	10.1	(3%)
Legacies	12.2	10.7	14%
Regular gifts	12.1	12.5	(3%)
Other donations	4.1	3.2	28%
Total donations	42.3	44.1	(4%)

While Christian Aid Week showed a 46% reduction in income due to the impact of the pandemic restrictions on fundraising activities, such as house-to-house collections, a significant increase in digital income (included in 'Other donations' in the table above) and legacy income, substantially offset the Christian Aid Week shortfall to leave donations from individuals only 4% below the previous year. Our legacies pipeline at year end is £15.8m (2020: £11.4m) and includes a single, very generous, legacy of £5.4m.

	2020/21	2020/21	2020/21	2019/20	2019/20	2019/20
Income	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£'m	£'m	£'m	£'m	£'m	£'m
Donations and legacies						
Donations from individuals	36.7	5.6	42.3	36.9	7.2	44.1
Institutional grants	1.9	38.5	40.4	2.4	46.4	48.8
Charitable activities	2.7	-	2.7	5.9	-	5.9
Other trading activities	0.9	-	0.9	0.6	-	0.6
Investments	0.1	-	0.1	0.1	-	0.1
Total income	42.3	44.1	86.4	45.9	53.6	99.5

Unrestricted income at £42.3m is 8% below the previous year. As noted above, this is largely the result of lower levels of income from government contracts, which are treated as unrestricted, while institutional grants are treated as restricted. However, unrestricted income has increased as a proportion of total income to 49%, due to the impact of reduced institutional income on the overall restricted income position.

	2020/21	2019/20	Variance
Expenditure	£'m	£'m	%
Raising funds	11.1	13.5	(18%)
Charitable activities			
Development	35.3	44.3	(20%)
Humanitarian	34.7	39.9	(13%)
Campaigning, advocacy and education	8.2	9.0	(9%)
Total operational expenditure	89.3	106.7	(16%)

Total operational expenditure has decreased by 16% to £89.3m in line with the fall in income.

Spend on charitable activities, at £78.2m, is 88% of total costs (2020: 87%), but is 16% below the previous year, reflecting lower income and the impact of programme closures arising from the change programme in 2020, together with cost-saving measures taken as part of the pandemic impact mitigation.

Fundraising costs are 18% below last year, due to a combination of the impact of the change programme, cost-saving measures taken because of the pandemic and reduced investment in key fundraising events that could not take place due to the pandemic, the most important being Christian Aid Week.

Our expenditure on campaigning, advocacy and education continues to focus on raising awareness with churches and Christian Aid supporters about our work and influencing governments and other institutional policies and practices to achieve lasting change for those facing poverty and injustice. However, as with fundraising, expenditure has also fallen in the year.

In 2019, we commenced a major strategic review that resulted in a restructure of the charity with a target to reduce the overall cost base by £7m by 31 March 2022. Christian Aid committed up to £3m to deliver the changes. The programme is now substantially complete, with a small amount of spend (£0.1m) anticipated in the year to 31 March 2022 to deliver the final elements of the programme. As a result, staff numbers have reduced to 866 on 31 March 2021 (31 March 2020: 963).

In part due to the restructure but also as a result of reduced programme activity and pandemic cost control measures, including the furlough of some UK staff, total staff costs have reduced by 20% year on year.

As a result of a faster reduction in income than expenditure in the restricted funds, Christian Aid is reporting a net deficit of £7.1m on restricted funds in the year. The majority of the deficit is cyclical, due to drawdown on prior year appeal funds, such as

the Nepal and Syria emergency appeals, and the fact that some of our larger projects cut across financial years, such that income and expenditure may not fully align from one year to the next. However, a stronger than anticipated voluntary income performance, together with the impact of the change programme and pandemic-related cost-saving measures, means that the unrestricted economy has delivered a £4.7m surplus in the year, substantially offsetting the drawdowns from prior year balances in the restricted economy.

Balance sheet, reserves, pension and cash

Our net asset position has reduced by 7% to £32.3m, reflecting the overall deficit position for the year.

Operational reserves (unrestricted reserves less depreciating tangible and intangible fixed assets) have increased to £21.1m as a result of the stronger than anticipated performance on unrestricted funding and sit above the target range of £10m to £18m set by the trustees. The operational reserves are anticipated to come back into line with the target range over the next two years.

In addition, we have designated £1m out of total unrestricted reserves of £24.5m to provide additional support to the poorest communities in 2021/22.

Restricted funds at £7.8m reflect a decrease of £6.6m on the previous year. There are both surplus and deficit funds at programme level that net off to this balance. The trustees remain content that the fund balance held against each programme is appropriate to the stage of the life cycle of the programme.

The final salary pension scheme has a surplus of £19.1m (2019/20: £26.1m) under FRS102 and hence Christian Aid does not anticipate the need to make further contributions to the pension scheme for the foreseeable future. The surplus in the scheme cannot be recognised in the balance sheet under FRS102 because it is not recoverable.

A continued strong focus on cash and working capital management, together with the impact on debtors of reduced government-funded programme activity (as many governments pay in arrears) drives a £2.7m net inflow of cash to £10.2m over the year. The trustees consider the cash position, the healthy reserves and the projections for future income as sufficient to support the operational requirements of Christian Aid for the next 12 months and beyond.

Covid-19

As noted above, the restrictions arising due to the Covid-19 pandemic have impacted the results for the financial year to 31 March 2021, primarily due to the curtailment and cancellation of a number of activities associated with Christian Aid Week in May, and reductions in UK Government funding. However, the mitigating steps taken by Christian Aid, including other fundraising moments, the use of furlough, reduced hours for UK staff and cuts to discretionary spend lines, together with better-than-expected performance on legacies and digital income, means that we have ended the year in a stronger than expected operating reserves position.

As part of our risk mitigation, we also initially put on hold our updated investment strategy. However, as the situation became clearer, we implemented our investment strategy with an allocation of £6m to a mix of socially responsible bonds and equities, holding back £4m in cash as continued risk mitigations (in addition to the £10.2m cash and cash equivalents noted above).

Meanwhile, the majority of our existing project field work has been able to continue, and we have engaged in a number of new projects to help fight Covid-19 in Africa and Asia, including work which is part of the DEC emergency appeal.

As a result, while the trustees recognise that the pandemic has impacted the income of Christian Aid in the year to 31 March 2021, they consider that we have taken sufficient steps to sustain international programmes through the pandemic and protect the organisation.

Structure, governance and management

Board of Trustees

Our Board of Trustees consists of a Chair and Vice Chair, a nominee from each of the national advisory committees for Wales and Scotland, and from Churches Together in Britain and Ireland (CTBI), the Chair of Christian Aid Ireland, and up to 14 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, geographical spread, 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 reappointed for further terms of office, usually limited to eight consecutive years. This process does not apply to the nominee from CTBI or to the Chair of Christian Aid Ireland.

New trustees undertake a comprehensive induction programme, which covers the formal governance arrangements and includes our legal structures and obligations, charitable priorities and work. We recognise the importance of trustees keeping up to date with current regulation and best practice. Information is shared through a monthly briefing. Trustees are also invited to attend meetings, conferences and seminars that give them a better understanding of their roles and responsibilities.

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

The board delegates certain functions to subcommittees including: an Audit and Risk Committee; a Finance, Fundraising and Investment Committee; a Human Resources Governance and Strategy Committee; and a Remuneration Committee.

The Board Governance and Nominations Committee is separately constituted under the Articles. The Board Governance and Nominations Committee is responsible for nominating new trustees for election to members (the sponsoring churches) at the annual general meeting, and for reviewing the performance of the board. It also ensures that the board has effective work processes.

The Audit and Risk Committee reviews reports from external and internal auditors. It has oversight of, and reviews policies, in key risk areas, including data protection, safeguarding, financial crime and health, safety and security. It also 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 advises on human resources policies to ensure that they are aligned with our values and objectives and helps inform our global people strategy.

The Remuneration Committee reviews the principles governing pay and benefits at Christian Aid. It also makes recommendations to the board on the remuneration of the Chief Executive.

The National Advisory Committees for Wales and Scotland support the board in articulating our work and engaging with churches and other stakeholders in these nations.

The board reports to members at the annual general meeting. The members are the 41 sponsoring churches, as listed in the Acknowledgements section on p99.

Organisational structure

We operate through an incorporated charity ('Christian Aid') registered with the Charity Commission for England and Wales and with Companies House. Various subsidiary and connected charities support us, as described below.

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 charity. The Irish sponsoring churches, Irish Council of Churches and Christian Aid are members of Christian Aid Ireland. Christian Aid Ireland became an independent legal entity within the Christian Aid family on 1 April 2007, connected to, but separate from, Christian Aid. Previously, the results for Christian Aid Ireland had been consolidated into the group accounts. However, from April 2020 onwards, the results for Christian Aid Ireland have been deconsolidated from the group accounts. The prior year comparative figures in the group accounts on pp73-97 now exclude Christian Aid Ireland.

This reflects the revised Framework Agreement approved in July 2020 by the boards of Christian Aid and Christian Aid Ireland. Although Christian Aid Ireland operates as an independent entity, it remains aligned with Christian Aid in terms of its brand, vision, mission and values.

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

Change Alliance is a for-profit, wholly owned subsidiary of Christian Aid, established in India, providing consultancy, business development and fundraising support to a range of Indian private-sector and non-governmental partners.

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

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

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.

Governance matters

The requirement for trustees to demonstrate effective governance of charities increases year on year. The Covid-19 pandemic during 2020/21 has been an extremely challenging context in which the board and subcommittees continued to operate very effectively. Despite the many challenges for Christian Aid during this time, the board and committees worked in an agile way, quickly moving to holding meetings online and scheduling a number of extra meetings to address specific issues arising as a result of the pandemic. Throughout 2020/21, the board has continued to give high priority to good governance and some of the main issues it has considered are outlined below.

Board performance review

In keeping with good governance practice, the board normally arranges an annual review of its own performance. An

independent externally led review concluded in early 2019, and it had been the board's intention to hold an internal review in 2020. The very different circumstances in which the board has been working as a result of Covid-19 led it to postpone that review to 2021. The review will now include an opportunity for trustees to reflect on the changed working practices the board has had to adopt during the pandemic and to consider which might beneficially be retained in future.

Charity Governance Code

The board keeps a close eye on its compliance with the Charity Governance Code. The implications of the changes introduced during the year to the sections of the Code on Integrity and Equality, Diversity and Inclusion were considered by the Board Nominations and Governance Committee. On the committee's advice, the board has asked each of its subcommittees to consider whether changes are needed to meet the new recommended practices in these new sections.

Although the board is compliant with nearly all of the recommended practices contained in the Charity Governance Code, it has decided to explain why it does not apply two of the recommended practices following the 'apply or explain' approach encouraged by the Code.

Firstly, the size of the board exceeds that recommended by the Code. Christian Aid's Articles of Association provide for up to 20 trustees and there are currently 14. The reason for having a larger board is to include representation from our sponsoring churches across four nations, as well as a balance of knowledge and skills, gender, age, ethnicity and geographical spread (both UK and international). We believe that the size of the board is necessary for the complexity and size of the organisation and enables an appropriate response to business needs.

Secondly, the Code recommends that the chair of an audit committee should have recent financial experience. In 2020/21, our Audit and Risk Committee had this experience within its membership, although not directly with the chair. We have a separate Finance, Fundraising and Investment Committee that is chaired by a finance professional. The responsibilities of our Audit and Risk Committee extend more widely than audit and include responsibility for advising the board on risk management and control issues. Risk management is integral to how the trustees govern Christian Aid and our approach to managing risk is explained in detail on p33. The board is satisfied that the chairs and members of each committee have the competencies to ensure that the committees can discharge their responsibilities effectively.

Public benefit

The trustees confirm that they have had regard to 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
- 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, our partner organisations in countries where we work, for long-term development and responding to emergencies, as well as vital campaigning, advocacy and education work on the causes of poverty.

Throughout this report, we illustrate how our work furthers our charitable purposes and the significant benefits it brings to communities and individuals in developing countries in urgent need of support, regardless of race, creed or nationality.

The trustees confirm that they have had regard to section 172(1) of the Companies Act 2006, which details the trustees' duties to promote the success of the charity to achieve its charitable purposes. This trustees' report details the activities, policies and governance arrangements in place at the charity to achieve this aim.

Disclosure of trustees' interests

Two trustees are connected with other entities with which Christian Aid has entered into very minor arm's length transactions during the year. These trustees were not involved in the decisions to use the services of the suppliers to which they are connected. Nor has there been any board-level discussion of these suppliers that might construe a conflict. Trustees are not involved at the operational level of proposing projects, selecting suppliers or approving payments.

Trustee attendance register

	Board		Committees	
	Total	Attended	Total	Attended
Hazel Baird ¹	5	5	4	3
Alexis Chapman ^{2,3,5}	5	4	10	7
Jennifer Cormack ^{2,4}	5	5	9	8
Mark Currie ²	5	5	5	5
Bala Gnanapragasam ¹	5	5	4	3
Pippa Greenslade ^{3,5}	4	3	4	4
Victoria Hardman (until October 2020)	3	3	0	0
Liz Hughes	5	5	0	0
Martin Johnstone	5	4	0	0
Mukami McCrum ³	4	3	2	2
Nick Moberly ¹	5	5	4	4
Nan Powell-Davies	5	5	0	0
Margaret Swinson ^{1,4}	5	5	8	8
Valerie Traore	5	4	0	0
Rowan Williams ^{*1,2,3,4,5}	5	5	0	0

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

Policies

Fundraising

Our fundraising vision is a powerful movement of people, partners and communities, joined by our shared values. By mobilising and inspiring congregations, schools, leaders and individuals to give, act and pray, we seek transformation for these communities alongside people living at the sharp end of poverty and injustice.

Through diverse supporter engagement, we aim to provide a sustainable platform for Christian Aid that is not dependent on any single source of income. It also means we can campaign independently on the issues we believe will make the most difference. Fostering genuine supporter relationships is not only the most effective approach for Christian Aid, but also leads to transformation for all involved.

Christian Aid is registered with the Fundraising Regulator and is committed to legal, open, honest and respectful fundraising.

We monitor regulatory developments, review policies and update training for staff and volunteers to ensure we maintain standards. Our suite of fundraising policies covers the standards and principles that underpin our approach to fundraising by way of voluntary income from individuals, churches and communities. Major gifts and funds from institutions are also covered. Our private sector (institutional) fundraising follows our due diligence process.

Christian Aid works with a number of third-party agencies for fundraising. For Legacy and Individual Giving, we utilise partner agencies to support us in telephone fundraising. To ensure we maintain the high standards expected of Christian Aid, we have our own telephone fundraising charter to direct the conduct of ourselves and our partners. In addition to training call handlers, we have regular update sessions, monitor calls for quality each week and investigate fully in the rare event of a complaint. We apply the same standards to the third parties we work with in our fundraising activity, providing training and routine monitoring to ensure they represent Christian Aid appropriately.

We take protecting supporter data very seriously. Our data protection policy complies with – and, in some cases, goes beyond – General Data Protection Regulation (GDPR) requirements and our privacy policy is always accessible on our website. We never swap or sell supporter data and supporters can change their communication preferences at any time.

Voluntary scheme for regulating fundraising

Christian Aid has a large number of committed and active volunteers, engaged in a variety of activities from teaching in schools to writing for social media, organising support through fundraising events or promoting our appeals and campaigns. Our volunteers give thousands of hours of their time across many different roles each year.

Our 15,000 organisers and church representatives run fundraising in their churches, particularly in Christian Aid Week when thousands of people have traditionally come together to raise money through house-to-house collections and other activities. In-person fundraising was significantly impacted following the outbreak of the Covid-19 pandemic in 2020. In 2020/21, we were able to resume some Covid-safe in-person events and fundraising. In addition, we have continued to work with our supporters to increase online fundraising and more than half of the Christian Aid Week income was derived from online activities. Our professional fundraisers provide guidance and resources to support our fundraising volunteers.

We are incredibly grateful to our volunteers for all they do for Christian Aid. Together, they make a huge difference for the world's poorest people.

Complaints

Building strong relationships with our supporters is important to us. We are grateful to receive feedback from our supporters, whether it is to help us improve or encourage our existing work. We have introduced new complaint and feedback mechanisms to sit alongside our Supporter Care Charter.

We report annually to the Fundraising Regulator the number of complaints we have received. From 1 April 2020 to 31 March 2021, we sent 1,200,000 fundraising emails and 1,100,000 addressed direct mail pieces. We received 148 complaints in total (0.0064%).

Protection of vulnerable people

We want giving to Christian Aid to be a positive experience for all. We recognise that among the many people with whom we engage through our fundraising activity, there may be a small number who do not have the capacity, at the point of interaction, to understand fully the nature of the donation they are being asked to give, or the consequences of making that donation.

We have a Fundraising Policy to enable all staff to follow best practice guidelines for dealing with adults at risk or in

vulnerable circumstances, and children and young people. We have specific guidance regarding house-to-house collecting and receiving donations from people in vulnerable circumstances. Many of our supporters and collectors are themselves increasingly elderly, and therefore our group organisers, church representatives and volunteers are supported by staff, who receive regular safeguarding training.

Grants policy

We are committed to working in partnership with local and national organisations through a grant-making approach.

Grants to partner organisations are made within our agreed strategies. Grants for development programmes tend to be awarded 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.

We act 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.

Communicating with staff and volunteers

Effective communication with staff and volunteers has never been more important than during the Covid-19 pandemic throughout 2020/21. The Christian Aid Intranet is the primary tool used by staff to access information across the organisation. In addition, the Yammer social network allows staff to communicate across time zones and to leave feedback.

During 2020/21, the Christian Aid Intranet was expanded to include a number of new portals from which staff can access updates, information and resources to support their work and wellbeing. These include the Wellbeing portal, the Remote Working portal and the Covid-19 portal. Staff have also received weekly updates from the Incident Management Group. This group was created in March 2020 to manage and monitor Christian Aid's response to the Covid-19 pandemic, particularly in the context of our people and programmes.

In order to keep staff up to date on what is happening in the organisation generally, discussion and information sharing also takes place in all-staff meetings, departmental meetings,

internal events and webinars, which are broadcast live on Microsoft Teams to Christian Aid offices globally. Staff receive the weekly newsletter Majority World News and can read the news highlights on the intranet homepage.

We are committed to open and accountable management of our employees, where development and recognition are acknowledged. Employees can raise ideas or concerns through their manager or senior management, including the Chief Executive, or anonymously through the Whistleblowing Policy and the Ideas Box. Directors engage with staff through direct communication, webinars, staff engagement surveys and Q&As.

Good communications between staff and directors mean that staff are regularly informed of and consulted about changes and developments within the organisation, with Standing Together, our global strategy 2019-26, forming the basis for our engagement.

We have excellent working relationships with Unite and the National Union of Journalists, the recognised unions at Christian Aid. There is also a network of global staff representatives, who volunteer to represent their colleagues. We work together to help staff during key employee relations activities.

Volunteers

It has been an extraordinary year for volunteering. The Covid-19 pandemic has raised the profile of giving time and local action more than ever before. We have been heartened by the resilience of our volunteers, adapting to new challenges and embracing new ways of working to support our work. In response, we have provided regular guidance to enable safe volunteering, as well as resources and training to help facilitate the use of digital platforms and virtual volunteering.

In 2020/21, we invested in the Volunteering team, which has been developing a new three-year volunteering strategy that will innovate our volunteering programme. We are continuing to build on the momentum surrounding volunteering, creating exciting new opportunities that will grow our community networks and create local movements in support of Christian Aid.

Over the past year, we have been supported by 95 volunteers virtually assisting our teams behind the scenes. Though activity was limited due to the pandemic, 190 volunteer speakers have continued representing Christian Aid in the community. Among

our 15,000 wider community volunteers, we have started to see a gradual return to fundraising and campaigning as usual.

Christian Aid Week was a great opportunity to bring our volunteers together. While it looked different this year, the resilience and creativity of our volunteers enabled a new model of virtual engagement and fundraising. Our volunteers supported us in raising more than £4 million during Christian Aid Week 2020.

The Big River Programme, our strategic change programme to reposition volunteers as strategic partners in achieving our organisational goals, has now come to an end. The programme enabled us to develop our Volunteer Voices Forum. Although it is in its infancy, the forum provides an exciting opportunity for Christian Aid to be insight-led and to co-design new volunteering initiatives and programmes using local voices.

People matters

The Covid-19 pandemic has created an extremely challenging context for our staff to deliver impactful programmes and activities around the world. Staff wellbeing and agile working have been key priorities during 2020/21.

An Incident Management Group has been in operation since March 2020 and has met on a weekly basis to discuss UK and international responses to the crisis. In March 2020, all employees were moved to home working. There has been a gradual return of some employees to office working where safe to do so, and a number of precautions have been put in place, including social distancing and hand sanitiser stations.

Christian Aid will be moving to a hybrid model of working from January 2022. Staff have been asked to express preferences for working mostly from home, being office based or combining a mix of home and office working. In this way, the organisation is hoping to offer staff more flexible working, which many staff members have valued during the past year.

Supporting staff during the pandemic has been a key concern. Individual circumstances have varied enormously during the pandemic, with some staff experiencing family illness or bereavement, or struggling with their own mental or physical health. Other staff have been challenged by juggling work with home schooling in the earlier stages of the pandemic. Experiences have also varied considerably for staff depending on the countries where they live, with some staff facing the additional challenges of limited access to healthcare or of political unrest.

In order to support staff wellbeing, a number of initiatives have been developed that are available to all staff. Christian Aid has created Wellbeing and Covid-19 portals on the staff intranet which contain useful information and resources. A series of wellbeing sessions have been offered to all staff. Staff can also speak in confidence to one of the Mental Health First Aiders who are accessible across the organisation.

In April 2021, Christian Aid set up an Employee Assistance Programme offered through different healthcare providers to all staff worldwide. The programme includes access to telephone counselling and a range of other healthcare services free of charge.

As a result of the Covid-19 pandemic, Christian Aid furloughed more than 100 UK staff who were eligible under the scheme for different periods. Christian Aid successfully completed its restructure at the onset of the pandemic. The change programme was largely concluded in July 2021 with recruitment to many posts in the new structure. As part of the organisation's commitment to diversity and inclusion, we ensured that we had balanced recruitment panels in terms of race and gender. More than 100 managers were also trained in recruiting online and avoiding unconscious bias.

Christian Aid concluded the implementation of a global HR system. We have launched the modules for performance management, learning management systems, and inducting new members of staff.

The work has included ensuring that our staff capabilities are aligned with the new global strategy, through the performance management process and opportunities for personal development. We have trained a huge part of the organisation on getting the best from performance management. The work on shaping a new organisational culture to deliver our strategy has continued.

In summary, the past year has been an extraordinary one for the staff and volunteers of Christian Aid, who have continued to give dedicated service to the organisation during a time of great uncertainty and difficulty. We are extremely grateful for the resilience and commitment shown by our staff and volunteers, which has enabled the organisation to continue to function throughout the pandemic, so that we can deliver our programmes and serve our communities in their time of greatest need.

Remuneration policy

We have reviewed our remuneration policy. It is available on our website and is overseen by the Remuneration Committee of the board. The committee has delegated authority to provide governance oversight and input into principles and policies governing the pay and benefits of Christian Aid staff. Our remuneration policy looks to set salaries at a median level in the local market.

While no pay increase was awarded to Christian Aid staff for 2020/21 as we prepared ourselves for the future through the restructure, we now have the right structure and strategy in place to make us fit for that future. Part of being a sustainable organisation for decades to come means that we are committed to ensuring that we are able to sustain a salary structure which allows us to attract great people and keep them.

The remuneration for the Chief Executive and the senior executive personnel is reviewed and decided by the Remuneration Committee and, ultimately, the full board in line with our Remuneration Policy. The following guiding principles are used in determining Chief Executive remuneration:

- transparency
- appropriateness and benchmarking against external comparators
- expertise and experience
- competitive recruitment and talent retention.

We have also commissioned a Global Reward review, which will look at total reward across our international and UK teams and will consider local markets, affordability, fairness and comparability. The results of this review are expected to be available in 2021/22.

Gender pay gap

We produced and published our third UK Gender Pay Gap Report for the year 2019/20. The 2020 figures are based on a headcount as at 5 April 2020 of 420 UK contracted employees. In the year immediately preceding this (2019/20), we had 112 leavers and 93 new starters. From the leavers, 62 were female and 50 were male. From the starters, 60 were female and 33 were male. Our current mean gender pay gap is 12.5%, with the UK standing at 15.5% across all sectors.

Christian Aid's mean gender pay gap of 12.5% is an increase from 10.5% in 2018/19. Our analysis of our statistics shows that, while we have been employing more women than men to

new roles, a much higher proportion of men have been recruited to more senior roles. This is a significant factor explaining the increase in the gender pay gap. We are committed to addressing this imbalance and we are working on a number of initiatives to achieve this. We remain confident that men and women are paid equally for doing the same type of work.

To support a fuller assessment of our gender pay gap data, we commit to examining the effects of ethnicity on pay.

While there is no doubt that generations of behaviour and practice are still having an impact and there is a need for concentrated action at societal level, we can and should play our part in change.

Over the next three years, we will commit to reducing the gap by:

- ensuring pay transparency
- improving our recruitment practices (we have introduced anonymous recruiting)
- building on our flexible working (already good, but we are reactive)
- providing opportunity through direct action
- taking direct action on pay, especially at appointment.

Diversity and inclusion

Dignity, equality, justice and love are the core values of Christian Aid. These values apply equally to our own people, as well as the communities we serve. We are committed to an organisation where no one experiences racism or discrimination, where all our people can have an impact, grow, and progress professionally, and everyone can bring their whole selves to work.

We believe that all our people should be treated fairly and equally, regardless of characteristics such as gender, religious belief, race, ethnic origin, nationality, sexual orientation, physical or mental disability, or age. We aim to have a zero-tolerance approach to all racist and discriminatory behaviour. We are committed to challenging all forms of discrimination within our practices, policies, procedures and behaviours to create a truly equal and diverse organisation which lives out its values in word and deed.

We have taken a number of steps to promote greater diversity and inclusion in our workplaces in 2020/21, as outlined below.

Wherever possible, applications from disabled people are encouraged, supported and their skills are developed, and we advertise annually in *Living with Disability* magazine.

Every reasonable measure is taken to adapt our premises and working conditions to enable disabled people to work or volunteer at Christian Aid.

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.

In 2020/21, we commissioned a report on race and equality within Christian Aid from external consultants, Xtend (UK) Ltd. The report highlighted a culture of colour-blindness in the organisation. In order to address issues of racial injustice and work towards becoming a truly anti-racist organisation, we committed to a number of actions immediately and over the next 18 months and beyond. These actions include the appointment of a Race and Diversity Lead, increased oversight of race and diversity by our board, and regular training on race and diversity for all staff and trustees. In May 2021, we held our first Day of Anti-Racist Learning for all staff. In addition, we will undertake a diversity impact assessment of our policies and behavioural goals and continue to create safe spaces for ongoing conversations around race and diversity within the organisation.

Health, safety and security

The Covid-19 pandemic presented the health safety and security risk management function with significant challenges during 2020/21. These were met with robust mitigations that were put in place to create a safe working environment for all staff. Mitigations included introducing travel and movement restrictions, providing Covid-19 secure working practices for our offices, providing robust guidance for staff engaging with communities, and adapting existing policies and frameworks.

This past year has been dominated by responding to immediate and longer-term uncertainties caused by the coronavirus pandemic. Despite a challenging year, most of our principal health safety and security risks remained stable, although they are being tested to their fullest. Due to our ability to utilise agile mitigation strategies in response to shifting threats and priorities, we have been able to work through these challenges.

Pandemic-related impacts have created a volatile socio-economic climate in countries already facing intercommunal

tensions, particularly where minority groups are excluded from political, social or economic structures. Growing conspiracy theories and anti-government sentiments are likely to fuel existing societal fissures, coalescing violent extremist groups around their ideological fringes. Many minority groups have been impacted by the pandemic, as online misinformation/disinformation and conspiracy theories target vulnerable communities and seek to exploit pre-existing social and communal tensions that are likely to manifest into political civil unrest. There have also been increasing instances of violent anti-lockdown protests, and we are likely to see violent extremists try to exploit this sense of social exclusion and growing discontent.

We are seeing such tensions play out in Afghanistan, Myanmar, Ethiopia, the DRC, Nigeria, Burkina Faso, South Sudan and Nicaragua. These conflict dynamics will continue to challenge the access and safety for Christian Aid staff and partners for the foreseeable future, and many more countries may also experience increasing social, economic and political unrest. We will continue to monitor the situation closely and work to ensure the safety of our staff.

Safeguarding

We are committed to providing a safe and trusted environment for all those who come into contact with Christian Aid. We take a zero-tolerance approach to breaches of our Safeguarding and Code of Conduct policies and put the wellbeing and rights of people and communities at the heart of our work. Ultimate responsibility for safeguarding rests with the board, with duties delegated to the Audit and Risk Committee and Human Resources Governance and Strategy Committee. The board approves the safeguarding policy annually and receives an annual report on safeguarding. The Audit and Risk Committee monitors the effective implementation of the policy and reviews the case file of reported incidents. The Human Resources Governance and Strategy Committee ensures that HR policies and procedures support a strong safeguarding culture.

Christian Aid has three safeguarding trustees. The lead safeguarding trustee supports the interface between the board and its subcommittees. The other safeguarding trustees are chairs of the Audit and Risk Committee and the Human Resources Governance and Strategy Committee.

The Chief Executive directly oversees the organisation's approach to safeguarding. She leads the directorate meetings that consider Christian Aid's response to safeguarding. She also receives reports on safeguarding incidents and attends all

board subcommittee meetings, including the closed sessions of the Audit and Risk Committee, where the safeguarding case file is reviewed.

The Safeguarding Governance Group, a cross-organisational group chaired by our Chief Operating Officer, provides operational oversight of the safeguarding work to strengthen the application of policies and procedures across Christian Aid. We recognise the need for continuous review and improvement of our response to safeguarding risks. The Safeguarding Governance Group ensures that safeguarding priorities we have identified are appropriately resourced and supports decision making where needed.

The dedicated Safeguarding Manager maintains the safeguarding work plan, oversees investigations, and coordinates the Safeguarding Governance Group meetings. During the year, we appointed a Global Safeguarding Adviser to provide technical expertise to further embed safeguarding into our global programmes, including with our partners, and to act as a lead on best practice for the International Department. We also appointed Regional Safeguarding Officers for Asia and Africa. We have provided training to Safeguarding Focal Points across all our international programmes. In turn, the Safeguarding Focal Points support the delivery of this training to Christian Aid staff and partners working internationally.

To further support survivors of abuse, we developed guidance on supporting survivors of harm, exploitation and abuse to ensure a consistent survivor-centred approach when responding to safeguarding incidents.

We continue to encourage all Christian Aid representatives, partners and the people and communities with which we work to report safeguarding concerns, using a choice of confidential mechanisms, including reporting directly to the lead safeguarding trustee. Additionally, we have a Whistleblowing Policy and a confidential whistleblowing email address which is accessible on our website along with our Safeguarding Policy,

At the community level, we have feedback and complaints mechanisms that are designed to provide safe and trusted ways for individuals to report matters related to our programmes, including sensitive issues such as safeguarding concerns.

Safeguarding requirements are included in our Code of Conduct, which is signed by all members of staff, trustees, volunteers and consultants with programme-facing roles. The Safeguarding Policy and Code of Conduct are supported by

mandatory online training that is completed annually by staff, trustees and volunteers.

We require our partners to have safeguarding and code of conduct policies and to provide written assurances on safeguarding as a condition of funding. Safeguarding requirements are also embedded in our partnership and funding agreements together with due diligence processes.

We are continuing to work in collaboration with members of Bond (the UK network for organisations working in international development), donors and regulators to improve the quality and consistency of our individual and collective safeguarding practice.

Modern slavery

Modern slavery is a complex issue and tackling it necessarily involves addressing its root causes. This makes it inextricably linked to our long-term development work. We work with local partners and communities to fight injustice and we campaign to change the economic systems and structures that allow modern slavery and human trafficking to take place.

We also tackle modern slavery as part of our work on business and human rights. In the UK, Christian Aid is a founding member of the Ethical Trading Initiative (ETI) and the Corporate Justice Coalition (CJC). We supported both organisations in playing a key role in the development of modern slavery legislation in the UK and are working with CJC to update that legislation. We also work internationally to advocate for a UN Binding Treaty on Business and Human Rights (a legally binding instrument to better regulate the activities of multinational corporations).

We take steps to ensure that no forms of slavery or human trafficking are part of our supply chains. Supply chain management is covered in our Procurement Policy and Procedure, which specifically references the risk of modern slavery and applies to all expenditure on goods and services purchased directly by the organisation. The policy promotes ethical and sustainable procurement processes and includes a Code of Conduct for Suppliers.

In addition to our own procurement, the policy also applies to any procurement through our implementing partners for donor funded projects. In 2020/21, we updated and strengthened our Partnership Agreement to make more explicit reference to modern slavery risks. We require our partners to have procurement policies and procedures in place to minimise the risk of slavery and human trafficking in their supply chains.

We have introduced a mandatory online training module for our staff, with guidance on how to implement our procurement policies and guidelines. We have also promoted the use of complaint mechanisms and reporting tools if anyone identifies a risk of modern slavery in our or our partners' supply chains.

Carbon footprint update and Streamlined Energy and Carbon Reporting (SECR) compliance

Under SECR legislation, we are required to report some of our UK-based greenhouse gas emissions as part of our Annual Report. Specifically, we need to report, as a minimum, our emissions from UK energy use and business vehicle travel.

Emissions reporting for SECR (UK office energy and business travel) for 2020/21

Emissions source	Quantity	Unit	Carbon footprint (tCO ₂ e)	Scope
Electricity use, Inter Church House	214,976	kWh	61.9	2
Gas use, Inter Church House	147,701	kWh	30.7	1
Electricity use, UK regional offices	33,130	kWh	9.5	2
Gas use, UK regional offices	35,736	kWh	7.4	1
UK fuel use by Christian Aid vehicles	4	litres	0.01	1
UK vehicle travel in non-owned vehicles	22,183	vkm	4.8	3
Total	-	-	114.3	

This represents a carbon intensity of 0.36 tCO₂e per full time Christian Aid employee (FTE).

How this was calculated

All electricity at Inter Church House was purchased from a certified renewable supplier in 2020/21. However, in compliance with UK Government reporting standards, we have used 'location-based' reporting of our electricity emissions, which means that the carbon footprint of electricity is calculated based on the average carbon intensity of the electricity grid, not the supplier.

Carbon emissions have been calculated using Defra's 2020 greenhouse gas emissions factors. Travel in non-owned cars has been calculated using the factor for 'average car, unknown fuel'. Energy data was collected from energy bills for Inter Church House, with Christian Aid's share estimated based on our occupation of 79% of the space in the building.

The electricity use at Christian Aid's offices in Edinburgh, Glasgow, Cardiff and Bangor was based directly on energy bills. However, differentiated bills were not available for the Belfast or Warrington offices, or for gas use at Cardiff or Bangor. In these cases, electricity and gas use were estimated based on the usage in previous years and/or the floorspace of the offices.

Actions taken in 2020/21

Over the past decade, we have been at the forefront of international non-governmental organisations in driving down our carbon footprint. Between 2011/12 and 2019/20, we halved our total carbon footprint and reduced our CO₂e per £1,000 of operational spend by almost two-thirds. In 2020/21, largely due to the impacts of Covid-19, our global footprint has fallen by a further 62% compared with 2019/20. As part of this broader picture, the emissions from our UK offices and business travel (as reported above) dropped by 39% compared with last year's figures reported under SECR, from 187.8 to 114.4 tonnes.

Around 62% of this drop was due to reduced energy use at offices, caused by a mixture of staff working from home and the pre-planned permanent closure of a number of UK offices. The remaining 38% was due to an 85% drop in UK vehicle travel during the pandemic.

We are planning to announce an ambitious transition plan to further reduce our long-term carbon footprint by 2030 in advance of the COP26 climate talks.

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 the UK and the 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 the group 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
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- make judgements 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 charity's assets 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.

Haysmacintyre 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 October 2021 and signed on its behalf by the Chair of the Board:



Dr Rowan Williams

Chair of the Christian Aid Board of Trustees

19 October 2021

Auditor's report

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

Opinion

We have audited the financial statements of Christian Aid for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's and parent charitable company's net movement in funds, including the 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Letter from the Chair and Letter from the Chief Executive. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on p66, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to company and charity law in England and Wales, company and charity law in Scotland and compliance with overseas laws and regulations in the jurisdictions the Group operates in. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, Charity Accounts (Scotland) Regulations (as amended), Charities and Trustee Investment (Scotland) Act 2005 and the impact of payroll taxes and sales taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue, the cut-off of revenue at the year end and management bias in areas of accounting estimate. Audit procedures performed by the engagement team included:

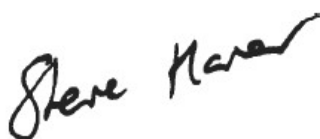
- Inspecting correspondence with regulators and tax authorities;
- Inspecting internal audit reports;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper

(Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

1 November 2021

Financial statements

Consolidated statement of financial activities

(incorporating an income and expenditure account) for the year ended 31 March 2021

		2021	2021	2021	Restated	Restated	Restated
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Notes	funds	funds	funds	funds	funds	funds
		£'m	£'m	£'m	£'m	£'m	£'m
Income							
Donations and legacies							
Donations from individuals	2	36.7	5.6	42.3	36.9	7.2	44.1
Institutional grants	3,19-21	1.9	38.5	40.4	2.4	46.4	48.8
Charitable activities	4	2.7	-	2.7	5.9	-	5.9
Other trading activities		0.9	-	0.9	0.6	-	0.6
Investments		0.1	-	0.1	0.1	-	0.1
Total income		42.3	44.1	86.4	45.9	53.6	99.5
Expenditure							
Raising funds	5	10.7	0.4	11.1	12.9	0.6	13.5
Charitable activities							
Development	5	14.4	20.9	35.3	21.2	23.1	44.3
Humanitarian	5	6.3	28.4	34.7	8.6	31.3	39.9
Campaigning, advocacy and education	5	6.7	1.5	8.2	6.2	2.8	9.0
Total operational expenditure		38.1	51.2	89.3	48.9	57.8	106.7
Other expenditure							
Pension adjustment	22	(0.1)	-	(0.1)	(1.0)	-	(1.0)
Total expenditure		38.0	51.2	89.2	47.9	57.8	105.7
Net gains on investment		0.4	-	0.4	0.1	-	0.1
Net (expenditure)/income		4.7	(7.1)	(2.4)	(1.9)	(4.2)	(6.1)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension scheme	22	13.2	-	13.2	12.1	-	12.1
Removal of pension surplus	22	(13.2)	-	(13.2)	(13.1)	-	(13.1)
Pension adjustment		-	-	-	(1.0)	-	(1.0)
Fund transfers		(0.5)	0.5	-	-	-	-
Net movement in funds		4.2	(6.6)	(2.4)	(2.9)	(4.2)	(7.1)
Reconciliation of funds							
Total funds brought forward at 1 April		20.3	14.4	34.7	23.2	18.6	41.8
Total funds carried forward at 31 March	14,15	24.5	7.8	32.3	20.3	14.4	34.7

Balance sheets

as at 31 March 2021

	Notes	Consolidated group		Parent charity	
		2021 £'m	Restated 2020 £'m	2021 £'m	2020 £'m
Fixed assets					
Intangible assets	8	1.8	2.0	1.8	2.0
Tangible assets	8	5.6	6.1	5.6	6.1
Investments	9	14.4	14.3	14.8	14.7
		21.8	22.4	22.2	22.8
Current assets					
Stocks		-	0.9	-	0.9
Debtors	10	7.5	12.0	6.8	11.8
Short-term cash deposits		0.2	0.3	-	-
Cash at bank and in hand		10.0	7.2	9.8	6.8
		17.7	20.4	16.6	19.5
Liabilities					
Creditors: amounts falling due within one year	11	(5.1)	(5.8)	(4.9)	(5.9)
Net current assets		12.6	14.6	11.7	13.6
Total assets less current liabilities		34.4	37.0	33.9	36.4
Creditors: amounts falling due after more than one year		(0.9)	(0.9)	(0.9)	(1.0)
Provision for liabilities		(1.2)	(1.4)	(1.2)	(1.4)
Net assets excluding pension liability		32.3	34.7	31.8	34.0
Defined benefit pension scheme liability	22	-	-	-	-
Net assets	16	32.3	34.7	31.8	34.0
Restricted funds					
Appeals and other donations	15	5.2	6.0	4.9	5.6
Institutional grants	15	2.6	8.4	2.9	9.8
Total restricted funds		7.8	14.4	7.8	15.4
Unrestricted funds					
Unrestricted funds		24.5	20.3	24.0	18.6
Pension reserve	22	-	-	-	-
Total unrestricted funds	14	24.5	20.3	24.0	18.6
Total funds		32.3	34.7	31.8	34.0

The deficit of the parent charity before consolidation was £2.3m (2020: £7.3m).

The notes on p76 to p97 form a full part of these financial statements. The financial statements were approved and authorised for issue on the authority of the board and signed on its behalf by:


Dr Rowan Williams

Chair of the Christian Aid Board of Trustees

19 October 2021

Consolidated statement of cash flows

for the year ended 31 March 2021

	31-Mar 2021 £m	Restated 31-Mar 2020 £m
Net deficit for the year before net gains/(losses) on investments	(2.0)	(7.0)
Depreciation charges and amortisation of intangible fixed assets	1.0	0.9
Impairment losses on intangible fixed assets	0.9	0.4
Net gains on investments	(0.4)	(0.1)
Decrease/(Increase) in debtors	4.4	2.4
(Decrease)/Increase in creditors	(0.8)	1.6
Decrease/(Increase) in stocks	0.9	(0.6)
FRS102 defined benefit pension contributions	(0.1)	(0.1)
Amounts related to the defined benefit pension schemes included within the accounts	(0.1)	(0.1)
Net cash provided by /(used in) operating activities	3.8	(2.6)
Interest from investments	0.1	0.1
Purchase of fixed assets	(1.2)	(1.7)
Proceeds from the sale of investments	5.3	11.1
Purchase of investments	(5.6)	(10.9)
Investments reclassified as cash	0.3	1.0
Net cash used in investing activities	(1.1)	(0.4)
Change in cash and cash equivalents in the year	2.7	(3.0)
Cash and cash equivalents at the beginning of the reporting period	7.5	10.7
Change in cash and cash equivalents due to exchange rate movements	-	(0.2)
Cash and cash equivalents at the end of the reporting period	10.2	7.5
Analysis of cash and cash equivalents		
Cash at bank and in hand	10.0	7.2
Short-term cash deposits	0.2	0.3
Total cash and cash equivalents	10.2	7.5
Cash and cash equivalents at the start of the year	7.5	10.5
Cash flows	2.7	(3.0)
Cash and cash equivalents at the end of the year	10.2	7.5

Notes to the financial statements

for the year ended 31 March 2021

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 Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2019), applicable to charities preparing their accounts in accordance with FRS102, the Financial Reporting Standard applicable in the UK and the Charities Act 2011 and UK Generally Accepted Practice.

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, including the impact of the Covid-19 pandemic 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 is no material uncertainty to 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 £86.4m (2020: £99.5m restated) and its gross expenditure was £89.2m (2020: £105.7m restated).

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

With effect from 1 April 2020, Christian Aid Ireland Limited in Ireland and in Northern Ireland no longer formed part of the group accounts due to a change in control for those companies.

In previous years, the accounts of Christian Aid consolidated Christian Aid Ireland, itself established as two charitable companies registered in the Republic of Ireland and in Northern Ireland. Christian Aid Ireland was previously consolidated on the grounds that Christian Aid retained the rights to appoint and remove a majority of the trustees. Following a change in the governance arrangements on 1 April 2020, Christian Aid no longer has the rights to appoint and remove a majority of the trustees and therefore no longer controls Christian Aid Ireland. The 2020 comparatives reflect that Christian Aid Ireland is no longer part of the group and therefore show the group without Christian Aid Ireland. Further details of the impact of deconsolidation are shown in note 17.

b. Fund accounting

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 income accruing to the charity during the year is recognised in the statement of financial activities when entitled, probable and measurable. Income from charitable activities refers 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.

Pecuniary legacies are recognised when there is entitlement, which is deemed to be when Christian Aid has been notified of a legacy from the bequest's executors of the estate, the legacy can be measured reliably, and there is probability of receipt. For residual legacies, entitlement is deemed to be the earlier of approved estate accounts and notification of a pending payment or actual payment being received in the accounting period. 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 4 years, their estimated useful lives.

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

Gifts in kind are valued at the lower of market value and value to the charity.

h. Pension costs

Past service costs and other finance costs have been recognised immediately in the statement of financial activities. Actuarial gains and losses are also recognised immediately in the statement of financial activities. This is in accordance with FRS102.

On 26 October 2018, a court ruling confirmed that UK pensions with Guaranteed Minimum Pensions (GMPs) accrued from 17 May 1990 must equalise for the different effects of these GMPs between men and women. As for the year ended 31 March 2020, an allowance of 0.32% is included in the liabilities to allow for the impact of GMP equalisation.

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

The resulting defined pension scheme asset or liability is shown separately on the face of the balance sheet.

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

i. Taxation and irrecoverable VAT

Christian Aid is a registered charity and as such is potentially exempt from taxation on 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.

In common with many other comparable 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 £0.9m for the year (2020: £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 unless stated otherwise in the notes to the accounts. The statement of financial activities includes the net gains and losses arising from disposals and revaluations throughout the year.

l. Programme-related investments

Programme-related investments consists of social investment loans to co-operatives in Nicaragua and Honduras.

The carrying value reflects the cash advances less any repayments or impairments.

m. Operating leases

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

n. Critical accounting judgements and key source of estimation uncertainties

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

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

The most significant judgements are in relation to provisions for terminal benefits, pensions due to overseas staff and impairment of the CRM system and its useful life.

o. Financial instruments

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

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

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

p. Provisions

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

2. Donations from individuals

	2021 Unrestricted £'m	2021 Restricted £'m	2021 Total £'m	Restated 2020 Unrestricted £'m	Restated 2020 Restricted £'m	2020 Total £'m
Christian Aid Week	4.1	-	4.1	7.6	-	7.6
Appeals	5.0	4.8	9.8	4.1	6.0	10.1
Legacies	12.1	0.1	12.2	10.6	0.1	10.7
Regular gifts	12.1	-	12.1	12.5	0.0	12.5
Other donations	3.4	0.7	4.1	2.1	1.1	3.2
Total donations	36.7	5.6	42.3	36.9	7.2	44.1

Total donations of £42.3m (2020: £44.1m) includes £4.1m of tax recovered through tax-efficient giving (2020: £3.8m).

Legacies of which we have been notified, but not recognised as income, are valued at £15.8m (2020: £11.4m).

Total donations include gifts in kind valued at £45,794 (2020: £358,533).

Donations received from the public and churches in the Isle of Man (excluding government grants) during 2020/21, included above, were £63,217 (2020: £42,426).

3. Institutional grants

	Note	2021 Unrestricted £'m	2021 Restricted £'m	2021 Total £'m	Restated 2020 Unrestricted £'m	Restated 2020 Restricted £'m	2020 Total £'m
Foreign, Commonwealth and Development Office (FCDO)	19	0.5	6.7	7.2	0.1	3.2	3.3
European Commission		0.1	2.1	2.2	0.3	7.1	7.4
Irish Aid		-	1.2	1.2	0.1	0.9	1.0
United States Agency for International Development (USAID)		0.4	2.8	3.2	0.6	4.4	5.0
Scottish Government		-	0.3	0.3	-	0.4	0.4
Isle of Man Government		-	-	-	-	0.3	0.3
United Nations		0.2	17.5	17.7	0.4	18.4	18.8
Other governments and public authorities		0.7	7.9	8.6	0.9	11.7	12.6
Total institutional grants		1.9	38.5	40.4	2.4	46.4	48.8

Total institutional grants from United Nations World Food Programme of £17.7m (2020: £18.8m) includes gifts in kind valued at £11.4m (2020: £9.3m).

4. Charitable activities

	2021 Unrestricted £'m	2021 Restricted £'m	2021 Total £'m	Restated 2020 Unrestricted £'m	Restated 2020 Restricted £'m	2020 Total £'m
UK Government – Department for International Development/ Foreign, Commonwealth and Development Office						
SABI accountability programme in Sierra Leone	0.5	-	0.5	1.7	-	1.7
STAR accountability programme in Ghana	2.2	-	2.2	4.2	-	4.2
Total income from charitable activities	2.7	-	2.7	5.9	-	5.9

The Department for International Development became part of the Foreign, Commonwealth and Development Office in September 2020.

5. Total operational expenditure

2021	Notes	Grants to partner organisations £'m	Other direct costs		Allocation of support costs		2021 Total £'m
			Staff costs £'m	Non staff costs £'m	Staff costs £'m	Non staff costs £'m	
	Notes	5.1			5.2	5.2	
Raising funds		-	4.6	4.9	1.0	0.6	11.1
Charitable activities							
Development		16.3	9.0	4.8	3.0	2.2	35.3
Humanitarian		18.1	4.9	9.5	1.5	0.7	34.7
Campaigning, advocacy and education		0.4	4.1	2.2	0.8	0.7	8.2
Total charitable activities		34.8	18.0	16.5	5.3	3.6	78.2
Total operational expenditure		34.8	22.6	21.4	6.3	4.2	89.3
2020							
2020	Notes	Grants to partner organisations £'m	Other direct costs		Allocation of support costs		Restated 2020 Total £'m
			Staff costs £'m	Non staff costs £'m	Staff costs £'m	Non staff costs £'m	
	Notes	5.1			5.2	5.2	
Raising funds		-	6.4	5.5	0.9	0.7	13.5
Charitable activities							
Development		19.2	12.0	7.2	3.3	2.6	44.3
Humanitarian		19.7	5.8	11.5	1.6	1.3	39.9
Campaigning, advocacy and education		1.9	4.1	1.6	0.7	0.7	9.0
Total charitable activities		40.8	21.9	20.3	5.6	4.6	93.2
Total operational expenditure		40.8	28.3	25.8	6.5	5.3	106.7

Expenditure on raising funds includes all expenditure incurred by Christian Aid and its subsidiaries 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 include expenditure incurred through grants to partners, direct programme implementation expenditure and operational activities and an appropriate allocation of support costs.

5.1 Grant expenditure analysed by region

	2021	2020	2021	2020
	£'m	(Restated) £'m	%	(Restated) %
Africa	21.5	25.0	62%	61%
Asia and the Middle East	10.4	10.8	30%	26%
Latin America and the Caribbean	2.1	3.2	6%	8%
Europe	-	0.2	0%	1%
Global	0.8	1.6	2%	4%
Total grants to partner organisations	34.8	40.8	100%	100%

5.2 Allocation of support costs

		2021	2021	2021	2020
	Basis of allocation	Staff costs £m	Other costs £m	Total £m	(Restated) Total £m
Management and Facilities	Headcount	2.4	1.7	4.1	5.4
Finance and Compliance	Headcount	1.9	0.4	2.3	2.6
Human Resources	Headcount	1.1	0.4	1.5	1.4
Information and Communication Technology	Headcount	0.9	1.7	2.6	2.4
		6.3	4.2	10.5	11.8

Included within £2.3m Finance and Compliance is £0.4m (2020: £0.5m) for governance-related costs.

Management and Facilities includes incremental: change programme costs, fixed asset impairment and project costs associated with our CRM and financial systems roll-out.

6. Staff and trustee costs

	2021 £'m	Restated 2020 £'m
Salaries	14.0	16.2
Pension contributions	0.8	1.1
National Insurance contributions	1.3	1.6
Benefits in kind	-	-
Total staff costs (Britain-, Ireland- and Spain-based)	16.1	18.8
Staff cost of overseas-based staff	11.6	15.8
Total staff costs	27.7	34.6

Total staff costs include £1.7m of redundancy and termination payments (2020: £1.1m).

The key management of the charity comprises the Chief Executive and the five directors of the organisation (Corporate Services, Policy, Public Affairs and Campaigns, Fundraising and Supporter Engagement, Strategy and Change, and International). The total remuneration and benefits, including salary and employer's National Insurance and employer's pension contributions, of the key management personnel of the charity was £676,360 (2020: £650,850).

The salary of the Chief Executive, the highest paid employee, was £127,908 (2020: £134,640). The CEO's expenses were £0 (2020: £4,941) due to travel restrictions.

Headcount by location	2021	2020
Britain-, Ireland- and Spain-based staff	381	423
Overseas-based staff	485	540
Total headcount	866	963

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

	2021	2020
£120,000 to £139,999	1	1
£110,000 to £119,999	-	-
£100,000 to £109,999	-	-
£90,000 to £99,999	3	4
£80,000 to £89,999	3	7
£70,000 to £79,999	7	14
£60,000 to £69,999	10	24

The analysis of higher-paid staff includes redundancy and termination payments arising from the restructuring of the charity.

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

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. The total expenses paid to trustees was £69 (2020: £5,493). The number of trustees who claimed expenses is 1 (2020: 10).

7. Statement of financial activities

Net movement in funds is stated after the following charges:

	Consolidated group		Parent charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Auditors' remuneration (exclusive of VAT)				
Fees payable to parent charity's auditors for the audit of the charity's annual accounts	50	45	50	45
Fees payable to parent charity's auditors for the audit of the charity's subsidiaries pursuant to legislation	3	3	3	3
Total audit fees	53	48	53	48
Other services	52	41	52	41
Total fees payable to parent charity's auditors	105	89	105	89
Rental costs in relation to operating leases – land and buildings	-	-	345	345
Investment manager's fee	38	16	38	16

8. Fixed assets

8a. Intangible fixed assets

	Computer software £'m	In development £'m	Total £'m
Cost			
At 1 April 2020	3.5	1.2	4.7
Additions	1.0	0.2	1.2
Impairment	(1.0)	-	(1.0)
At 31 March 2021	3.5	1.4	4.9
Amortisation and impairment			
At 1 April 2020	2.7	-	2.7
Charge in year	0.5	-	0.5
Impairment	(0.1)	-	(0.1)
At 31 March 2021	3.1	-	3.1
Net book value			
At 31 March 2021	0.4	1.4	1.8
At 1 April 2020	0.8	1.2	2.0
Held by parent charity	0.4	1.4	1.8
Held by subsidiaries	-	-	-

8b. Tangible fixed assets

	Central office freehold £'m	Leasehold improvements £'m	Computer equipment £'m	Office furniture, fittings & equipment £'m	Motor vehicles £'m	Total £'m
Cost						
At 1 April 2020	5.1	3.4	2.4	0.9	1.5	13.3
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	(0.1)	(0.1)
At 31 March 2021	5.1	3.4	2.4	0.9	1.4	13.2
Depreciation						
At 1 April 2020	0.1	3.0	2.2	0.7	1.2	7.2
Charge in year	-	0.1	0.2	0.1	0.1	0.5
Disposals	-	-	-	-	(0.1)	(0.1)
At 31 March 2021	0.1	3.1	2.4	0.8	1.2	7.6
Net book value						
At 31 March 2021	5.0	0.3	-	0.1	0.2	5.6
At 1 April 2020	5.0	0.4	0.2	0.2	0.3	6.1
Held by parent charity	5.0	0.3	-	0.1	0.2	5.6
Held by subsidiaries	-	-	-	-	-	-

9. Investments

	Consolidated group		Parent charity	
	2021 £'m	2020 £'m	2021 £'m	2020 £'m
As at 31 March				
Fixed interest securities	2.9	-	2.9	-
Overseas equities	2.0	-	2.0	-
UK equities	0.4	-	0.4	-
Sterling deposits	5.1	10.3	5.1	10.3
Investments in subsidiary undertakings	-	-	0.4	0.4
Programme-related investments	0.2	0.2	0.2	0.2
Property-related investments	3.8	3.8	3.8	3.8
Total investments	14.4	14.3	14.8	14.7
Movement during the year				
At the beginning of the year	14.3	15.5	14.7	15.9
Cost of acquisitions	5.3	10.9	5.3	9.0
Disposals	(5.3)	(11.1)	(5.3)	(9.2)
Reclassified as cash	(0.3)	(1.0)	(0.3)	(1.0)
Net gains/(losses) on investment	0.4	-	0.4	-
	14.4	14.3	14.8	14.7

In March 2020, Christian Aid moved to a new investment manager (Eden Tree). A new investment strategy was implemented over the course of the year to 31 March 2021, with funds allocated across cash, bonds and equities, within a Board-approved ESG mandate.

Programme-related investments consist of social investment loans to co-operatives in Nicaragua and Honduras. The trustees are satisfied that making these loans constitute programme investments that furthers the objects of the charity.

Property-related investments were valued by Cluttons at 1 April 2018. The trustees have assessed the value at 31 March 2021 and are satisfied that there is no material movement.

10. Debtors

	Consolidated group		Parent charity	
	2021 £'m	2020 £'m	2021 £'m	2020 £'m
Prepayments	0.8	0.8	0.7	0.7
Accrued income	5.0	8.9	5.0	9.0
Other debtors	1.7	2.3	1.0	1.8
Amounts due from subsidiary undertakings	-	-	0.1	0.3
Total debtors	7.5	12.0	6.8	11.8

11. Liabilities

11.1 Creditors: amounts falling due within one year

	Consolidated group		Parent charity	
	2021 £'m	2020 £'m	2021 £'m	2020 £'m
Interest-free loans from supporters	0.1	0.1	0.1	0.1
Trade and other creditors	3.0	1.4	2.7	1.6
Deferred income	0.2	0.9	0.2	0.8
Tax and social security	0.7	0.6	0.7	0.6
Accruals	1.1	2.8	1.2	2.8
Total creditors	5.1	5.8	4.9	5.9

Movement on deferred income during the year:

	Consolidated group		Parent charity	
	2021 £'m	2020 £'m	2021 £'m	2020 £'m
Balance brought forward	0.9	0.9	0.8	0.9
Released to income	(0.9)	(0.9)	(0.8)	(0.9)
Received in year	0.2	0.9	0.2	0.8
Balance carried forward	0.2	0.9	0.2	0.8

11.2. Creditors: amounts falling due after more than one year

	Consolidated group		Parent charity	
	2021 £'m	2020 £'m	2021 £'m	2020 £'m
Long-term creditors	0.9	0.9	0.9	1.0

Christian Aid has recognised £0.9m (2020: £0.9m) of creditors falling due after more than one year. This amount relates to pension benefits due to overseas staff.

11.3. Provision for liabilities

	Consolidated group		Parent charity	
	2021 £'m	2020 £'m	2021 £'m	2020 £'m
Provision for liabilities	1.2	1.4	1.2	1.4

Christian Aid has recognised a liability of £1.2m (2020: £1.4m) for the cost of all benefits to which employees are entitled at the end of the reporting period that have yet to be paid.

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 2021/22.

	Consolidated group		Parent charity	
	2021 £'m	2020 £'m	2021 £'m	2020 £'m
Commitments	1.0	1.2	1.0	1.2

13. Operating lease income and commitments

At 31 March 2021, the total of future minimum operating lease income receivable under non-cancellable operating leases amounted to:

	Consolidated group		Parent charity	
	2021 £'m	2020 £'m	2021 £'m	2020 £'m
Land and buildings – within one year	0.1	0.2	0.1	0.2
Land and buildings – between two and five years	0.1	0.2	0.1	0.2
	0.2	0.4	0.2	0.4

At 31 March 2021, the total of future minimum lease commitments payable under non-cancellable operating leases amounted to:

	Consolidated group		Parent charity	
	2021 £'m	2020 £'m	2021 £'m	2020 £'m
Building leases – within one year	-	-	0.3	0.3
Building leases – between two and five years	-	-	1.0	1.4
	-	-	1.3	1.7

14. Unrestricted funds

	Opening balance £'m	Income £'m	Expenditure £'m	Gains and losses £'m	Transfers £'m	Closing balance £'m
Consolidated group						
General funds	12.2	41.1	(36.1)	0.4	(1.5)	16.1
Land and property	5.0	-	-	-	-	5.0
Operational reserves	17.2	41.1	(36.1)	0.4	(1.5)	21.1
Other fixed assets	3.1	1.2	(1.9)	-	-	2.4
	20.3	42.3	(38.0)	0.4	(1.5)	23.5
Designated reserves	-	-	-	-	1.0	1.0
Consolidated group total unrestricted funds	20.3	42.3	(38.0)	0.4	(0.5)	24.5
Parent charity						
General funds	18.6	40.3	(34.8)	0.4	(1.5)	23.0
Designated reserves	-	-	-	-	1.0	1.0
Total unrestricted funds	18.6	40.3	(34.8)	0.4	(0.5)	24.0

A transfer of £1.0m has been made from General Reserves to a Designated Fund, to be specifically applied to additional grant payments to support communities in 2021/22.

A transfer of £0.5m has been made from General Reserves to offset Charity Gifts income anticipated but not received (see note 15).

14.1. Prior year unrestricted funds

	Opening balance £'m	Income £'m	Expenditure £'m	Gains and losses £'m	Transfers £'m	Closing balance £'m
Consolidated group						
General funds	15.5	45.6	(49.0)	0.1	-	12.2
Land and property	5.0	-	-	-	-	5.0
Operational reserves	20.5	45.6	(49.0)	0.1	-	17.2
Other fixed assets	2.7	1.7	(1.3)	-	-	3.1
Consolidated group total unrestricted funds	23.2	47.3	(50.3)	0.1	-	20.3
Parent charity						
Total unrestricted funds	21.7	45.7	(48.9)	0.1	-	18.6

15. Restricted funds

Consolidated group	Opening balance £'m	Income £'m	Expenditure £'m	Transfers £'m	Closing balance £'m
Christian Aid humanitarian appeals:					
East Africa Crisis Appeal 2017	0.4	-	(0.2)	-	0.2
Nepal Earthquake 2015	1.6	-	(1.0)	-	0.6
Syria Crisis 2013	0.3	-	(0.1)	-	0.2
South Asia floods 2016	0.1	-	(0.1)	-	-
Rohingya Crisis Appeal 2017	0.4	0.1	(0.1)	-	0.4
Kerala Floods Crisis 2018	0.1	-	(0.1)	-	0.1
Indonesia Tsunami Appeal 2018	0.3	-	(0.3)	-	-
Malawi/Zimbabwe Cyclone Idai 2019	1.9	-	(0.3)	-	1.6
Coronavirus Emergency Appeal 2020	0.0	2.1	(1.3)	-	0.8
Lebanon Crisis Appeal 2020	-	0.5	(0.3)	-	0.2
Hurricane Iota Appeal 2020	-	0.1	-	-	0.1
	5.2	2.8	(3.8)	-	4.2
Disasters Emergency Committee appeals:					
Indonesia Tsunami Appeal 2018	0.1	-	(0.1)	-	-
Malawi/Zimbabwe Cyclone Idai 2019	0.1	0.4	(0.6)	-	(0.1)
Coronavirus Emergency Appeal 2020	-	0.6	(0.9)	-	(0.3)
	0.2	1.0	(1.5)	-	(0.3)
Christian Aid and DEC appeals	5.4	3.8	(5.3)	-	3.9
Charity gifts and other	(0.4)	0.5	(0.6)	0.5	0.1
Denominational appeals	0.1	0.2	(0.2)	-	-
In Their Lifetime	0.3	0.7	(0.1)	-	0.8
Denominational appeals, charity gifts and other	(0.0)	1.4	(0.9)	0.5	0.9
Legacies	0.6	-	(0.2)	-	0.4
Appeals and other donations	6.0	5.2	(6.5)	0.5	5.2
Institutional grants	8.4	38.9	(44.7)	-	2.6
Total restricted funds	14.4	44.1	(51.2)	0.5	7.8

Parent charity	Opening balance £'m	Income £'m	Expenditure £'m	Transfers £'m	Closing balance £'m
Appeals and other donations	5.6	5.1	(6.4)	0.5	4.9
Institutional grants	9.8	38.6	(45.5)	-	2.9
Total restricted funds	15.4	43.7	(51.9)	0.5	7.8

A transfer of £0.5m has been made from General Reserves to offset Charity Gifts income anticipated but not received (see note 14).

Negative restricted funds have arisen where expenditure is made in advance of anticipated income, and it is expected that the negative balances will be cleared in future accounting periods.

15.1. Prior year restricted funds

Consolidated group	Opening balance £'m	Income £'m	Expenditure £'m	Transfers £'m	Closing balance £'m
Christian Aid humanitarian appeals:					
East Africa Crisis Appeal 2017	1.1	0.0	(0.7)	-	0.4
Nepal Earthquake 2015	2.4	(0.0)	(0.8)	-	1.6
South Sudan Crisis Appeal 2015	0.2	0.0	(0.2)	-	-
Syria Crisis 2013	0.6	0.0	(0.3)	-	0.3
South Asia floods 2016	0.2	0.1	(0.1)	-	0.1
Rohingya Crisis Appeal 2017	0.5	0.1	(0.2)	-	0.4
Kerala Floods Crisis 2018	0.4	0.0	(0.2)	-	0.1
Indonesia Tsunami Appeal 2018	0.6	0.1	(0.4)	-	0.3
Malawi/Zimbabwe Cyclone Idai 2019	0.8	1.5	(0.3)	-	1.9
Ebola Outbreak Appeal 2019	-	0.1	(0.1)	-	-
	6.7	1.9	(3.4)	-	5.2
Disasters Emergency Committee appeals:					
Rohingya Crisis Appeal 2017	0.0	0.5	(0.5)	-	-
Indonesia Tsunami Appeal 2018	0.0	0.9	(0.9)	-	0.0
Malawi/Zimbabwe Cyclone Idai 2019	0.1	1.5	(1.4)	-	0.2
	0.1	2.9	(2.8)	-	0.2
Christian Aid and DEC appeals	6.8	4.7	(6.2)	-	5.3
Charity gifts and other	(0.5)	0.7	(0.6)	-	(0.4)
Denominational appeals	0.1	0.3	(0.3)	-	0.1
In Their Lifetime	0.1	0.4	(0.2)	-	0.3
Denominational appeals, charity gifts and other	(0.3)	1.4	(1.1)	-	-
Legacies	1.3	-	(0.7)	-	0.6
Appeals and other donations	7.8	6.1	(8.0)	-	6.0
Institutional grants	10.8	47.5	(49.9)	-	8.4
Total restricted funds	18.6	53.6	(57.9)	-	14.4

Parent charity	Opening balance £'m	Income £'m	Expenditure £'m	Transfers £'m	Closing balance £'m
Appeals and other donations	12.8	4.7	(6.0)	(5.9)	5.6
Institutional grants	6.8	49.1	(52.0)	5.9	9.8
Total restricted funds	19.6	53.8	(58.0)	-	15.4

16. Analysis of net assets

Fund balances as at 31 March 2021 are represented by:

	Unrestricted funds		Restricted funds	Total £'m
	Fixed assets £'m	Other £'m	£'m	
Consolidated group				
Fixed assets	7.4	-	-	7.4
Investments	-	14.4	-	14.4
Current assets	-	9.9	7.8	17.7
Current liabilities	-	(5.1)	-	(5.1)
Long-term liabilities	-	(0.9)	-	(0.9)
Provision for liabilities	-	(1.2)	-	(1.2)
Total net assets	7.4	17.1	7.8	32.3
Parent charity				
Fixed assets	7.4	-	-	7.4
Investments	-	14.4	0.4	14.8
Current assets	-	9.2	7.4	16.6
Current liabilities	-	(4.9)	-	(4.9)
Long-term liabilities	-	(0.9)	-	(0.9)
Provision for liabilities	-	(1.2)	-	(1.2)
Total net assets	7.4	16.6	7.8	31.8

16.1 Prior year analysis of net assets

Fund balances as at 31 March 2020 are represented by:

	Unrestricted funds		Restricted funds	Total £'m
	Fixed assets £'m	Other £'m	£'m	
Consolidated group				
Fixed assets	8.1	-	-	8.1
Investments	-	14.3	-	14.3
Current assets	-	6.0	14.4	20.4
Current liabilities	-	(5.8)	-	(5.8)
Long-term liabilities	-	(0.9)	-	(0.9)
Provision for liabilities	-	(1.4)	-	(1.4)
Total net assets	8.1	12.2	14.4	34.7
Parent charity				
Fixed assets	8.1	-	-	8.1
Investments	-	14.3	0.4	14.7
Current assets	-	4.5	15.0	19.5
Current liabilities	-	(5.9)	-	(5.9)
Long-term liabilities	-	(1.0)	-	(1.0)
Provision for liabilities	-	(1.4)	-	(1.4)
Total net assets	8.1	10.5	15.4	34.0

17. Subsidiary undertakings and related party transactions

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

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 and Christian Aid International is therefore consolidated by virtue of common control. It is consolidated on a line-by-line basis in the Christian Aid group financial statements, in line with FRS102. The Christian Aid International year end was 31 March 2021.

The British and Irish Churches Trust Ltd (BICT)

A charitable company limited by guarantee, incorporated in England and Wales. It owns the freehold title to Interchurch House and three residential properties, acting as custodian trustee for Christian Aid and Churches Together in Britain and Ireland (CTBI). The year end of this company was 31 December 2020, the date of CTBI's year end. The figures below represent Christian Aid's 71.25 per cent interest. The reserves retained within BICT are related to the management of Interchurch House.

Christian Aid Trading Ltd (CAT)

A company limited by share capital, incorporated in England and Wales. Its two shares are held by Christian Aid. Christian Aid Trading Ltd carries out the trading and commercial promotional activities of Christian Aid, the incorporated charity. The net taxable profit is transferred by Gift Aid to Christian Aid. The Christian Aid Trading Ltd year end was 31 March 2021.

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 2021.

Christian Aid Ireland Ltd (Northern Ireland) Christian Aid Ireland Ltd (Republic of Ireland)

In previous years, the accounts of Christian Aid consolidated Christian Aid Ireland, itself established as two charitable companies registered in the Republic of Ireland and in Northern Ireland. Christian Aid Ireland was previously consolidated on the grounds that Christian Aid retained the rights to appoint and remove a majority of the trustees. Following a change in the governance arrangements at 1 April 2020, Christian Aid no longer has the rights to appoint and remove a majority of the trustees and therefore no longer controls Christian Aid Ireland. The 2020 comparatives have been restated to reflect the impact of deconsolidation with the removal of £8.8m income, £8.8m expenditure, £0.3m unrecognised gains and £6.5m net assets, related to Christian Aid Ireland.

Nyuki Hubs Kenya Limited

A company limited by share capital, incorporated in Kenya, wholly owned by Christian Aid UK. Its board is made up of employees of Christian Aid. Nyuki Hubs is a for-profit organisation which, with partners, is currently undertaking Christian Aid's activities in Kenya. The Nyuki Hubs year end was 31 December 2020. This subsidiary has not been consolidated in current or previous financial periods, due to immateriality.

17.1 Subsidiary undertakings

	2021 CA INT £'m	2021 BICT £'m	2021 CAT £'m	2021 CH A £'m	2020 CA INT £'m	2020 BICT £'m	2020 CAT £'m	2020 CH A £'m
Total income	0.1	1.2	0.1	0.7	0.4	1.2	0.1	0.9
Total expenditure	(0.1)	(1.2)	(0.0)	(0.7)	(0.3)	(1.2)	-	(0.4)
Net income	(0.0)	-	0.1	-	0.1	-	0.1	0.5
Gift Aided to Christian Aid			(0.2)				(0.1)	
Retained surplus/(deficit) for the year	(0.0)	-	(0.1)	-	0.1	-	-	0.5
Total assets	0.2	0.1	0.1	0.4	0.1	0.1	0.2	0.6
Total liabilities	-	0.0	(0.0)	(0.1)	0.1	(0.1)	-	(0.4)
Total funds	0.2	0.1	0.1	0.3	0.2	-	0.2	0.2

CA INT = Christian Aid International; BICT = The British and Irish Churches Trust Ltd; CAT = Christian Aid Trading Ltd; CH A = Change Alliance.

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:

	2021 £'m	2020 £'m
1. Grants made to subsidiary undertakings		
InspirAction	0.1	0.2
2. Donations received under Gift Aid from subsidiary undertakings		
Profit donated by CA Trading Ltd	0.2	0.1
3. Payments made to subsidiary undertakings for services rendered in connection with Christian Aid's programme in India		
Christian Aid consultancy fees	0.6	0.6
4. Payments made to subsidiary undertakings for rental of Inter Church House		
The British and Irish Churches Trust Ltd	0.9	0.9

18. Financial instruments

a. Basic financial instruments

At the balance sheet date, the charity held financial assets at amortised cost of £14.7m (2020: £14.4m).

b. Other financial instruments – forward contracts

Christian Aid uses derivative financial instruments when required 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 2021, Christian Aid had no commitments to buy foreign currency in foreign exchange forward contracts (2020: \$4m).

19. Foreign, Commonwealth and Development Office (FCDO)

In the year ended 31 March 2021, grants totalling £7.2m (2020: £3.3m) were received by Christian Aid from FCDO, as follows:

	2021 Unrestricted £'000	2021 Restricted £'000	2021 Total £'000	2020 Total £'000
UK Aid Match – South Sudan and Nigeria, Kenya, Malawi	-	876	876	1,263
European Interagency Security Forum	18	156	174	2
For specific programmes in:				
Ethiopia	(51)	(336)	(386)	595
Global – UK Aid Connect (Civil Society Fund)	79	2,379	2,458	746
Sierra Leone	91	901	992	591
Nigeria	253	2,030	2,283	-
Kenya	20	245	265	97
Bangladesh	19	131	149	-
Burkina Faso	47	339	386	-
	476	6,721	7,197	3,294

20. ICCO* funding

Consolidated group	Opening balance £'000	Income £'000	Expenditure			Closing balance £'000
			Salaries £'000	Other costs £'000	Grants to partners £'000	
EU Volunteers – Capacity Building	(24)	-	-	-	-	(24)
Nigeria Joint Response 3 (NJR3)	(2)	2	-	-	-	-
Hurricane Matthew Haiti October 2016	(6)	-	-	(6)	-	-
Nigeria Joint Response phase 4 (NJR4)	(15)	15	-	-	-	-
Nigeria ICCO NJR 5- Emergency Response to Food Security and Wash Needs in Borno State	161	(17)	-	-	-	144
Nigeria Joint Response Phase 6 (NJR 6)	132	23	71	179	-	(95)
Nigeria Joint Response Phase 7 (NJR 7)	-	38	13	4	-	21
Total ICCO funding	246	61	84	177	-	46

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

21. START Network* funding

In the year ended 31 March 2021 grants totalling £1.5m (2020: £1.9m) were received by Christian Aid from START Network,* as follows:

	2021 Unrestricted £'000	2021 Restricted £'000	2021 Total £'000	2020 Total £'000
START Fund:				
Emergency responses	96	1,420	1,516	1,925
Total START Network funding	96	1,420	1,516	1,925

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

22. Pensions

a. Defined benefit (final salary) funded pension scheme

The employer operates a defined benefit scheme in the UK. The scheme is closed to future accrual with effect from 30 June 2007, but has retained the salary link for active members. An actuarial valuation is currently being carried out at 30 September 2020 and the preliminary results of this have been updated to 31 March 2021 by a qualified actuary, independent of the scheme's sponsoring employer.

The most recent full actuarial valuation as at 30 September 2017 showed a surplus of £235,000. The employer agreed with the Trustees that it will pay £98,200 per annum to cover expenses of the scheme. Levies to the Pension Protection Fund will be paid separately by the employer upon receipt of the annual invoice.

On 26 October 2018, a court ruling confirmed that UK pensions with Guaranteed Minimum Pensions (GMPs) accrued from 17 May 1990 must equalise for the different effects of these GMPs between men and women. As for the year ending March 2020, an allowance of 0.32% is included in the liabilities to allow for the impact of GMP equalisation.

(i) Present values of defined benefit obligation, fair value of assets and defined benefit asset/(liability)

	2021 £'m	2020 £'m
Fair value of plan assets	95.1	89.9
Present value of defined benefit obligation	(76.0)	(63.8)
Surplus	19.1	26.1
Defined benefit asset/(liability) to be recognised	-	-

(ii) Reconciliation of opening and closing balances of the defined benefit obligation

	2021 £'m	2020 £'m
Defined benefit obligation at start of period	63.8	75.1
Expenses	-	-
Interest expense	1.5	1.8
Past service cost/(credit) – plan amendments	-	(1.1)
Actuarial losses/(gains)	12.1	(9.7)
Benefits paid	(1.4)	(1.7)
Experience (gain)/loss on liabilities	-	(0.6)
Defined benefit obligation at end of period	76.0	63.8

(iii) Reconciliation of opening and closing balances of the fair value of plan assets

	2021 £'m	2020 £'m
Fair value of plan assets at start of period	89.9	87.8
Interest income	2.1	2.0
Expenses	(0.1)	(0.1)
Actuarial gain/(loss)	4.5	1.8
Employer contributions	0.1	0.1
Benefits paid and expenses	(1.4)	(1.7)
Fair value of scheme assets at the year end	95.1	89.9

The actual return on the scheme assets over the period ended 31 March 2021 was £6.6m. The best estimate of contributions to be paid by the employer for the period commencing 1 April 2021 is £0.1m. This includes an allowance for expenses. The PPF levy is payable in addition by the employer.

(iv) Defined benefit costs recognised in the Statement of Financial Activities

	2021	2020
	£'m	£'m
Expenses	0.1	0.1
Defined benefit costs recognised in statement of financial activities	0.1	0.1
Return on plan assets (excluding amounts included in net interest cost) – gain/(loss)	4.5	1.8
Experience gains and losses arising on the plan liabilities – gain/(loss)	1.0	0.6
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – gain/(loss)	7.7	9.7
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain/(loss)	(13.2)	(13.1)
Total amount recognised in other recognised gains/(losses)	-	(1.0)

(v) Assets

	Value at 31 March 2021 £'m	Proportion %	Value at 31 March 2020 £'m	Proportion %
Equities	-	0%	-	0%
Bonds	85.8	90%	89.5	100%
Other	9.3	10%	0.4	0%
Total assets	95.1	100%	89.9	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.

(vi) Assumptions

	2021	2020
Discount rate	2.15%	2.35%
Inflation assumption – Retail Price Index	3.25%	2.60%
Inflation assumption – Consumer Price Index	2.95%	1.60%
Rate of increase in salaries	2.00%	2.60%
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	3.25%	2.60%
Allowance for pension in payment increases of CPI or 5% p.a. if less	2.85%	1.75%
Allowance for pension in payment increases of CPI or 3% p.a. if less	2.30%	1.55%
Allowance for commutation of pension for cash at retirement	75% of maximum	75% of maximum

The mortality assumptions adopted at 31 March 2018 imply the following life expectancies:

	2021	2020
	Years	Years
Male pensioner – currently 65	21.8	22.5
Female pensioner – currently 65	24.2	24.2
Male non-pensioner – currently 65	23.4	23.8
Female non-pensioner – currently 65	25.7	25.5

b. Defined contribution pension scheme

The total cost of the defined contribution pension scheme to the charity was £0.9m (2020: £1.1m). There were no outstanding or prepaid contributions at 31 March 2021.

Acknowledgements

Sponsoring churches

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

Acknowledgements

All 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.

Institutions, agencies, corporates and trusts

ACBAR	Foreign, Commonwealth and Development Office
ACT Alliance	Fundación Avina
Act for Peace Australia	Gaia Energy Brokers Ltd
Action Aid Malawi	German Red Cross
Action Aid Italy	The Global Fund to Fight AIDS, Tuberculosis and Malaria
Action Aid UK	Grand Challenges Explorations, an initiative of the Bill & Melinda Gates Foundation
Allan and Nesta Ferguson Charitable Trust	Guernsey Overseas Aid and Development Commission
AquAid	Health Poverty Action
The Ashden Trust	Helpage International
Barbara Cairns Charitable Trust	ICCO Netherlands
The Blandford Lake Trust	Irish Aid
Bread for the World Germany	Islamic Relief Worldwide
British Council	Isle of Man Government
Caritas Austria	Johanniter-Unfall-Hilfe Germany
Charles Stewart Mott Foundation	John and Sue Edwards Charitable Trust
Church Communities UK	Latham & Watkins
Church of Sweden	Latin American Children's Trust
Climate Justice Resilience Fund	Mercy Corps UK
Comic Relief	MIF – Multilateral Investment Fund (IDB Group)
DanChurchAid	Nethope
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Norwegian Church Aid
Diakonia Sweden	Oxfam GB
Disasters Emergency Committee (DEC)	Oxfam Intermón
European Climate Foundation	The Overseas Aid & Development Commission
European Commission DG International Partnerships	Peace Nexus
European Commission DG ECHO (European Civil Protection and Humanitarian Aid Operations)	Primate's World Relief and Development Fund
Evan Cornish Foundation	Roughley Charitable Trust

SAGE Fund

Save the Children UK

Scottish Government

Simmons & Simmons

START Network

Swiss Agency for Development Cooperation (SDC)

Swiss Church Aid (HEKS)

Traidcraft

Trocaire

UK Research and Innovation

UN Women

UNICEF

United Methodist Committee on Relief (UMCOR)

United Nations Development Programme (UNDP)

United Nations Food and Agriculture Organisation (UNFAO)

United Nations High Commissioner for Refugees (UNHCR)

United Nations International Organisation for Migration (IOM)

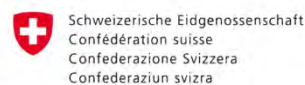
United Nations Office for Project Services (UNOPS)

United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA)

United Nations World Food Programme (UN WFP)

United States Agency for International Development (USAID)

The Zochonis Charitable Trust





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